


Interview with Anita Goedknecht, General Manager, Ferring BV Netherlands

28.07.2012

Tags:

[Ferring BV Netherlands](#)

Important year for Ferring as it marks the 60th anniversary of the company's founding. Amongst the various commemorations this year and in hearing the collective experiences of your general manager counterparts, what do you consider the main factors behind Ferring's success over time?



Perhaps the most important factor is that we are still a family owned company with a very clear direction and a firm commitment of our owner. He has a strong dedication not only to the company's strategy, but also to the Ferring philosophy which was developed on the basis of his father's own approach, the original founder of the company. The key message behind Ferring's philosophy is "people come first". This applies not only to our colleagues but also to the relationships that we have with our customers, key opinion leaders, and our patients. "Respect" is the key word and the basic assumption. This reveals in the way we operate in business relations and is reflected in how we market our products as well as in the way we make investment decisions.

Second, we always stick to our four key therapeutic areas which is a strategy spread out across Ferring throughout the whole world. Every affiliate is focused on our core business areas and we are not deviating from that. Our clear focus on the Ferring philosophy in conjunction with the drive of our owner has made Ferring successful.

What started off as a company operating out of two rented rooms in Malmö, Sweden has since evolved into a major multinational company that is present in more than 45 countries around the world. What is the role that the Netherlands has come to play for Ferring globally?

The strategy of the Netherlands, generally speaking, is the same as in other Ferring affiliates; we focus on the four core therapeutic areas as defined by headquarters. Although we perceive ourselves as a small country here in the Netherlands, we are one of Ferring's 10 most important affiliates worldwide. In addition to turnover and number of employees, the Netherlands has an attractive climate for pharmaceutical companies. Because the country is small, it allows for very clear and executable strategies: we know exactly what the health insurance companies are focused on; who the main wholesalers are; and which authorities are in charge of reimbursement, registration, and clinical trial approval. Everything is well organized on a relatively high level.

While you are speaking very optimistically about the attractive pharmaceutical landscape here in the Netherlands, we have been hearing quite the opposite from other innovation focused companies; many of them cite the numerous challenges to successfully bring

innovation to market. Perhaps it is because you are a local who is familiar with the local context? Or is it because you have 10 years experience as a general manager and are accustomed to the necessary strategies to succeed here?

I think that Ferring Netherlands has a firm position. However, I am absolutely aware of the challenges in the market.

You have been a general manager for 10 years now: five years with Bristol-Myers Squibb and now five years with Ferring. In 2006 there came a big, "game-changing" event in the new health insurance policy which led many companies to revamp processes and procedures. What was the experience like for you having to adapt to a new market environment when you were already comfortable and familiar with managing in a certain context?

The previous landscape, prior to 2006, was a "luxury" since procedures were very clear and predictable. We knew exactly when European Medical Association approval would be granted after all necessary documents were submitted and it was clear in what term we could have introduced a product on the market or operate a large clinical trial.

After 2006 the decision making process subsequently changed in favor of the health insurance companies. Prior to 2006 pharmaceutical companies had a large group of sales representatives or account managers who were predominantly focused on the prescribers. They accompanied their visits with brochures to show the benefits of a product which was supported by clinical trial data. The prescribers were the decision makers with whom you needed to be in constant contact. After the policy change it was no longer just the doctor in charge. We as an organization needed to change everything "and I mean everything. Based on the changing trends in the marketplace and the changed decision makers, we had to change the structure and processes of our organization. In the end, this meant having to look for new people. Because we judge people on knowledge, skills, and behavior and since the company was changing its processes and procedures we needed people with different attributes and competences who could match with the new objectives. Over the past five years, the company has changed significantly.

How has adapting to these changes led this affiliate to be in a better position today than before 2006?

We are now much more in line with the market requests. The structure, although not unique, is totally different than what we had previously. Whereas we first operated with the traditional marketing and sales structure, with some hierarchical layers, we now have a business unit structure which focuses on therapeutic lines. Within the therapeutic areas we have combined marketing, medical, and sales personnel. We needed to create different knowledge, skills, and behavior. Through that "triangle" we can deal with the current environment "not just doctors, but health economic authorities" and can guarantee that we become a better partner to all of the decision makers and key opinion leaders compared to the past.

How would you rate the market accessibility of your products in the challenging environment for innovation that you described earlier?

