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For me, Switzerland is one of the best places in Europe to start a business

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Laurent Massuyeau introduces Swiss biosimilar commercialisation specialist iQone healthcare, why it made sense to base the company in Switzerland, its partnership deal with Korean biosimilar giant Celltrion, and where iQone's future lies.

Having previously worked in both animal health and Big Pharma, what was the impulse that led you to start your own venture ten years ago and why Switzerland?

I worked in Big Pharma for about 20 years, mostly with Eli Lilly and Novartis. However, I increasingly felt that there was a lack of innovation in these companies and therefore wanted more independence. I decided to start my own company in Switzerland, a very attractive environment to do so.

Switzerland is attractive from a manpower perspective; the level of qualification in pharma is really good, as is the regulatory environment for companies. There is a reason why Switzerland has been at the top of the IMD competitiveness index for many years! For me, Switzerland is one of the best places in Europe to start a business.

The cost of employment in Switzerland is quite prohibitive unless you really have a real value-added offer which can absorb such high operational costs. How do you square this circle?

I fully agree. The cost of employment is high but people in Switzerland tend to be better-qualified and speak more languages than their equivalents in some other European countries. Establishing an international business in Europe is complicated without people with language skills; but in Switzerland it is very easy to find such profiles.

iQone started as a specialty pharma business, what has been the progression of the company since?

Initially, the company was doing medical information for development and commercial programs in oncology in Europe. Following that, we started a biosimilar business unit focussed on Switzerland alone. The EU oncology, specialty pharma, business was sold to Clinigen two years ago and is now Clinigen Europe. I still own and manage the biosimilar company in Switzerland.

We are the distributor for Celltrion's biosimilar portfolio in Switzerland, where we have a leading market position. iQone is developing a broad pipeline of biosimilars in Switzerland, including Celltrion's international pipeline.

What learnings as a company were you able to take away from your experience working in early access programs in oncology?

Early access programs started with the AIDS epidemic in the 1980s, when there was no mechanism to get US-approved products to enter other global markets. There were significant delays in Europe to get those products approved and therefore for patients to access them. So, for life-threatening diseases with a high unmet medical need, where products are approved in countries with a high level of biopharmaceutical innovation like the US, there is usually a country-specific mechanism to provide those products on a named-patient basis to patients that may qualify under those mechanisms. There are mechanisms of different sorts in Europe and this has become a very important way of patients accessing life-saving treatments in a continent that has tended to be a bit less innovative than the US in terms of biotechnological innovation.

Many biotech products which are being approved in the US can be supplied to patients who need them under the control of healthcare providers in many European countries. There is also innovation coming from Asia being imported into Europe for that same purpose.

Our early access work did involve doing the required regulatory and medical information, which we were well known for, where we would respond to doctors on request about supplying specific products on a named-patient basis. We have teams of medical science liaisons and medical doctors addressing healthcare professional (HCP) requests, especially in oncology and rare diseases.

How did the collaboration with Clinigen, which eventually saw them acquire that part of your business in 2018, come about?

The relationship with Clinigen started because we were basically in the same business. Clinigen was managing Early Access Programs on a global basis with a strong Anglo-Saxon footprint, while we had a significant footprint in continental Europe, which was very complementary. The two companies decided that rather than compete, because we were actually collaborating on some programs, we should join forces to create a much bigger business with better coverage

Has this transaction been successful for the business?

Two years is a very short time in pharma; we will probably need a little more time to see the full impact. But so far, it has been very successful, Clinigen has a global coverage and is growing quickly. A presence in continental Europe was necessary for Clinigen. As a privately owned company, iQone was on a path to explore bigger partnership and/or financing options Therefore, this was a win-win for both parties.

From then you decided to shift your focus on biosimilars in Switzerland. Why?

There is again a little bit of serendipity because the opportunity came about, but there was also an opportunity to be first in the market. My view was that if you are fast to the market and are an independent and efficient company in the country, you can make a lot of inroads.

My previous experiences taught me that managing a generic and biosimilar business together with innovative products is very challenging and requires focus to be efficient.

Additionally, biosimilars differ from the generics business and requires a slightly different business model.

Because biosimilars are biologics and treat life-threatening or highly debilitating disease, there is still a need for medical information, not as much as for innovative products, but more than for simple generics. I thought that this business model was very suitable for our capabilities and know how.

Did the idea to approach the South Korean company Celltrion come from you or from them? What were the considerations in terms of quality and supply chain?

We already had connections to Asia and to Celltrion. As Celltrion was looking for a partner, we proved to be efficient and agile, so we decided to partner together. The collaboration has been working very well in the six years it has been in place.

What sort of core competences and skills sets does a nimble biosimilars company like iQone need?

As an organisation, we are strong on the regulatory side. Market access for biosimilars is reasonably straightforward, so I would not call it a core competency. We have built a solid and experienced medical capacity and sales force. Moreover, iQone has a very entrepreneurial mindset and is set up with very fast decision-making capabilities.

From our conversations with other biosimilar industry stakeholders in Switzerland, biosimilar penetration remains extremely low compared to other European countries. However, the Swiss population is increasingly uneasy about the amount they spend on medicines. Why do you think biosimilar uptake has been so slow in Switzerland?

