

Klaus Abel â?? General Manager, LEO Pharma Nordics



From a financial point of view, the Nordic region is a relatively small proportion of the group's revenue, but it is an important one because it is the home market, with a lot of tradition and long-standing relationships

15.10.2019

Tags:

[Sweden](#), [LEO Pharma](#), [Dermatology](#), [Strategy](#)

The Nordic headquarters of Danish medical dermatology specialist LEO Pharma sits in Sweden, led by the recently appointed Klaus Abel. Abel discusses the importance of Sweden to the global group, its ambitious goal of helping 125 million patients by 2025, and the leading role that the Nordics has to play in this endeavour.

What motivated you to embark on this new adventure as general manager for LEO Pharma in the Nordics?

I was born and raised in Denmark and was educated both in Denmark and the United States, so I have always been internationally oriented. I studied business and commercial law, but the life science industry attracted me because of its innovation and the ability to influence real lives. As an industry, it has always been about finding a balance between helping patients, running a business and getting the ecosystem to work. I joined the industry with Lundbeck and worked at the headquarters and different affiliates. There, I had the opportunity to run the affiliates in Australia & New Zealand, and Italy. My main focus is on building teams and partnerships with the different stakeholders, especially patients and advocacy groups. When the opportunity came to join LEO Pharma in the Nordics, I saw a company that has embarked on an ambitious journey of becoming a leader in medical dermatology.

Being a company with more than 100 years of history, LEO Pharma has a diverse portfolio and recently made an effort to streamline research, manufacturing, and commercialization towards medical dermatology. The objective is to become a key player that can deliver extraordinary products, benefitting patients, society and the foundation that owns the company.

Before I joined, LEO Pharma set up a 2025 strategy to go from helping 85 million patients annually to 125 million. There are several steps necessary to get to that ambitious target, which involves changing the structure of the portfolio, bringing new innovative drug candidates into the R&D pipeline and focusing on launching biologics. I'm happy to be part of that journey in the Nordics.

Did the fact that a foundation owns LEO Pharma influence your decision to join the company?

The primary reason for me joining was the deep-rooted focus on patients, the understanding of where the company can make an impact. The company's ownership is an interesting element for

society to understand; the benefit of having a single owner is that it is easier for a company to think long-term. Public listed companies operate, to a large extent, on a quarterly basis. Of course, we also need to deliver results, so the foundation can receive the necessary resources to reinvest in research. Nevertheless, there is a slight difference in terms of the lens used to make decisions.

Can you give an overview of LEO Pharma's operations in the Nordic region?

LEO Pharma is present in all five Nordic countries. There are geographic reasons, but also key elements from the markets since business is conducted in a similar way. The countries have comparable regulatory environments, reimbursement systems, public-funded healthcare systems, and similar language elements.

Being a Danish company, what is the rationale behind having the Nordic headquarters in Sweden?

Being close to the global headquarters was a challenge because the Nordic environment is not fully representative of the global company since most of the revenue comes from other markets. For example, if a global marketing company only looks at what works in the Nordic markets, it might not be applicable to Japan, and definitively not for North America. The decision was taken to move the affiliate out of Denmark so it would be treated as another region of the world.

How do you assess the overall importance of the Nordic region for the LEO Pharma group?

From a financial point of view, the Nordic region is a relatively small proportion of the group's revenue, but it is an important one because it is the home market, with a lot of tradition and long-standing relationships. LEO Pharma does research and development along with primary research institutes and universities, which is a key component of our R&D operations.

Sweden is an interesting market to test new products because it has a very transparent system; it has great patient registries that allow us to assess our product's performance in the real world. You can do that in many countries, but Sweden, in particular, allows us to better understand the social impact. The Nordics are some of the countries where we first launch products because of pricing structures and a permanent need for innovation by the public healthcare systems. At the same time, we get incredible evidence back.

What are the main growth drivers from your portfolio in the region?

Our psoriasis and dermatitis portfolios are the main growth drivers. They are the focus area of LEO's commercialization efforts because the region is composed of competitive markets where innovation is utilized to give life-changing impact to patients. We frequently hear stories about patients living decades with a disease before finally feeling well treated with new, innovative therapies; it is really heart-warming to see what this type of medicine can do to improve lives.

