Jon Helsdingen – General Manager, AbbVie Switzerland

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AbbVie Switzerland's Jon Helsdingen outlines how he has led the Swiss affiliate through a full scale office move, the acquisition and integration of Allergan and the COVID-19 pandemic in a single year. Helsdingen also touches on talent acquisition challenges, the competitive Swiss market, and AbbVie's digitalisation journey.

Jon, could you share your motivation for assuming the role of general manager (GM) for AbbVie Switzerland in July 2019?

Previously I worked with Novartis and very much enjoyed my two years as GM for Southeast Europe and four more years as GM for Novartis Oncology in the Netherlands. For me, the GM position is one of the best jobs around, really, because you can think of an idea, discuss it with the team and start implementing right there and then. I also spent almost 12 years in global roles. These are great too, just different in nature. The global matrix is good for designing global strategies but speedy implementation happens locally.

When AbbVie approached me for the GM Switzerland position, I did not need to think that long. Great company, wonderful country, and a bright future ahead. What more to wish for, right?

How has your first year leading AbbVie's Swiss affiliate been, especially against the backdrop of the COVID-19 pandemic?

It has been a very interesting and turbulent time. We have been on a high-speed train, transforming AbbVie into an agile and high-performing organization, capable of launching a series of new treatments across multiple indications, while at the same time successfully dealing with three big events in one year: A full scale office move, the acquisition and integration of Allergan, and of course the global COVID-19 pandemic. Those are all rare events, unlikely to happen again all at once so the year was unprecedented, exceptional, rewarding and a great learning experience for all. We have really grown and matured during this time. That said, there will always be the shadows of so many lives lost due to COVID-19; a real tragedy that will always define 2020 in the history books.

AbbVie has been tremendously successful with HUMIRA®, the best-selling therapeutic in history. Over the last few years, AbbVie has been looking to transition into a more diversified company with a wider portfolio. For a company to move from having such a major flagship product like HUMIRA® to become an excellent and high-speed launch machine, many things have to change: mindset, skills, capabilities, team structures, organization, execution, etc. We all realized that "what got us here won't get us there" and we worked diligently to reinvent ourselves and reimagine the future. I am pleased and proud to say it has been a very successful turnaround in many ways and we are still growing.

Three recently launched products in Leukemia, (Venclyxto), Skyrizi (Psoriasis), and Rinvoq (Rheumatoid Arthritis) are all performing well, exceeding our expectations, and we just received positive news on additional indications for all three. We have also intensified our training, talent acquisition and people development efforts even further. Exiting times!

Personally, I experienced and benefited greatly from AbbVie's comprehensive onboarding program. While it is a relatively young company, it has a surprisingly strong and well-established culture. There are very clear ways of working with well-balanced attention to not just the "what" but also the "how" of our achievements.

What kind of talent do you need for such a mission?

I believe and have experienced that culture eats strategy for breakfast and people are the absolute beginning and end of everything. You can have the best strategy but without the right people and

mindsets in place, it will not work. For this reason, I pay a lot of attention to the cultural fit, whether people are coming from a high-performance culture, whether they are agile, quick learners, real team players, truly curious, sincere, and so on. It is not so much about X number of years in this therapeutic area, because quick and agile learners can master new indications quickly.

That cultural fit is therefore the most important feature. Switzerland has a lively job market, and AbbVie has consistently ranked high as one of the best places to work. In fact, in 2020 we were THE best place to work, topping the list in our category (medium-sized enterprises) in the Great Place to Work Switzerland survey this year. This speaks a lot about how much people like to work for AbbVie and how well they fit the AbbVie culture. I think we have a very warm, supportive, ambitious and effective culture that welcome talents, and we receive a lot of interest from potential candidates.

What therapeutic areas is the new AbbVie focusing on and what will be launched in the Swiss market?

