

# Interview with Cees Heiman, Country Manager, Pfizer Italy


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 During your career in Pfizer, you have been involved in a number of different countries including leading markets such as the US and Japan, but also emerging ones such as India, Hungary and Poland. As Managing Director of Pfizer Italy since 2008, which learnings from your previous international assignments did you manage to apply in this very mature, well-positioned and peculiar market?

When I started working in India for Pfizer's Marketing and New Products department, it was almost an acknowledged fact for my superiors that my stay there would provide me with an interesting experience in a unique market, but that I would probably never be able to apply what I would learn from this assignment in any other future position. But luckily, this statement proved to be wrong. Taking into account the path followed in the recent years by the pharmaceutical industry and the increasing pressure on costs, each one of my Indian learnings is fully applicable on a daily basis in more developed countries- be it related to the improvement of market access, the development of marketing programs or the design of new business models adapted to the cost-rationalization trend. Therefore, I shall thank Pfizer for giving me the chance to broaden my view through very diverse assignments. Indeed, each experience is meaningful in a manager's career, as it contributes to widen its scope and enrich its "inner database" of ideas and solutions.

**Looking at how this strategy has been converted into numbers, how do you assess Pfizer's performance in terms of growth, revenues and results delivered for 2008?**

Assessing Pfizer's recent performance requires stepping back a few years ago. Indeed, most of Pfizer's subsidiaries went through challenging times before 2008, while a number of products such as Norvasc and Diflucan lost their patent's exclusivity. The Italian activities also suffered from such pressure but throughout the years my predecessors and Italian collaborators strongly focused on switching back into a growth mode- and the amount of continuous work they have been able to furnish, in a troubled market environment and difficult period of Pfizer's lifecycle, has been outstandingly remarkable. Therefore, 2008 has been a turning point. Pfizer Italy closed a good year in terms of results and is looking towards growth again. For Pfizer on a global scale, everyone will surely remember 2009 as the year of Wyeth's acquisition, a main milestone for the pharmaceutical industry as a whole, and surely for each Pfizer affiliate which has to adapt to the impact of this acquisition on the global organization.

**How would you describe the beginning of 2009 from an Italian perspective in this regard?**

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It is worth noting that, technically speaking, the merger with Wyeth has not yet taken place. It has been announced but the deal is expected to complete during the third or fourth quarter of this year only. Until then, Pfizer and Wyeth will run as two separate companies, hence we are still serious competitors and the proposed transaction currently has no impact on Pfizer Italy's results. In 2009, the key milestone for Pfizer Italy as well as the other European subsidiaries has been the organization's evolution from a country management structure to a Business Units (BU) structure.

**This new structure ?a natural extension of Pfizer's global strategy to establish smaller, more customer-focused operating units ?**

started to be conceived in mid-2008 and has been implemented very fast in Italy and many other countries, as from January 2009.

**Impressive progress has already been realized, and thanks to excellent work throughout the entire company, each BU ?**

**Oncology, Specialty Care, Established Products and Primary Care ?**

/SPAWN> is already up and running very well â?? a tremendous accomplishment. Of course, as the new model is progressing, some issues still need smoothening out, but none of these is serious enough to jeopardize the business.

**Thanks to such responsiveness to change, Pfizer is close to the A-grade in Italy (ranked third in IMS retail sales statistics). What is lacking for the group to become the leader in the country?**

If indeed the Pfizer-Wyeth merger is implemented as planned, Pfizer will surely catch up on its competitors and become the largest company in the country by about the fourth quarter of 2009. Our business would become extremely diversified â?? including pharma- and biopharmaceuticals, vaccines and nutritional products â?? and many synergies would be created between Pfizer and its new partner. However, this does not remove room for improvement on a daily basis, and Pfizer Italy's performance can always be enhanced. Our key success factor in the coming months will consist of our ability to deal with a rapidly changing market environment, taking into account both the customers' needs and the financial context. And even more important than to adapt to changes and remain very flexible is the capacity to execute. Some companies and organisations are able to elaborate fantastic plans addressing the challenges, but plans are only as good as their execution. The winners will be those who are able to put well-designed strategies into practice which is easier done on paper than in reality.

**In times when Pfizer seems increasingly focused on emerging markets, what is the relative importance of Italy and to which extent is it still a priority from a global perspective?**

Italy is an important country for Pfizer, as it is currently the group's sixth largest market. Looking at the company's future, our CEO Jeff Kindler has clearly mapped out his main strategies for success. One is to capitalize on current business and to maximize these potentials. Another, in addition, is to strengthen our focus on emerging markets, and on established products that have lost patent exclusivity. As yet another factor, the company is currently undertaking very serious steps to implement continuous improvement in everything we do. In Italy, these key strategies will be executed with determination. Therefore the country will undoubtedly remain a most important contributor to Pfizer's global success. Italy will surely remain one of Pfizer's main assets in the long term as the country is home to the only manufacturing facility producing Sutent for global distribution, in Ascoli Piceno.

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## **In a context of delocalization, which elements of the Italian industrial environment make it a strategic place to develop and maintain an international manufacturing centre of excellence?**

Decisions related to Pfizer's manufacturing sites around the world are made centrally by Pfizer's Global Manufacturing (PGM) unit. Following the mergers with Warner-Lambert and Pharmacia, the excess number of manufacturing sites which Pfizer inherited around the planet had to be streamlined, following clear business logics. But once a plant has been properly established or maintained in a specific country, it is usually maintained unless major issues come across. The role of the local affiliate is to ensure maximum capacity of the facility in terms of highest possible quality at lowest possible cost. And of course, as the Ascoli Piceno plant produces Pfizer's major oncology product today, its role will remain crucial in Europe and beyond. But overall, the decision to invest in one country more than another is certainly to a large extent determined by the climate created for foreign investments by local governments.

## **Which of the four main BUs will require more attention in Italy in the coming years and where do you still have unexploited potential?**

As the European Regional President of Pfizer's Specialty Care BU, I surely have a very warm place in my heart for Specialty Care medicines! But more seriously, above all I am a company employee, and in that sense I consider that each BU is equally important. Overall, Pfizer's mission is to satisfy a broad array of customers' needs and to enable patients to live longer and healthier lives- and all our Units are contributing to achieve this goal. Pfizer brands may all belong to different BUs in Pfizer, however, they are all aimed at meeting very serious patient needs. And indeed, from a strategic point of view, it is increasingly important for companies to offer a full range of therapies both in primary and specialty care, as well as a highly trustworthy off-patent portfolio. In times of staggering counterfeit drugs issues globally, Pfizer is now able to offer a lower priced off-patent portfolio while ensuring for prescribers and patients unchanged original Pfizer quality and reliability. Surely, widening the portfolio is the name of the game in today's pharmaceutical industry- and Pfizer Italy is contributing to this goal by its investment in clinical research in the country.

## **What do you say about the environment for conducting R&D in Italy?**

We are currently investing about 8 million Euros in clinical research in Italy annually, working with 938 clinical centres and involving 70 researchers, mainly in international studies. Italian physicians have a very good reputation, a high level of expertise, and can rely on excellent research centres. Furthermore, the high quality of these centres has been demonstrated on a global scale by a number of important results and discoveries. The Italian Government is increasingly supporting research and innovation through initiatives such as the Accordi di Programma and seems aware of the necessity to build a favourable climate to attract more Foreign Direct Investment (FDI) in the country. The regulatory framework for pharma and biopharmaceutical research is currently improving in an encouraging way. Having said this, Italy is still not the most attractive country for clinical research in the world, and there is a lot of room for further improvement. But overall, while it is always easy to point at the negative aspects, it is important to recognize the positive developments achieved in building a constructive dialogue. Pfizer's innovative models of Public-Private Partnerships (PPP) in the Italian regions are one measure in creating this 'constructive dialogue'.

## **What do such initiatives say about Pfizer's long-term commitment to Italy and the health of its citizens in every corner of the country?**

So far, Pfizer Italy has established four regional PPPs all aiming at improving the healthcare system's quality and efficiency by combining patients' needs with the necessity to seek

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greater economic sustainability. The “Leonardo Project” is a three-year long partnership with the Puglia Region. Since launch in 2004, among the main initiatives implemented through this cooperation are a new Telecardiology service, a Disease and Care Management program and a Clinical Governance group for Depression. Project “Raffaello” with similar objectives targets the Marche and Abruzzo regions, having established a Disease and Care Management program, a Heart failure Management program and individual Health Economics University courses. The “Michelangelo Project” oversees an investment of 1 million Euros in Lazio in order to sustain cardiovascular prevention initiatives; for instance, the reorganization of the region’s cardiologic emergency processes and its new cardiovascular prevention model.

**Finally, project “Virgilio” has been developed jointly with the Lombardia region to promote and develop public health research through innovative initiatives targeting cardio-cerebrovascular pathologies with an aim to improve patient management, and the CAMUNI database for epidemiological-cardiovascular integration Through these initiatives, Pfizer demonstrates its firm intention to act as a healthcare company; partnering with regional Governments in a responsible way and managing the system and its challenges hand in hand with them, we aim to improve local healthcare overall ?**

beyond the mere production and distribution of drugs.

**Looking at the future, and based on such a strong mission, where do you want to take Pfizer Italy in the next three to five years?**

Pfizer Italy shall be increasingly recognized as the company that serves its customers – physicians, patients and other stakeholders including pharmacies, payers and governmental bodies- in the best possible way. Our second objective is to ensure that the BU structure works in an optimal way, providing the best value for our customers and the countries we operate in. This will be the result of an ongoing process that is already well advanced, but still needs some improvements. Last but not least, the goal is also to attract the best talents and professionals to Pfizer Italy by providing a challenging yet pleasant environment in which professionals like to work and prosper.

**In this regard, what will be your strategy to retain the best talents in such a competitive environment?**

Overall, there is a need today to analyse and reinvent the old HR policies. Today’s colleagues and employees do not have the same expectations and criteria for working in a company as 10 years ago. For instance, while in the past overseas assignments used to be seen as an opportunity, people are now still seeking an international career but are paradoxically reluctant to move to different countries. In this context, since Pfizer wants to have the best people in the appropriate positions, the company increasingly works in a virtual way. My European team, for instance, is a perfect example of cross-border flexibility – with direct reports in Madrid, Paris and the UK, a physician in Hungary and a Medical Director based in Brussels.

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