This is a very complex and multifactorial question. Generics penetration has progressed much more slowly in Switzerland than in other markets. This is something inherent to the Swiss market and culture which is not likely to change overnight. There is a cultural component in Switzerland in terms of the speed of adoption of new products.

Secondly, there were no coordinated incentives for many of the parties in the healthcare system to prescribe biosimilars. The insurance and the healthcare system will probably need to find different incentives and mechanisms for this situation to evolve over time

These two factors have led to slow, but steady, biosimilar uptake in Switzerland. With the latest biosimilars and more players coming into the field, we are seeing a slight acceleration of that penetration, but by European standards, it is still on the slow side.

What pitch does your salesforce need to deliver to HCPs? How does iQone, as an individual company, break down some of these barriers to attain sustainable revenues?

We need to convince hospitals and HCPs one by one on the scientific merits of our product, the quality of our service, the reactivity of our salesforce, and the excellence of our company. Especially as a specialised company, we focused on being more reactive for customers making decisions more quickly.

How is your brand perceived by HCPs in Switzerland? Are they more familiar with iQone or with Celltrion?

They associate with both brands; iQone is still a young company so we are building our brand steadily. However, it takes time to create brand recognition and I would not be so arrogant as to suggest that all our products are associated with iQone alone. The fact that we are associated with Celltrion, which is a known global leader in the biosimilar field, is testimony to what we can offer.

Looking at iQone's pipeline, it seems that your intention is to bring more Celltrion products to the Swiss market. What is the rationale of such action?

The goal of the company is to be one of the leading biosimilars players in Switzerland. Our agreement with Celltrion is a great asset, as they have a world-class pipeline. We also have other providers which have complementary platforms and programs to Celltrion. We want to have a few trusted and complementary providers. Our goal is to bring two to three products to the market per year going forward.

What are the unmet needs in terms of therapeutic areas that you are planning to tackle from the patient perspective?

Our focus will be on rheumatology, gastroenterology, and oncology. Currently, the biosimilar arena is witnessing a big wave of patent expiry in rheumatoid arthritis and Crohn's disease. There are a group of products in that arena, where we are very present. Then there is a group of oncology products already expiring like Mabthera and Herceptin, as well as a wave of oncology products which will expire beyond 2025.

We are also keeping an eye on product expiries in all other areas like endocrinology for the future

How will you organise the business to ensure not only a successful operation but also being ahead of the game?

We organise the business by therapeutic area because the needs are slightly different. The information that you need to provide to clients is different and there is still a need to engage with HCPs on a medical basis. It is difficult to have the same people talking to rheumatologists, gastroenterologists, and oncologists. At least for now, we don't see an environment where the biosimilars market medical requirements will become like those of the generics industry.

How important is it for iQone to articulate core values and what are those?

We have four key values: Respect & Trust, Integrity, Excellence, and Pragmatism. As people are very important to us, we need to respect everyone we come into contact with. High integrity, the second value, is vital for us because you can conduct a pharma business in very different ways with very different levels of integrity.

Then there are two values which are the flip side of each other. One is excellence; we want excellent people and products. However, excellence, when pushed too far, is not very productive. Therefore, there is a need to be pragmatic and make the right trade-off, which allows us to be an organisation that makes decisions quickly.

Everyone we hire is screened to ensure that they truly adhere to these four values.

There is a lot of talent in Switzerland, but they have a lot of choice in terms of where to work. As a smaller organisation, how do you manage to attract talent?

A very strong management team has joined iQone in Europe and Switzerland, all from reputable pharmaceutical companies and with an entrepreneurial mindset. We have now a very solid track record. It is therefore not complicated for us to recruit with our values and we have a very good atmosphere in the company.

iQone's entrepreneurialism is also vital to our talent proposal. Many very qualified pharma professionals are frustrated because decision making has been pushed away from the lower levels and they do not feel empowered. We are able to offer this empowerment, as well as very competitive salaries. The company is financially very strong with a board of reputable pharma executives.

The USD five billion Swiss market has reasonable but not exponential potential. How do you see the future for iQone internationally?

This is a board discussion that is currently ongoing! We have a solid and growing position in Switzerland with an attractive portfolio; the question now is where we go next? There are several options: we could expand geographically, we could expand the portfolio, beyond biosimilars in biologics and innovative products, as we have had some opportunities in this area.

A decision has not yet been taken and COVID-19 has delayed some of the strategic steps. We are in a very fortunate position that we have options, a good reputation, and that Swiss companies have a good image abroad. We will certainly expand if this makes sense, but without losing our focus of being a leading player in biosimilar in Switzerland.

We know where we are going to land in the biosimilars business for the next five years and what our plan is to go there.

Does this potential expansion necessitate raising extra capital?

We do not need to raise money for our business plan. However, we have seen opportunities in the current financial environment. This means that we could do more by raising money. That is really the reason why we are considering expanding the strategy of the company, but this is work in progress and we are keeping our focus and discipline

A closing statement?

iQone is a small Swiss pharma company that started out in biosimilars with a very qualified management team and a very entrepreneurial mindset. We are looking forward to integrating new projects and new collaborators to expand our operations.

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