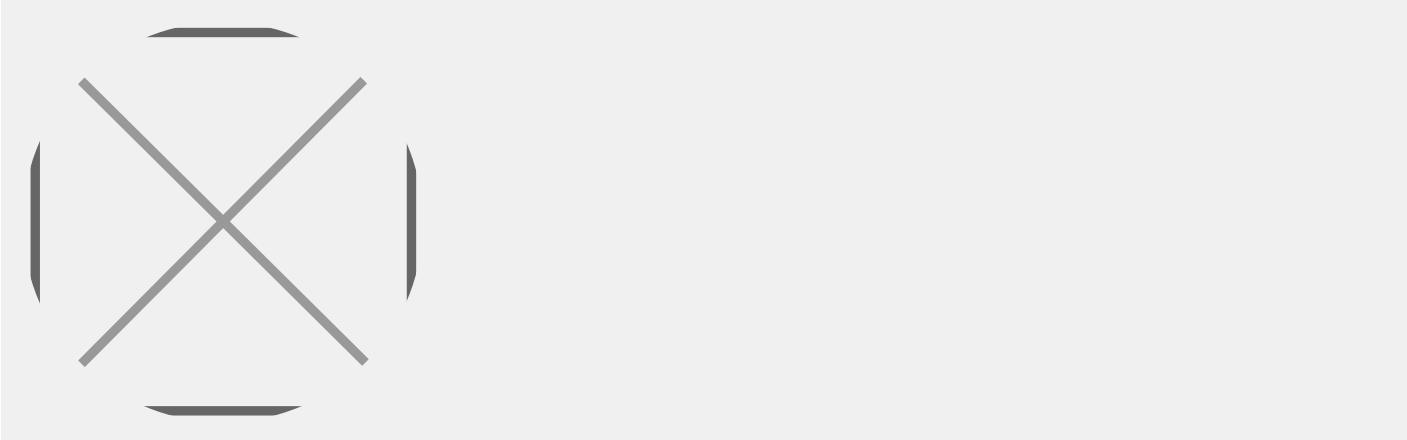
Interview with Johan Ström Managing Director, Biogen Idec Sweden



15.05.2013

Tags: Biogen Idec

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Having experienced many years at big pharmaceutical companies, you moved into the biotech sector by joining Biogen Idec late 2010. What made you decide to switch?

To me, it was an easy decision. It was an appealing challenge to join a company that wasin growth mode but where many processes and structures had not been fully developed yet. A great point of attraction was also how central customer focus already was at Biogen Idec, something that many big pharma companies were talking about at most.

A practical example is that in the first six months of my job, I personally met each and every one of the most important Swedish KOLs in MS twice. In my previous job at Pfizer, I saw one KOL in two years' time. Joining Biogen Idec brought me much closer to patients, healthcare professionals, and other important stakeholders in the Swedish healthcare community.

Joining Biogen Idec provided me with the opportunity to come closer to what it is all about: the patients, healthcare professionals and payers. In big pharma you run the risk of becoming an administrator that spends the bigger part of his days with internal matters. That is not what it is all about.

At Biogen Idec I found people with a passion for doing something good for the MS community. That appealed to me. At Biogen Idec we are going full speed ahead and with high energy and enthusiasm

I was also attracted by the fantastic portfolio, and this was even before the potential of Tecfidera was clear! When I joined Biogen Idec, R&D investments stood close to 30 percent, which is extraordinary, and still we spend 22-23 percent of revenues on R&D.

The pharmaceutical industry is struggling to generate growth in mature markets and attention has been gravitating more and more towards emerging markets. What is the relevance and significance of the Swedish market for Biogen Idec?

It is a very interesting one in many aspects. Sweden have world class MS specialists with a lot of interesting research in MS and unique real world data from the Swedish MS registry and the Tysabri IMSE-registry, which is of high interest to our researchers in the US. Swedish MS-specialists have a strong reputation of conducting high quality clinical trials. Furthermore Biogen Idec Sweden is the sixth largest market in EU in terms of revenues with the third and second highest market shares globally for both Tysabri and Avonex.

Many of my international colleagues say that changes in the health care systems often happens first in Sweden. One aspect is the value based pricing & reimbursement system looking at the societal perspective. Another aspect is the regional health care structure in Sweden with County Councils focusing on cost containment measures eg decentralising costs to the clinics, exploring new innovative pricing models. There is also a strong ethical focus on the need for open and transparent collaborations between the life science industry and health care professionals. You have to add value to the healthcare system, irrespective of whether you are coming from the medical affairs department or from sales or marketing. That makes the Swedish business model very interesting for a company like Biogen Idec.