HUMIRA® has been a wonderful product against many indications but AbbVie has made it clear that it wanted to diversify its business to be less dependent on HUMIRA®. The acquisition of Allergan was an extremely good move because Allergan had a very interesting portfolio from a medical point of view, and the portfolio is also complementary to AbbVie's. We do not have overcrowded therapeutic areas. Allergan also had many assets that they could not develop themselves because they lacked the R&D footprint and the financial means to do so.

Immunology is AbbVie's traditional powerhouse area and remains a stronghold but with the recent launches and the own and acquired pipeline developments, we're diversifying at high speed. We launched VENCLYXTO® for chronic lymphocytic leukemia (CLL) (19:04). Through Allergan we've acquired a strong performing Eyecare portfolio with many opportunities for further growth. AbbVie can provide the resources to develop and grow areas that Allergan by itself was not able to do, at least not to this extent.

We also have many opportunities in the neurology space. We have had DUODOPA® for Parkinson's disease for a while now and it is still performing well but Allergan's Botox has many medical applications in neurology as well, so we have merged both into one neurology unit. Also, for Botox there are interesting new indications we seek to develop, like chronic migraine. We also have a team looking at gastroenterology, another therapeutic area we are venturing into.

Is it challenging to compete in the Swiss market, where you have two homegrown pharma giants based out of Basel?

It is not more difficult than any other market in the world. I think it is only a good thing for patients when there are multiple successful innovations coming from different companies. Real innovations, that is, filling a real clinical need. “Me too” products only clutter the market. AbbVie have been very fortunate with its recent innovations and launches. Whether in leukemia, psoriasis or rheumatoid arthritis, our innovations have quickly proven to be of significant added value to patients suffering from these diseases.

Competition is healthy and there are multiple options for physicians. I used to work in CNS and at one point, there were multiple selective serotonin reuptake inhibitors (SSRIs) all being launched and all promising similar results, so that developed into a ‘me too’ market where it became very difficult for companies to differentiate themselves. Sometimes collaboration is even more important than competition. The COVID pandemic made that clear when the (re)search for a badly needed vaccine took off. It wouldn’t have made it in record time, if it wasn’t for the pharmaceutical industry. Pharma is a major contributor to the Swiss economy. It makes up around 40 percent of Swiss exports! Switzerland wants to remain a strong pharmaceuticals and biotech hub and the climate for investing and research is positive and strong.

With these new launches taking place during the COVID-19 pandemic, how difficult has the digitalization journey been? How has AbbVie been made fit for purpose digitally speaking?

Going digital has always been work in progress. Every company is trying to reach a more digitalized environment, not only in terms of interacting with physicians in a digital manner but also more generally within the healthcare sector and patient care.

Certainly, the COVID pandemic forced us to move a lot faster in adapting to these technologies. Previously, it was a ‘nice to have’, and most companies did it on the side. Today, it is a ‘must have’, and digitalization has become a mainstream activity that all companies, healthcare professionals and other stakeholders just need to embrace. The pandemic has affected everyone so there is no alternative. As a result of the pandemic, healthcare professionals have become much more willing to meet online, where previously they might have only done face-to-face meetings.

Patient associations too. That said, nothing beats a face-to-face interaction. This experience may have boosted our capabilities of meeting remotely, but remote meetings will never fully replace in-person interactions and the additional connection it brings. Not just customer interaction, but in-person interaction with co-workers also remains important. We managed well though. Everyone was working from home and we could barely visit any customers. I was impressed by how fast the team adopted to the new technologies and how they managed to schedule meetings with healthcare professionals so quickly.

Keeping in touch with our healthcare workers was really important to us, because of another risk the COVID crisis brought us: the limited access other (non-COVID) patients had to their doctors. Patient visits were cancelled, diagnoses were missed or delayed, and treatment initiations postponed. We worked hard to find interaction solutions to prevent other patients were left behind during this pandemic. We had to learn quickly, and we learnt well. Overall, we managed to ensure that no patient failed to receive our drug if they needed it.

