Interview: Rami El-Cheikh â?? National Pharma & Life Sciences Leader, PwC Canada

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19.03.2018

Tags:

Canada, PwC, Consultancy, Healthcare, Pharma, Investment, Strategy, Emerging Trends, Cannabis

Moving into the position of National Pharma & Life Sciences Leader, PwCâ??s Rami El-Cheikh announces the firmâ??s plan to introduce the comprehensive Pharma Advisory Services currently existing in the US into Canada, including enterprise and function-specific service expertise. He further identifies areas of potential growth in healthcare-related industries, putting forward the tremendous opportunities that lie in the medical cannabis field.

What is the scope of PwCâ??s pharma and life sciences practice in Canada today?

In Canada, we have excellent coverage of the pharma and life sciences sector with a robust Assurance, Tax, Consulting and Deals footprint. Our client base is large and well diversified, including global and local as well as independent pharmaceutical, biotech, medical device and retail pharma companies.

We currently serve 20 of the worldâ??s largest pharma companies and nine amongst the top ten largest medical device companies. We are equally working with four of the top five global CROs and all three of the top drug distributors.

The breakthrough field of medical cannabis also falls within the scope of our Pharma and Life Sciences practice. Our team has worked with a number of pharma companies to help them explore the nascent medical cannabis sector and understand the implications on their business in Canada and globally.

What are the current priorities for your business in healthcare and life sciences?

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The top priority for PwCâ??s Pharma and Life Sciences Practice is to scale-up our advisory services. This is one of the primary reasons why I have been appointed to lead this practice; I have over 15 years of corporate strategy and management consulting experience and have led a number of high profile advisory mandates for pharma companies in Canada and the US.

To illustrate our commitment to the Canadian pharma and life sciences sector, we will be bringing the majority of our pharma advisory capabilities existing in the US into Canada to assist our current and prospective clients with their critical issues. These advisory capabilities include:

â?? Enterprise Strategy (corporate strategy, growth and market entry strategy, business planning and M&A as well as divestiture strategy)

â?? Research & Development (R&D strategy, pipeline and portfolio management, clinical development, advanced analytics)

â?? Manufacturing & Supply Chain (operations strategy and transformation, supply chain excellence, procurement and sourcing)

â?? Commercial (commercialization, sales and marketing, product launch, market access, patient engagement)

â?? Enterprise Functions Advisory (risk and regulatory compliance, internal operations and shared services, technology enablement, advance enterprise analytics)

In addition to bringing our US-based pharma capabilities and building on our existing internal capabilities, we are recruiting seasoned pharma executives to expand our talent base and bench strength.

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All of this will enable us to take an issue-based approach to help our pharma clients close the gap between ideation and value creation.

Although Canadians are known for being very collaborative, their approach to healthcare has historically been rather siloed. How do you bring all players to the table to advance collaborative discussions?

At PwC, we are privileged to be at the center of the healthcare ecosystem. We work closely with a number of diverse stakeholders including pharma and medical device companies, biotech companies, patient groups, medical colleges, pharmacies, research institutions, governments, policy makers and industry associations. We intimately understand their strategic priorities and often connect them with each other when we identify common areas of interest and opportunities for win-win partnerships and alliances. Our clients recognize our ability to connect the dots across various stakeholders and encourage us to introduce them to collaboration-driven growth ideas. In fact, we have done a lot this between medical cannabis companies, pharma companies and innovative delivery technology companies.

As a firm, we see ourselves as an enabler of industry collaboration and win-win business development between stakeholders. We plan to increase our efforts in that regard in order to put Canada at the forefront of innovation in the pharma and life sciences sector.

What are the major trends and key developments you are observing in the Canadian healthcare and life sciences landscape today?

Like many developed countries, aging population, increased prevalence of chronic diseases and expiring patents drive pharmaceutical product trends in Canada.

Over the 2015-2016 period, we have seen the overall value of the Canadian pharmaceutical market grow by 3.5 percent in 2016, with a five percent growth for generic products and three percent growth for branded products. Specialty biologics remain the fastest growing segment of the market with ten percent growth; in 2016, seven of the top 10 leading brands in Canada were biologics.

From a therapeutic area perspective, diabetes and oncology had the strongest performance in 2016, with 14 percent and five percent growth, respectively. If we look ahead for the oncology pipeline, we can see that breast, lung, and prostate cancer and leukemia have the largest late stage pipeline.