You mentioned that LEO Pharma is moving in a new direction with a focus on the biologics sector. What is the current state of your market launches in Sweden?

Kyntheum (brodalumab) was our first acquisition and a stepping-stone into the biologic segment, paving the way for more to come, either from our pipeline or from subsequent acquisitions. The full understanding of how to utilize new biologic treatments in psoriasis is not there yet. The medical community is testing them in certain patient populations, and we expect to see much wider use of biologic treatments over the coming years. Today, it is used in the moderate to severely diseased patients; further down the road, we are likely to see that there are larger patient demographics that can benefit from the products. We are doing clinical trials all over the world with three investigative-driven trials in Sweden. Through partnerships with the medical community, we aim to better understand the benefits and continuously bring better patient outcomes.

LEO Pharma recently acquired Bayer's dermatology portfolio. What is the plan to implement the new products in your portfolio?

LEO wants to become a one-stop-shop for different skincare options and have a deeper partnership with the medical community; that way we become a more credible educational partner for our customers. We took over the distribution of Bayer's portfolio in July and the marketing authorizations are being transferred in the second half of the year.

Anders Ekblom, vice-chairman of LEO Pharma's board, recently told us that the fragmented regional system in Sweden can affect the speed of treatments being launched. What is your take?

There are always pros and cons between central and decentral decision-making. There are ways to achieve faster access to medicine than decentralized assessments, but there is also the risk that centralization ends up generalizing things, in which case you can lose the nuances. In general, the Swedish regions strike me as positive towards innovation, though budget pressure sometimes can lead to an excessive focus on price compared to the best value for patients. I would say that the Swedish system allows a more patient-focused conversation, even if it is not always efficient. Some learnings do not always translate to other regions.

As a Danish outsider with experience in different continents, what is your assessment of Sweden's market access?

I rank Sweden in the high end because it is a very transparent and data-based system. The ability to utilize real-world evidence makes it a more rational conversation, it allows us to show the value of our products and how we can get it to the right patient population. Many countries are experiencing healthcare rationing and prioritization due to budget concerns. The priorities have become political and that is where patient associations need a louder voice. Chronic dermatological diseases have a significant impact on the quality of life and the happiness of patients, but the disease is relatively neglected by the healthcare systems.

LEO's Innovation Lab, a company founded to increase the speed of innovation, initiated a happiness survey across the globe. The survey concluded that psoriasis patients have a reduced happiness average, and that 32 percent of people with psoriasis self-reported as "not happy".

However, most people do not realize that having skin health issues has a tremendous impact on the quality of life. That lack of understanding of the reality around our patient's lives compels us to work with our partners, in both the policy area and patient advocacy groups, to give them a louder voice.

What initiatives are you putting in place in the Nordics to showcase your patient-centric approach?

Every individual in LEO Pharma has the social impact of our operations in mind, it is part of the job description. We welcome partnerships with patient organizations and advocacy groups. The LEO Innovation Lab is developing tools to help patients have the best quality of life possible, despite their disease. For example, we are developing communication tools for interactions between patients and physicians, increasing the ability of physicians to give accurate diagnosis and treatment.

Together with the University of Copenhagen, the LEO Foundation founded a skin immunology research center, funded with DKK 4 million (USD 600,000), aimed at strengthening research in skin diseases.

The global dermatology market is growing rapidly, with an estimated growth of seven percent by 2022. What are LEO Pharma's competitive advantages to remain a leader in the sector?

Our competitive value is that we take a different approach, a more balanced and less aggressive one. LEO Pharma aims to influence rational decision-making rather than pushing individual agents. We have a profound dialogue with policymakers around the new class of biologics. It is not a product conversation, but rather one that looks to build bridges between patients, prescribers, clinicians and the payers.

Where do you want to see LEO Pharma in the next five years?

We are getting close to 2025 and that means that, as a Nordic organization, we expect to treat 60 to 70 percent more patients than today. Hopefully, LEO Pharma will see a society that recognizes medical dermatology as a priority because of the socio-economic benefits of adequate treatment that can lead to a better life for many patients. We must be consistent and credible so LEO pharma can continue to be a part of the conversations that can move the system towards better patient care.

[See more interviews](#)
