

Eric Björnström General Manager, Grifols Nordic



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Grifols is a pioneer in plasma science that develops plasma into essential medicines used to treat rare, chronic and life-threatening conditions. Eric Björnström, general manager for the Nordic region, explains how the company is leveraging its knowledge of the public tender process to continue to grow in the region, highlights Sweden's unique assets like the quality registries, and discusses his long-term vision for the affiliate.

After being named general manager of Grifols Nordics earlier this year, what are your first impressions of the region?

Grifols has a relatively small operation in the Nordics, but it is backed by a large global corporation. I have seen a very committed and skilled workforce; there is a strong culture of solution-oriented can-do attitude despite being a small team. Although Grifols is listed on the stock market, it is still a family-owned company with a long proud history. I feel very welcome here. The growth rate of the affiliate has been outstanding, with double digit growth every year since the inception of the regional office in 2010.

What attracted you to join Grifols?

Grifols's heritage in the plasma derived business was very appealing to me, as well as the exceptional growth of the Nordic affiliate. Also, it was a natural step for me, career-wise; I had been in leadership positions before, but not at such a high level. I have experience in many of the different pharmaceutical sectors. I like to see the whole picture and a global organization suits me well, having my hands on cross-functional areas is very rewarding.

You just mentioned the high growth rate of the company in the region, what is the strategy to continue expanding?

Grifols has built up a strong product pipeline and new products will of course be launched in Sweden and the Nordics. Grifols has a wide product portfolio in other European countries and our intention is to offer the same range of products to the Nordics patients.

These are exciting times as we are now present in the three different business areas. Bioscience generates the bulk of our revenues at around 75 percent, followed by the diagnostics business acquired from Novartis, and finally, the hospital division which consists of instruments, techniques and tools that are geared towards making automation of the pharmacies in a hospital setting more effective.

This year we will solidify the operations and prioritize certain products because, being a relatively small organization in Sweden, we need to do things step-by-step. For example, we use distributors in the Nordics for transfusion medicine, which is a division with very promising products, and we are still looking at their potential.

Grifols is growing organically in the region and I envision that we will grow continue to do it in the following years.

One challenge we have is that the global plasma-derived market has an issue with supply. That is why we need to grow at the right pace; it's important to expand the plasma donation centres. There is a huge unmet need in the market at the moment.

What are the main challenges for Grifols in the Nordic region?

The depreciation of the Swedish krona is an important challenge. Also, since our business is tender-driven, and considering that the tenders in the Nordics have the issue of being for small markets compared to other EU markets, there are no volume guarantees and, occasionally, they focus too much on the lowest price per unit. In general, market access issues are getting more important and increasingly complex.

It is important to look at the different markets in the region since the tender setup is not uniform. In order to succeed here, it is imperative to know the market set up and position your products to influence tenders.

The global supply issue is another factor to consider because when plasma supply is scarce it has a direct impact on every company's strategy. Allowing price changes in relation to supply is something that Sweden should pay more attention to.

What are the main strengths of the Swedish market and how do you capitalize on them?

Sweden has a long tradition of great R&D and manufacturing in life science. The life science business and its innovations are important to Sweden, so much so that the government has established a Life Sciences office to promote the field.

Also, the Swedish Medical Products Agency (MPA) has a great reputation in the regulatory field, they are known to have a pragmatic approach paired with scientific excellence. Talking about unique assets, Sweden's quality registries are certainly an advantage for the industry.

But for us, the tender set up is a more important aspect. Regional tenders, as well as split contracts in certain product areas, spread the risk for buyers and suppliers; it is a positive for all. A few eggs are spread in several baskets instead of all eggs in one basket, so to speak. Also, Sweden has, in some cases, not focused on the lowest price per unit only, but on the most economically advantageous tender, taking several parameters into consideration; we welcome this approach. The new European directive on public procurement implemented a few years ago emphasized that the most economically advantageous tender should be the main award criteria.

Looking at the reimbursement system, Sweden is still value-based, which is also a positive aspect for suppliers in contrast to reference pricing. On the other hand, the country could respond faster in terms of introducing new patented drugs.

The market is getting more complex; for example, the hospital pharmacy sector is now a tender market. Grifols is leveraging its knowledge of the tender process to continue growing in the region. We might be a small team, but we are able to shift and adapt quickly. It also helps that we are backed-up by the global group which has a reputation of excellence in the supply chain from plasma collection via fractionation and purification to finished product.

Can you explain the importance of the Nordics for Grifols's global operations?

Sweden is the most populated country in the Nordics with over 10 million people, but the size of the whole region is still relatively small compared to other markets like China. Nevertheless, the Nordics affiliate enjoys a great reputation and continues to provide good sales growth for the company. We have a long tradition of innovation. If you look at society in general, there is a desire to work with new technology.

For example, we sell a product for Alpha-1-antitrypsin deficiency, a rare genetic disorder that causes symptoms which are similar to chronic obstructive pulmonary disease (COPD). Interestingly, this disease was discovered by a team in the southern part of Sweden and is sometimes referred to as the "Swedish disease". Even though this is a costly disease, it is not being treated in Sweden except for young patients or patients with a predetermining factor that can lead to a prescription from a physician. Despite the fact that it is well accepted in other EU countries, additional data seems to be required to achieve the willingness to pay in Sweden. This is something we would like to achieve.

What is your final message?

That anybody that intends to enter the Nordics market needs to understand that there are several differences between the countries that should be considered, it is not a homogeneous region. Market access processes differ, i.e. in one country a certain product may have to go via tenders, in another via the reimbursement system to get market access. There is also a language barrier with Finland and clinical traditions may vary. Those differences are reflected in the delayed joint initiative between Norway and Denmark to do tenders together.

I expect that in the coming years we will introduce more products of our portfolio in the region. My mission is to grow our sales in a sustainable pace and offer Grifols's most innovative products to Nordic patients.

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