In the midst of the second peak, it will be crucially important to not leave other patients behind and physically or digitally, keep in touch and ensure treatment.

Besides interaction, the more important and interesting possibility of digitalization is the increasing need for real world evidence of our treatments and patient care strategies and the outcomes these generate. Real world evidence will allow the whole healthcare sector to see how effective it really is and share best practices based on best outcomes. Pricing and reimbursement of treatments and institutions will in the future be based on outcomes, not costs but for that to be possible, digital innovations will have to be widely accepted and adopted. It’s probably the only way forward to realize this future. The pandemic may just have given those efforts and realization a boost as well.

The pandemic has affected pretty much every industry, with Internet companies like Amazon benefiting tremendously, and others suffering terribly. In terms of figures, has AbbVie Switzerland still managed to perform to expectations this year?

I am happy to say, yes, we did manage well. The targets we set for this year have been met but more importantly, we ensured that supply to the patients using our treatments was uninterrupted. Obviously, we did see a dip in new patient initiations, especially during the first wave of the virus, particularly for treatments that had to be administered in hospital. Fewer patients came to the office or hospital to receive their treatments or even to be diagnosed. This occurred across pretty much all therapeutic areas,

We have managed to recover from the dip, and just last week, we confirmed that all our yearly targets were met. Could we have done better without the crisis? Probably. But we managed to switch our business model to interact with our customers online wherever we could, and we managed to connect all our patients with their treatments. It has been a steep but very valuable learning curve, not just for us but the entire industry, and I am happy how well we performed and still are performing.

Since the last time we covered Switzerland, we have seen that there have been some hiccups with the approval and reimbursement environment in Switzerland. What is your perspective here?

Firstly, Swissmedic has been very responsive during the COVID times. We did not experience many delays, and I must commend them for that.

The basic challenge with Swissmedic is the fact that, while they are pretty quick to approve a certain treatment, the label discussions take a very long time. It can take up to 200 days in some cases, and then afterwards, we still have to go through the pricing and reimbursement discussions. This is where Switzerland is now struggling. I heard that the timelines used to be pretty fast but now, they seem to be lagging behind the US FDA and the EMA.

It is also challenging for Swissmedic to be working on its own. They do have some collaboration with other regulatory authorities, which is positive, but there is still a lot of work to be done, and the files are piling up. Legally, they have to provide the manufacturers with an answer on our dossiers or automatically approve it within 60 days. So far that typically only happens in around 40 percent of the cases. Access is also becoming more difficult and time-consuming, especially for new innovations with high unmet needs. I think Swissmedic could do more to partner with other regulators. Assessments by the US FDA and the EMA are no less rigorous than those performed by Swissmedic so I think more collaboration here would shorten the timelines and reduce the workload for Swissmedic.

As an industry, we strive to partner with them. We have been working with the Swiss research-based pharma association, Interpharma, on different proposals to accelerate access. For instance, Interpharma has suggested allowing immediate access on some therapies but developing outcome-based pricing and reimbursement rules. However, the problem is that these new innovations have to be implemented within a relatively old infrastructure. The Swiss health system would need to assess and improve its current infrastructure, and bring in new (digital) technologies, in order to

allow the new market access models that we develop to demonstrate these can provide a win-win situation for patients, prescribers, payers and industry.

During our interview with the European Network for Health Technology Assessment (EUnetHTA) executive chair Niklas Hedberg, he said that value-based contracts or outcome-based contracts sounded like a good idea at the beginning, but regulators have started to realize that the data being provided is often insufficient or even non-existent. There seems to be some lack of trust or understanding between the pharma companies and the regulators on this topic. What do you think?

Historically, perhaps, there is some distrust between industry and regulators, not so much in Switzerland, but indeed, in many other countries, when they see a value-based contract, authorities may think, ‘what is the catch?’

