

Interview: Hervé Lilliu, General Manager, UCB Canada

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Hervé Lilliu, General Manager of UCB Canada, describes Canada's need to support the global pharmaceutical industry rather than vice versa, and highlights examples of ways in which Canada's slumbering R&D investment levels can be brought back to the country.

What was your initial mandate upon arriving at UCB and what have been the central challenges you have faced?

UCB is in a post-startup mode, meaning we are a young organization, conceived six years ago. UCB has less of a foothold in Canada compared to other companies with a longer history such as some of the American based firms. As the Canadian affiliate is a young organization, our principle directives are to establish our position in Canada, whilst simultaneously seeking to grow into a major player in the Canadian pharmaceutical industry.

Managing growth is always a difficult task, as there are many different economic facets to consider. Furthermore, since UCB operates in the very specialized field of severe diseases, the primary challenge is attracting the right talent from a small talent pool across the breadth of the value chain.

It has been said that Canada has a great talent pool. What are the specific challenges facing talent for UCB?

The talent pool in Canada is a mixed blessing. It is true that the country is home to some exceptional, internationally renowned universities that produce a myriad of high quality entry-level managers. However, finding senior staff is a much greater challenge. Some Canadian pharmaceutical companies have divested a significant portion of development and manufacturing operations abroad, and thus the global market has been polarized into four core hubs: Western and Eastern US, London and Switzerland. These hubs attract 80 percent of the outstanding talent in the market, which has resulted in a dearth of senior level executives left in Canada.

Canada is often perceived as a mix of American and European culture. How do you envisage Canada's future relationship in terms of the EU versus the US?

Balancing this competing relationship is both a challenge and an opportunity. Canada is also close to Asia, and that strategic position can augment Canada's influence in terms of shaping international healthcare reform. Canada's health system operates under a unique hybrid model that in many ways reflects its mixed history, economy and culture. The healthcare system is a mirror of this diversity: Canada juggles a welfare system akin to Europe, and also runs a private system that emulates the healthcare system of the US to some extent. Despite managing the value of

biopharmaceutical products for the last 20 years, I have yet to form an opinion as to which is the superior system.

Canada has seen many companies divest their R&D and manufacturing capabilities abroad. What can be done to incentivize such companies to return back to Canada?

To bring back investment for innovative companies, incentives need to be instilled in the system and policymakers must strive to make this happen, as they have a range of tools at their disposal. Countless international examples prove that business incentives do work, such as tax credits or easy access to mortgage. There are multiple global examples of hubs that have taken root and spurred because of such positive incentives. Switzerland is an apt example of the positive impact of tax incentives, with multiple biopharmaceutical firms having established their R&D centers there as a result.

Do you think tax credits initiated by the Canadian government are enticing enough for biopharmaceutical companies?

Tax credits are a solid incentive but they are not enough. There are a range of both monetary and non-monetary instruments that could be implemented, such as supplying office space or land, establishing academic partnerships or public-private partnerships, and creating training hubs. Putting money on the table is not the only answer; policymakers need to think outside the box.

Is the proper amount of attention being given to mental health illnesses in Canada?

Neuroscience comprises a range of complex disease states. UCB specializes in combating a range of neurological diseases such as Parkinson's or epilepsy. These diseases are less controversial than some other forms of mental health illness that often have a stigma attached to them and are tackled by psychiatrists. Nevertheless, I believe in terms of understanding and tackling neurological illness, and Canada is taking the lead by setting a positive example, as seen with initiatives such as Purple Day, which raises the profile of understanding epilepsy and is recognized internationally.

There have been numerous cases of patients in Canada being incorrectly diagnosed with epilepsy. How does UCB raise awareness to ensure epilepsy is diagnosed correctly?

UCB has developed a patient application (www.e-action.ca) that explains the basics of epilepsy and its symptoms. Furthermore, the company is supporting the Canadian Epilepsy Alliance in its effort of further raising awareness. Last year we announced the results of the first survey on the impact of epilepsy on Canadians. The rate of misdiagnosis is the same in Canada as everywhere else, largely due to a misunderstanding as to the exact type of seizure involved. Epilepsy is a group of diseases with many complex types affecting different parts of the brain, and as such Canada and every other country needs healthcare professionals who truly understand this complex disease.

How relevant are clinical trials to the operations of UCB Canada?

They are very relevant. Canada has an excellent infrastructure for clinical trials, particularly since the quality of research provided is second to none. The full potential of clinical trials in Canada has not yet been realized. From the regulatory perspective, the FDA and EMA are the world's two principal regulatory agencies. I think there is more Canada can do to provide patients for FDA and EMA studies, as well as initiating more Canadian-specific studies.

What will be the key growth drivers in UCB Canada's product portfolio in the short term?

We have just launched a treatment for Parkinson's disease, which will act as a real growth engine for the next year. UCB also has a treatment for severe arthritis, which is currently being reviewed by Health Canada for two new indications and will also be a major driver.

How would you say the approval process of Health Canada compares to other countries in which UCB operates?

Canada is adroit at learning and adapting traits from other regions. In particular, Health Canada is extremely well connected with the EMA and FDA, and can extract the best characteristics from both. Nevertheless, Health Canada is a necessary but small part of the regulatory machine. The challenge for a global company involves seeking approval and complying with various regulatory bodies. Subsequently after approval, the product needs to be affordable and accessible; the regulatory process is just a part of the equation.

What is the strategic importance of UCB's Canadian affiliate in comparison to the global organization?

The strategic importance in Canada is centered on patients. Canada has one of the best healthcare systems in the world in terms of quality of care and data collection. It is a market that simply cannot be left behind.

From a macro perspective, the biopharmaceutical industry has faced some profound challenges over the last few years. The cost of R&D has been high and with the flat lining of the American and European economies, there has been acute difficulty in finding growth areas. Clearly the BRICS states present growth opportunities, but so does Canada, particularly in the specialty markets, where double-digit growth could potentially be achieved.

What would you have liked to achieve over the next five years?

I believe that the paramount barometer of success is reaching more patients who are in need of our therapies. In addition, UCB has an attractive portfolio pipeline that will be launched over the next five years and will catapult our growth potential as well as bolster our continuing capacity to punch above our weight. Furthermore, one of my goals at UCB is to form more partnerships in the academic space and build on this platform.

What attracted you to UCB and what keeps you motivated?

Great companies have a sense of purpose and UCB has that. To be successful, our employees need to understand their objectives and immerse themselves in the UCB vision. Moreover, the diversity of the international markets is also an appealing challenge; I relish the opportunity of negotiating with over 45 markets.

What does Canada need to do to get itself recognized internationally?

The pharmaceutical market in Canada is a gem. The clear difference in the size of the Canadian and American markets does present challenges. In Europe, there is a cluster of cooperation between the core countries, and this facilitates synergies in that region. Conversely, Canada is slightly isolated; it needs to cement its place on the global pharmaceutical map. To paraphrase President Kennedy, it is not so much what the pharmaceutical industry can do for Canada, but what Canada can do for the pharmaceutical industry. The Canadian biopharmaceutical and biotech market is laced with latent potential and policymakers need to turn this potential into something tangible.

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