We can split products into the trial phase, registered and reimbursed patented products, and post-patented products that face generic erosion. Patents, of course, are very important time frames because generic penetration in the Netherlands is huge. As a company we should work to extend product life-cycles as best as possible or face the consequences of price reductions. In the Dutch situation we currently have quite a few products that are under patent, which are the most attractive and in which we invest the most.

Making the link to the market dynamics, we are concerned about the shortening time frames of commercial return for our patented products. For example, a 20 year patent will require 10-12 years of research, trials and registration, and therefore only have eight years of commercial return period as to selling it on the marketplace. The eight year time frame, however, is becoming increasingly shorter because of longer pre-commercial regulation procedures from the authorities – requests for more data prior to a product approval; more clinical trials; or extra remarks or questions which extend the registration process. Additionally, during the time we have a product on the market we see other regulations in place from the health insurance companies that reduce prices. We are threatened at two frontiers: 1) the commercialization period after all necessary approvals are obtained gets increasingly shorter; 2) the price pressure during the time we have to sell our products becomes more severe. Both are impacting the economic viability of a company since we need a minimum commercialization period to both earn back the money we invested and to invest in new products for the future.

What are the main product lines within the portfolio here that are driving growth?

We are operating in a variety of niche markets. In the gynaecology business we are really focusing on fertility and obstetrics. We are #3 in In vitro fertilization treatment and #1 in obstetrics. Endocrinology is another niche area for us and we have a biosimilar growth hormone that is #3 in the market. Within the gastroenterology portfolio we have a product to treat inflammatory diseases which is #1 in its therapeutic area. Furthermore, it is an out-of-patent product that, despite being relatively old, is still performing strong and which we can continuously build on. In our fourth area, urology, we have two products. One is MINIRIN which treats bedwetting for children. MINIRIN is Ferring's oldest product and the first one that we brought to the market. Its patent expired long ago so it faces all sorts of preference policies and generics price challenges. The other product in that business area is FIRMAGON, Ferring's latest product, for prostate cancer. FIRMAGON was launched in 2009 and is very unique. It was developed in our own R&D lab and received FDA and EMEA launch approval more or less at the same time. So we had a unique world wide launch with this new treatment approach for prostate cancer.

As the books close on 2010 how would you sum up Ferring's financial performance in the year to date?

Considering the volume growth, we have had a very good year on all brands without any exception. Up to 2006, we were in a stable annual growth scenario. In that year we changed the entire organization including its structure and quite some processes which all together created a "hockey stick growth" for our affiliate. Our growth was driven by a stronger connection between the organization and the market environment. If we look only at volume growth, then we are no longer in a "hockey stick" shape, but have settled in a stable range of double digit growth, which is also anticipated for next year. Double digit growth is unique for products which have high penetrations and market shares.

However, due to price-pressure, our turnover has not been too good. Ultimately, everything revolves around value. Looking at next year, we forecast a decline in value despite double-digit volume growth.

This is where your role as a Nefarma board member comes into play. Every board member comes in with different objectives and goals, while still defending the common interests of the organization. What is the personal agenda that you bring to the board which you feel you need to advocate for the industry and Ferring?

It all has to do with an innovative climate. If there was an understanding amongst the authority top decision makers that the innovative climate should be at high level and if they understood that the industry wants to invest in the Netherlands through more research and more programs with academic hospitals, then we could launch more new products which ultimately would benefit everyone including the entire health care of the country. This would include people's employability not just in the pharmaceutical industry, but the number of employees who are supported by the industry, such as professors, hospital workers, researchers, and people who are contributing to our clinical research.

We want to avoid an over-regulated climate that is weighed down by numerous procedural requests preventing headquarters from launching a product first in the Netherlands or from conducting a clinical trial here. Organon is an example of this, but we can even take a look at Ferring itself. There are currently clinical trials which corporate headquarters have refrained from pursuit in the Netherlands. This would not have happened five years ago. The authority requests today are more heavily enforced, the guaranteed success for implementation is not at the same level as in the past, low prices make it difficult to bring products to market and recoup investment, as well as product registration becomes more stringent. In addition to the clinical trials, we have two products which cannot be launched due to current registration requirements.

My agenda within Nefarma and for Ferring is to convince the authorities of the importance of an innovative climate and accessibility for new products on the market, which even is in the interest of the broader health care in the Netherlands. Regulation is good; but over-regulation, resulting in a compressed time frame in which to market patented products, is affecting the pharmaceutical industry, as well as the health providers' product availability, in a negative way.