One consequence of the changed health care environment is that we have had to rethink our business model, especially the role of sales reps, or Area Business Managers (ABMs) as we call them. Their role today resembles that of a key account manager. The job of ABMs is to systematically scan and identify barriers in the patient flow. That could be about reimbursement or a lack of financial or other resources, it could be that the competitors' products are perceived as better or barriers in the identification, diagnosis of patients and solutions to bring better adherence to patients.

Their job is also to coordinate our integrated account plans and match internal experts with the right customer.

Several months back, I interviewed Dr. Barker, the former head of the Association of the British Pharmaceutical Industry. We discussed his theory that big pharma needs to win

back society's belief in its readiness to change through a broader approach to fighting disease in collaboration with key stakeholders – government, patient groups, General Practitioners, etc. Can Sweden play a leading role in developing new cooperation models for the industry?

Yes I think so. First of all I believe Biogen Idec Sweden since many years has built up a strong and trustful collaboration with the MS experts with many unique initiatives, especially around real world evidence and also supporting local research. Since MS care is under resourced in Sweden we are also collaborating with local patient advocacy groups to invest more in Neurology.

We have also developed two new positions with the aim to develop new cooperation models with the regional bodies, County Councils. The positions have different angles to new cooperation models.

Sweden is also the only affiliate that has one sales force for the entire MS portfolio rather than one per product. Is it a better way to provide the best treatment for patients if you have one person that brings our whole portfolio? Or should you have three different reps come in when one does not know what the other is saying? I believe in the first option.

It helps bring back belief in what we are doing and also to build up our reputation and confidence.

Is this perhaps also a certain level of professionalization that you could bring from years of experience in big pharma?

These are ideas that I developed over the years working at Pfizer, especially around an integrated, cross functional, customer facing business model based on account management principles with an expanded role for ABMs. There are so many ways to add value to the work of sales reps. Our methodology helps them scan and solve barriers. I believe it will open doors and contribute to our success, because different healthcare stakeholders can see the value that Biogen Idec brings much clearer.

Some analysts have pointed out that, with its vigorous focus on Wall Street, some 'Big Biotech' companies are starting to resemble 'Big Pharma.' Is the world's oldest independent biotechnology company Biogen Idec subject to this cultural plunge?

I do not think so. With the fast growth of the company we have certainly seen more bureaucratic elements in the last year. At the same time there is a strong focus from our CEO George Scangos and his global leadership team to eliminate whatever processes and structures hinders our biotech culture of excellence with speed, nimbleness and strong customer focus.

What are your key ambitions for Biogen Idec in the Swedish market in the years ahead?

The first ambition is to continue to strengthen our position in the MS market and do everything we can to optimize Tysabri and Avonex that is currently on the market and to successfully bring more innovative treatments to the MS patients in Sweden as Tecfidera, Plegridy and Fampyra.

My ambition is also to build up a passionate, world-class team and keep investing in necessary capabilities important for future success.

Finally we need to continue to engage in efforts to shape the health care environment and drive resources to MS, since Sweden needs to double the number of neurologists in five years' time to come up to international standards. Obviously the consequences are that patients run the risk of not getting adequate MS care in the future in Sweden. Even though it is not happening today, we need to make the necessary investments today to have the resources in three or four year's time.

What then are the key take-aways for the international pharmaceutical industry that is looking at what is happening here in Sweden?

Firstly it is the value-based pricing & reimbursement system looking at it from a societal perspective. I believe that it is even better than the NICE-system in the UK that has less of a focus on the societal perspective. It is fair to ask for what value we are adding with our drugs. If we say that it is a better drug, we also need to show that it can bring back value to society. That is one part.

Support the development of high quality registries to generate real world evidence and support quality projects regionally/locally. With the current healthcare environment situation pressuring down prices, setting up budget constraints etc we need to show added value not only on a national but also on a regional level to be successful in the future. To counteract bold cost-saving initiatives from regional/local payers there needs to be high quality treatment goals set up in the health care environment, which is not the case today. Having clear, high quality treatment goals, they can then be matched towards the registry/quality project data. This will enable the health care professionals to show the real world value from their own clinic to the payers in a distinct way.

Based on the above we clearly see the need to invest in more market access capabilities in the future.

In Sweden we experienced a huge decrease in 2004 in physician access because we pushed traditional sales models too hard and did not listen to the needs of the physicians. The County Councils entered an agreement with the local pharma industry association which prevented ABMs

from F2F meeting with physicians. I believe international markets where the traditional sales model still exists need to think about future business models and having the courage to implement them in time to avoid the consequences seen in Sweden. It has taken many years to win back the trust and confidence from the health care for us.

We just have to rethink the way in which we did things before. We have to carefully think about our business models, what kind of capabilities we need in the future, much more strongly understand the needs of the customers and add value to them, systematically scanning for barriers and opportunities in the patient flow.

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