But the problem really is the fact that we lack the infrastructure – not necessarily from a technical point of view, but more from a regulatory and legal perspective, because if you ask Apple or Google today, they could probably implement the necessary digital systems in a heartbeat. In many cases, pharma companies bring very viable solutions, but these solutions require the existence of outcome measurement systems. If we cannot have access to the data or we are not allowed to even collect that data, then it becomes very difficult to implement such models. Some countries are much more advanced in terms of digitalization of patient records and so on, which enables data analysis at a higher level and system innovation.

Currently, authorities see these contracts as additional workload because they feel like the burden of proof is on them to define and assess the outcomes. Sometimes they lack the resources and infrastructure to measure the data needed, so it prevents them from accepting such proposals. Sometimes regulators are used to doing things a certain way, and they lack the funding or staffing to innovate the entire structure itself, so it becomes very difficult to accept any innovative pricing or reimbursement proposal.

However, these proposals ultimately support the construction of a sustainable healthcare system and a sustainable healthcare industry. It is in nobody’s interest to win at the expense of other stakeholders because that will not sustainable. We need to ensure that these wonderful innovations reach the patients. If we want to measure the true effectiveness of healthcare interventions and new therapies, we need to build the right infrastructure and implement the right frameworks. When the win-win is clearly demonstrated, all parties will be more trusting and

actually look forward to innovating the market access models.

How has AbbVie dealt with pricing and reimbursement in Switzerland?

I think people need to realize that the authorities are the ones that approve drug prices. The industry can suggest but at the end of the day, the authorities determine the value and the prices they want to pay. There are discussions and the decisions are mutual. I think our products are priced appropriately and in line with expectations in Switzerland.

We had an interesting experience with one of our new treatments for which the label discussions took a long time and at the end of the day, despite the fact that regulators globally – like the US FDA and the EMA – had approved the therapy for every indication, Swissmedic insisted that the drug should only be approved for second-line therapy. The question we have is whether this was due to clinical or financial considerations. We are going to reapply, certainly, but it was a strange experience.

I think it would be great if we could start pre-discussions with Swissmedic and the Federal Office of Public Health (FOPH) much earlier in the process so that we can prepare for much more meaningful discussions and align our expectations upfront. That would benefit all of us in gaining a more thorough understanding of the entire process, the dataset the additional data necessary for submission.

Looking forward, how do you see the Swiss affiliate growing?

We currently have around 175 people in the Swiss affiliate with revenues of around CHF 180 million (USD 200 million), including Allergan’s operations. I certainly see a bright future, simply because of the number of launches and indications we have executed and will continue to execute. We expect three more major launches next year, and even more for 2022. We will keep building our teams to ensure all patients in need can receive those treatments as soon as available. We do have a wealth of opportunities ahead of us and we need to be most efficient, diligent, and skilled to realize and maximize those opportunities. This is a luxury problem to have: too much work to accomplish! AbbVie Switzerland will keep diversifying and growing.

Finally, overall speaking, what can Switzerland bring to the global AbbVie organization?

Switzerland is a pharma and biotech hub and as a result, it is a much more important market than its market or population size would suggest. It has always played a bigger role on the global stage, despite only having around 8.5 million people. In terms of employment and export, too, healthcare is a huge player, representing 40 percent of Swiss exports, for instance.

For AbbVie, in sales terms, the Swiss affiliate makes a significant contribution to the global results and are certainly not overlooked. That said, any country, no matter which size, counts. Patients are everywhere and AbbVie’s efforts to get them the treatments they need count and are appreciated everywhere on the planet.

Switzerland is also important for clinical development. We have consistently delivered on all recruitment targets, we participate in all the main trials, and we have extremely good relationships with stakeholders here. There are around 45 clinical sites we continuously cooperate with, and we have around 25 trials running at the moment.

From both the clinical and business perspectives, Switzerland plays a significant role and I look forward to keeping it that way.

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