

Interview: Florian Ibe Managing Director, Bayer Portugal



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Florian Ibe, managing director at Bayer Portugal, discusses market access hurdles, as well as Portugal’s expertise in scientific and clinical research and highly educated workforce. In three years of his tenure, Bayer has returned to growth, brought the global innovation portfolio to Portuguese patients and healthcare professionals in areas such as cardiology, ophthalmology, oncology, hemophilia and contraception.

What milestones have you reached over the past three years of being country manager for Portugal?

Following the period from 2010 to 2014 which saw a decline in overall sales, I am delighted to announce that Bayer Portugal has returned to sustainable growth. We were able to bring to the market several innovative treatment options for Portuguese patients and healthcare providers.

The Portuguese economy went through a deep financial crisis between 2010 and 2014, which led to significant declines for most Pharma companies due to austerity and savings measures, such as for example price cuts through referencing pricing. The resulting decline in sales led to a restructuring of Bayer’s organization in Portugal. Fortunately, the economy is also recovering and on a growth trajectory.

For 2018, we intend to continue the path of sustainable growth, combining growth with the right levels of investment. We always strive to educate healthcare professionals the best way possible to ensure utilization of our products for the right patients for the best outcomes. We are faced with the

budget constraints of the SNS (National Healthcare System), but it is essential to make all innovation available in the market. Therefore, we work closely with the Portuguese authorities and healthcare professionals to ensure access to our products for all patients and users that can benefit from them.

Our most pressing concern has not changed over the years. We strive to ensure that Portuguese patients and physicians have access to the innovative drugs that we bring to market.

Globally Bayer is a leading innovator with medicines in therapeutic areas including cardiology, ophthalmology, and oncology. To what extent is the global portfolio present in Portugal?

In Portugal, we have launched all our global innovative products with a time delay that varies up to two and a half, three years compared to other European markets. We are, of course, delighted to provide access to innovation, but we would like our medicines to be on the market sooner. Financially, we are able to balance the late entry of our innovative offerings with a sizeable offering of more mature products that continue to be relevant for patients and HCPs.

Overall, we have a stronger presence in the ambulatory market but we are growing faster in the hospital segment. Bayer's strategy and pipeline investments target these areas as is the case for many Pharmaceutical companies.

Hospital products, generally speaking, are more targeted to certain specialties and require a different promotional approach. Not only are we talking about fewer healthcare professionals prescribing our products, but we are also talking about smaller patient populations that benefit from our treatments. Good examples are Oncology, Hemophilia or Ophthalmology. In these areas, we need to work closely with the key hospitals, centers and specialists to create partnerships that go beyond the promotion of a single brand or product.

What is the strategic importance of the Portuguese affiliate for Bayer global?

Portugal is a relatively small country and Bayer Portugal in the broader world of Bayer is a small contributor to overall revenues. However, the strategic relevance of this affiliate is in other areas: in clinical trials, we are constantly increasing investments, and we expect further growth in the years to come. The Portuguese are innovative and given that we have limited resources, we are often more creative and innovative than other countries. This allows us to experiment with new approaches that we can then replicate in other markets.

Bayer Portugal has a very successful research collaboration with the iBet (Institute of Experimental Biology and Technology), where we run a satellite laboratory with 12 scientists fully dedicated to Bayer's research, particularly in the field of antibodies that will address unmet needs not only in Pharma but also in agriculture, one of Bayer's core strategic areas. Our long-standing partnership with iBET is an excellent example of how we can leverage synergies between our business areas Pharma and Agriculture.

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What challenges does Bayer face regarding market access in Portugal?

Overall, the market access process and the HTA is a sound methodology with a robust model. Unfortunately, we face significant delays in the review process due to a lack of resources at the relevant authorities and chronic underfunding of the SNS. Even though there is the intent to accelerate the review process, we still face significant delays beyond the 180 days (210 days including contract negotiation) of review.

For Bayer internally, we are typically one of the last countries in Europe to launch new products. This delay not only means late access of Portuguese patients to innovative treatment options, but also means a negative impact on our sales compared to other markets. On the positive side, the delay allows us to learn from other markets and tailor our educational efforts to these learnings. This includes patient identification, side effect management and patient counseling, among others.

How do you advocate for more investment from HQ given that there are countries close to Germany that experience faster reimbursement than Portugal?

The delays clearly put us at a disadvantage and we face those challenges all the time in discussions with our international colleagues. On the other side, the quality of the study centers and researchers in Portugal is excellent: from our collaboration with iBet, to the level of education of all healthcare professionals. Although it is chronically underfunded, the national healthcare system (SNS) is unique and the university education received in Portugal is at a very high level. We have many experts that are renowned worldwide in the medical and scientific community.

The government is incentivizing investments in R&D in Portugal and financially speaking, it makes sense to invest. This is an additional argument in our discussions with headquarters, but only secondary to the quality of R&D in Portugal.

How open is the government to dialogue regarding a restructuring of the healthcare system or to risk-sharing agreements?

The most prominent concern for the government is financial stability and predictability of spend, ensuring costs are kept under control. If we consider risk-sharing agreements, then the government loses visibility to a certain degree. We understand that it is difficult to have less predictability on drug spend, but we argue in favor of changing the way we think about and discuss financing of drugs. I mentioned before that the Portuguese are known for their flexibility and creativity, though when it comes to budgets the government has maintained a relatively rigid approve.

To ensure that Bayer is best placed to benefit from future changes, we drive the discussion for different models, specifically risk-sharing agreements. Further, we try to position Bayer as part of the solution, and we try to avoid the notion of simply "selling a drug"; and ensure we are known to be part of a broader solution. We optimize patient pathways at a national level and minimize the impact on other areas of spend pertaining to the national healthcare system. For instance, if we have a drug that not only improves patient outcomes but also reduces hospitalization, then the whole impact of the treatment should be considered, not only the drug spend. The beauty of the "national" system is that we can evaluate and look at drugs in an integrated way, therefore avoiding a Siloed approach.

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"Science for a better life" is the Bayer slogan. What is the importance of science for Bayer in Portugal?

Science is key to our strategy of bringing innovative drugs and solutions to patients and healthcare providers. We have our successful collaboration with iBET in basic research as well as our clinical trial program with currently 22 clinical trials in Portugal that include more than 900 patients. In addition to the more traditionally based R&D approaches around molecules, we are engaged in several initiatives to emphasize the importance of science for Bayer in Portugal.

Notably, our *STEM 4 health* initiative brings together start-ups, stakeholders interested in new scientific ideas and Bayer. The creation of this ecosystem will build a network of ideas and

stakeholders keen to bring innovation to patients. Our approach is to identify appropriate startups and innovative ideas that we then integrate into our worldwide programs. Bayer's open innovation platforms provide everything from financing to co-working options and access to Bayer's resources and knowledge.

Would you say that the environment in Portugal today is a good breeding ground for first-time general managers?

The size and relative importance of the country is perfect for a first-time General Manager to embark on their career. Especially in Bayer Portugal, we have a very dynamic and creative team in place, which in my view facilitates the job of a first-time general manager. I also think that the market poses several important challenges for a first time general manager, including the mix of traditional promotion with the need to launch innovative customer interaction models as well the significant market access challenges. In my view, Portugal is an excellent country to learn the necessary skills of a general manager. Moreover, the Portuguese are wonderful people that make it a great pleasure to work and live in their great country.

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