Interview with Brenden Fitzpatrick, Vice President, Leo Pharma Ireland

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Tags: Leo Pharma Ireland

In this interview also features the comments of Geraldine Murphy, Managing Director of Leo Pharma, Ireland.

brenden-fitzpatrick-vice-president.jpg

Ms. Murphy, your transition to your current position was precipitated by a major refocusing that LEO Pharma undertook in the first half of this year. Can you tell us your understanding of the vision behind the new focus, and your personal vision for this new role?

Geraldine Murphy: In 2009, LEO Pharma embarked on a worldwide growth strategy. We are transforming this organization from a Danish company with a primarily Northern European base, to a global player. Between 2009 and 2012, we opened affiliates in major territories like the U.S., Russia, China, Brazil, and several other markets. Our employee base grew from 3,000 in 2009, to over 5,000 today. Our expansion has been very significant over the past three years.

In the midst of these developments, earlier this year we announced a structural reorganization. Our aim is to build a ‘global, patient-centric’ organization. This is an idea that I will keep returning to throughout our interview.

One of the first steps in our transformation, from a commercial point of view, was to focus on five key regions. One of those regions is what we call the ‘E.U. 5+’: the UK and Ireland, France, