

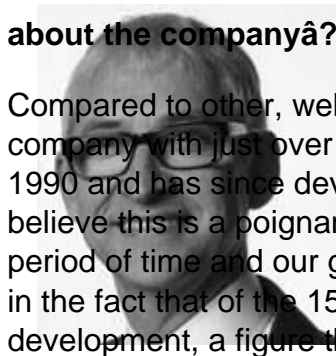
Interview with Jean-Christophe Bencteux , General Manager, Amgen Belgium

28.09.2012

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Could you give us a brief overview of Amgen in Belgium and tell our readers more about the company's history here?



Compared to other, well-established multinationals Amgen is a relatively young biotechnology company with just over 30 years of experience in the industry. Amgen entered the Belgian market in 1990 and has since developed eight innovative compounds. One decade ago, we had only one. I believe this is a poignant demonstration of the company's capacity for innovation over a short period of time and our growth prospects for the future. Our dedication to innovation is also reflected in the fact that of the 150 people working with us in Belgium, 66% are dedicated to research and development, a figure that is well above the industry standard.

What is the strategic importance today of the Belgian affiliate to Amgen's regional operations and how would you describe its contribution to the company's revenue and performance?

When we look at Belgium, the first thing that comes to mind is R&D. Belgium has established itself as a hub for research activities and is widely known for its capabilities and expertise. Amgen has always invested significant resources into this area of our activities. We certainly make the most of the country's widely recognized clinical research capabilities, from initial phase studies which are very important for us up until phase-III studies. We have a range of clinical centres across the country recruiting as many as 1000 patients last year in more than 300 sites and developing approximately 40 new compounds.

Within Amgen's global operations, the Belgian affiliate is undoubtedly considered to be among its key R&D platforms. Primarily, our strategy has been to establish ourselves as a strong base for drug development. In that respect, a few years ago we were ranked second in terms of the number of studies carried out (second only to the US): clearly a significant achievement which is integral to the development of our drugs. Perhaps more impressively, we also ranked 8th across our global network in terms of patient enrolment. This is a remarkable achievement considering Belgium's relatively small population of 11 million inhabitants. Nevertheless, this strategic focus is continuously adjusted to accommodate the changing global environment and the rise of emerging nations.

Given the country's strong positioning as an R&D platform, Amgen has made a clear and sustained effort to be among the top companies to develop new compounds and innovative drugs here in Belgium. We have also increased our commitment to the country in other ways. As of four years ago, for example, we have also been operating as a hub responsible for other countries

including South Africa, Israel and Turkey. I am pleased to say that as a result, we have been able to extend and develop our expertise in these countries.

Given the increasing importance of Belgium to Amgen, what would you say makes the country so attractive and what is so special about its clinical trials to you?

Primarily, I think the country's expertise is a highly appealing factor. In particular, Belgium boasts a great deal of top-level experts and key opinion leaders that are specialized in a wide range of topics. For instance, more than 75% of our research activities are focused on oncology. However, over time we have come to face increasing competition from other countries in this area as a result of rising costs and the search for specific patient populations. In light of these developments, we will naturally have to consider different options. However, given the complexities and intensive knowledge requirements within the clinical development of oncology, we have been less sensitive to this effect up until now.

How do you see this trend evolving in light of the new EU proposal for clinical trials which is set to harmonize the European industry and potentially erode Belgium's competitive advantage in terms of speed?

This is indeed a potential cause for concern amongst many stakeholders in Belgium, because the country's time advantage is widely recognized by physicians and companies alike. We would certainly regret losing our position in this respect. Beyond this, however, we hope that Belgium will be able to maintain its pole position thanks to its excellent performance and available expertise. Although other countries may offer larger patient pools at potentially lower costs, there are a lot of factors to take into consideration including quality, the skills available and the regulatory environment. In conclusion, I would say that we are concerned but continuously striving to maintain our position of excellence.

Having been awarded the Prix Galien four times in Belgium, Amgen has a clear focus on R&D activities. However, to what extent is the company taking advantage of Belgium's dense network of academic and commercial research institutions to further enhance its research capabilities?

There is great deal of independent collaborative initiatives taking place across the country with such institutions. This is partly due to the strong presence of key opinion leaders and specialists, as I mentioned earlier. Amgen Belgium is involved in a number of partnerships to support several research activities.

I believe it is also important to point out that Amgen is traditionally dedicated to the discovery of new and innovative drugs. This is surely illustrated by the Galien accolades we have received throughout our history. We continue to aspire to develop new innovative drugs and thereby contribute to the body of scientific knowledge and fundamental research, for the ultimate benefit of our patients. This is indeed the essence of Amgen and the Galien awards recognize these great innovations.

How would you describe the performance of Amgen's local product portfolio? And can you provide us with an insight into your product pipeline and which products you're most excited about?

In terms of access and given the lengthy and expensive drug development process, Amgen needs to charge fair prices to cover the costs of this development while also funding future drug development. Having said that, it is supposed to be easier to market products when you are dealing with innovative drugs demonstrating a clear clinical benefit. Nevertheless, there are still significant challenges.

Over the last two to three years, for instance, we feel that price related issues resulting from governmental budgetary controls are becoming increasingly challenging for us. We are also under pressure from imposed price levels. In other words, the main impediment that we currently need to overcome is not the development of great and innovative products. We already have that. Rather it relates to obtaining fair prices in exchange for our products.

We are, of course, very excited about our upcoming pipeline products. We have more than 40 compounds in all phases of development, seven of which are late stage compounds. Our focus lies mainly on the domain of late stage oncological therapy but also on cholesterol treatment which is a new direction for us, as is the field of bone diseases. However, as I mentioned before, the main challenge is not related to which products we will be able to market soon. The issue is at what price. The current drug discovery process is both expensive and slow. The investments related to increasing demands for drug development require a higher number of patients studied and increasing development times. Without a doubt, this is the main challenge facing our business today.

Speaking of new directions, it is stated that the majority of the molecules in Amgen's mid-stage pipeline work via a mechanism or hit a target that no other approved drug addresses. Can you tell us more about your areas of focus and what direction you expect your research to take in the future?

It is perhaps more important to point out that after more than 30 years of operation, Amgen is no longer a small start-up company. We have grown to become the first leading biotechnology company with over 17 000 employees worldwide. As such, we are required to achieve a high level of commercial excellence to ensure the continuity of the next generation of drugs. Our strategic focus on developing innovative, rare-disease compounds has remained unchanged since the beginning. However, our challenge today is to manage the patent expiries of our highly successful first-generation products and deal with competition from biosimilars, among others, while also managing the next generation of new drugs.

Over the past few years, Amgen has forged a number of collaborations and partnerships with some of the industry's biggest players; namely, GSK, UCB and Galapagos. What was the strategic motivation behind these initiatives and what makes Amgen the partner of choice?

As I mentioned before, Amgen is historically dedicated to highly targeted and specialized products in oncology and nephrology. As it was not part of our core competency to visit general practitioners, we established a worldwide commercial partnership with GSK to market our osteoporosis drug while we continue to focus on doing what we know how to do best: develop new, innovative drugs. On the other hand, we have also formed research based partnerships with the likes of, for instance, UCB for the development of Sclerostin.

For five consecutive years, Amgen Belgium has been placed in the top 10 of the Best Workplaces in Belgium. How would you explain this dedication to workplace excellence and how does Amgen go about attracting and retaining the right employees?

Although Amgen has grown significantly over the years, I believe that it still retains its smaller biotech company culture and business environment. In other words, Amgen is quite flexible, highly dedicated to its people and fosters an open environment conducive to dialogue, collaboration, passion and innovation. We uphold eight values that clearly explain our work philosophy and form the basis for much of our communication with our employees. Moreover, we embrace a relatively flat hierarchical structure within the company, allowing us to be flexible with our employees while emphasizing empowerment. Our ability to attract highly qualified and talented people in both the medical and commercial fields has also contributed greatly towards nurturing an exciting and

enjoyable workplace environment.

I also believe that Amgen's dedication towards continuously developing its employees is another key element that makes our company such an attractive workplace. We constantly invest in opportunities for them to learn and develop their skills.

When we ask people about what inspired them to join Amgen, they often cite the company's science orientation. In other words, they first look at the products we develop, our promising pipeline and our focus on life threatening diseases. Once they have joined us, however, I think most are attracted by the stimulating collaborations, the open atmosphere and the company's overall flexibility.

Looking ahead, what is your long-term vision for the Belgian pharmaceutical industry ?

Broadly speaking, I think it is critical that Belgium become aligned with other European countries with respect to the international reference pricing system. Considering most countries within Europe calculate their prices with reference to each other, one can easily see how this can create a downward spiral, pushing prices to increasingly lower levels which is by no means a sustainable measure.

On the other hand, my long-term vision for Belgium is to figure out how to maintain Amgen's position with the next generation of products while at the same time managing the new challenges. To be more specific, I refer to the price levels currently being imposed on us and the very difficult cost containment measures introduced by the government. In my opinion, these measures are sometimes highly disproportional and simply unfair. At one end of the spectrum, the pharmaceutical industry faces higher taxes and, at the other, gradually eroding patent protections. All these measures together can pose a serious threat to the sustainability of the industry. The authorities must understand that the development of new products is a long-term investment and that return on investment is a principle driver of our business. Our long-term challenge is therefore to develop a vision which addresses these developments and to manage this unpredictable environment. We have the innovative products, we know where we intend to go but we have to manage this unpredictability. A constructive dialogue with the authorities is therefore a prerequisite for success.

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