We have an industry that invests a lot more in R&D in comparison to other industries. Furthermore, in the Netherlands there are self-imposed regulations which restrict our activities much more than the normal regulations that are required by law. There are very strict rules we impose on ourselves, which not everyone is completely aware of. An important task for Nefarma is to improve the industry's image and create clarity amongst opinion leaders, media, and the entire public. This way awareness increases the achievement of good healthcare for the patients as well as creates sufficient room for research support to new products which are being subscribed by the medical specialists. My agenda consists of: improving the innovative climate in relation to the patent period as well as the pharmaceutical industry's image and assuring patient accessibility of patients to a broad, modern and innovative product portfolio, including the one of Ferring.

Ferring underpins a lot of its growth on alliances with biotech companies and academic institutions. To what extent do you approach your role as an advocate of the local research culture who tries to integrate corporate headquarters' agenda with the many grassroots initiatives going on here?

Although we focus on our core therapeutic areas, it is challenging to offer a complete portfolio. As a general manager, it is vital to be open for new opportunities. There could be a product just for the Netherlands, but preferably it would align with the company's overall strategic growth areas. As a European based company we have a strong position here with firm ambitions of growth in the US. If we would identify a new development which would fit in both our portfolio here and (potentially) in the US portfolio, we would welcome it.

Two of our more recent interviews were at a Bio Science Park and a university medical center. We got to see first hand just how plentiful the pharmaceutical and life sciences industries are here in the Netherlands. As new talent enters the workforce in these industries, why should a new recruit look to Ferring as an ideal place to work?

At the moment a book is written about talent management in the Netherlands. General Managers amongst different industries are approached when their company is judged as an "ideal place to work". Six companies were selected because of the high caliber of people within the organization who have yielded performance, high organizational retention rates, and the ability to attract new, top talent. Ferring is one of the six selected companies and so far the only pharmaceutical company.

It all has to do with leadership. We are commercial "we focus on being result oriented" and place a strong emphasis on respect, openness, and being professional as part of our corporate philosophy. We coach our people on those principles and having that leadership vision within the organization attracts the right people working here.

What results would you like to achieve with this affiliate over the next five years?

I want us to stay financially healthy and in control of managing all of the upcoming market changes in the industry. I want us to be proactive and prepared for what is going to happen in the future. One of the main issues now is the accumulated power of health insurance companies and their decision making process. In five years time, I want to be able to say that the health insurance companies are our partners and that we work together with them based on our combined and shared needs. On a conceptual level, our mutual needs are to have the best pharmacotherapies as well as the best product for a given indication at a sustainable cost level. The doctor needs to assess that not every patient with a certain indication is the same. The health insurance companies should not be limiting availability of products based on price only, hence restricting patients accessibility to modern and innovative products and therapies. They need us to share our knowledge about the importance of having more products to choose from rather than just limiting their options to one or two products to be reimbursed. Cooperation with health insurance companies, being proactive, working mutually together, and achieving an effective pharmacotherapy for our patients using our products are my most important goals.

What has been your guiding philosophy in striking the right balance between personal and professional agendas which has allowed you to reach top management as a woman in a male-prevalent industry?

In one of my MBA program classes my professor showed us two pictures which I will always remember. The first picture was of a man and a woman leaving for work, nicely dressed up and freshly energized. The second picture was them coming home from work, exhausted and tired. Our professor told us that the latter couple did not manage their energy appropriately. The way they left the house in the morning should more or less resemble how they look when they come home. If your job is draining your energy, then balancing activities are needed which equally energize you.

A second story he told was of a juggler in a circus. People always think that every ball "or every priority" needs to be in the juggler's hands for an equal amount of time: five minutes for the family, five minutes for work, five minutes for exercise, and five minutes as a mother. In practice, however, it does not have to be like this. You can throw one ball up very high and play with the others more frequently. I have applied those pictures to my experience over the past 10 years. I have three children "nine, six, and three years old" and when I am at home I am not working. I have an abundance of energy at work which energizes me for when I come home. I detach myself from work when I arrive at home and settle into my routine with my family. For me it is all about balancing time. And finally, as a woman you should not accept the existence of a glass ceiling. It is a created metaphor.

What would be your final message to our readers about Ferring and the pharmaceutical industry in the Netherlands?

Let's all focus on effective pharmacotherapies so that the best medication and treatment and health care is available and accessible to patients with specific indications at a sustainable price. This objective can only be achieved by cooperation and knowledge sharing among patients, health care insurance companies, authorities and the pharmaceutical industry to create an atmosphere in which the best products and therapies are available and accessible to all patients.

[See more interviews](#)