The other Canadian developments are regulatory in nature and will strongly affect drug prices. These regulatory forces include the Federal Governmentâ??s proposed changes to the Patented Medicines Regulations, the pan-Canadian Pharmaceutical Alliance and the Canadian Generic Pharmaceutical Association agreement to reduce generic drug prices by 25 to 40 percent as of April 1 2018. Further, they include the establishment of an Advisory Council to study domestic and international pharmacare programs and recommend a path forward to implement it nationally and the newly released proposed regulation under the â??sunshineâ?• legislation, the Health Sector Payment Transparency Act, 2017.

PwC is a strong advocate of integrating technological innovation and digital solutions more into the process of delivery of care and interaction with patients in order to improve efficiency and outcomes. How do you see this trend evolve in Canada?

In the US, PwCâ??s Pharma and Life Sciences team is very active in this space. We recently worked with a major pharma company to deploy a mobile, user-friendly application to help patients monitor their condition, better communicate with their healthcare professionals, and access outcomes data for better treatments. We have also worked on a number of digital solutions to enhance patient adherence.

As a firm, we believe that digital healthcare is the next wave of improvement and we will be bringing our US pharma digital capabilities and solution platforms to our Canadian pharma clients.

In Canada, we have completed a number of advisory and capital raising mandates for new digital health entrants and innovators who are developing knowledge-based tools and clinical content for clinicians to help deliver the best evidence-based care to patients. Many of these tools are deployed in Canadian hospitals.

What potential is there for PwC in the rather unsettled marketplace of medical cannabis, and how will it leverage on its extensive network on the pharma side to foster collaboration with medical cannabis companies in the future?

The emergence of the medical cannabis industry in Canada presents a number of opportunities for PwC.

We are well-positioned to assist pharma companies in analyzing the medical cannabis landscape, understanding the implications on their core business and exploring market entry options if medical cannabis is of interest to them. The evolution of medical cannabis as an alternative to opioid-based products is becoming real in the pain management segment. As medical cannabis research advances, the threat of disruption may increase in other therapeutic areas.

Given our extensive pharma advisory experience, we are also uniquely placed to assist medical cannabis players (licensed producers) in transforming their business models to operate as widely-recognized, research-based pharmaceutical companies. There is an opportunity for Canadian medical cannabis players to become a Centre of Excellence, setting the industry standards globally.

As a firm, the key service areas we are prioritizing to assist medical cannabis players include the following:

â?? Commercial function transformation

â?? Product quality assurance

â?? Patient education and support

â?? Physician education and outreach

â?? Dosing guidance and differentiated dosage forms

â?? Screening of innovative delivery technologies

â?? International expansion to countries where medical cannabis is legal

â?? Partnerships and M&A

In the future, partnerships between medical cannabis players and pharmaceutical companies will be crucial to revolutionizing and strengthening the legitimacy of medical cannabis. Given our position in the ecosystem, and the marquee deals we have brokered because of our distinct skillset, our team is well-positioned to be a catalyst for these deals.

Companies have options for consultants and tax or audit advisors. What are the unique advantages life sciences companies gain in collaborating with PwC?

Based on client feedback, three key differentiators help our team stand out from our competitors. The first one is our unique skillset and capabilities to help clients identify new sources of profitable growth that are pragmatic and executable. Then, we take our clients to the finish line to realize the identified growth. PwCâ??s core focus is on value creation, which goes beyond producing recommendations. Finally, we are evolving to a value-based and/or success-based pricing model depending on the clientâ??s situation. We are prepared to share the risks and rewards with our clients, as true, accountable partners because we are confident about our ability to create value.

What are you personally most excited about in this new role of National Pharma & Life Sciences Leader you will be taking on?

I am most excited about my role for three reasons. First, I will be working with a strong, talented team of cross-functional experts who are committed to pharma and life sciences, a sector I am very passionate about.

Second, we will be introducing a range of specialized pharma and life sciences service offerings that were previously non-existent in Canada. These service offerings will deliver tremendous value to our clients and enable them to generate a competitive advantage.

Three, the recent trends and developments in Canada indicate that pharmaceutical companies will be meeting new pressures and countering forces. Our team is driven by big, complex growth problems. We are committed to helping our clients overcome these problems and win in the marketplace.

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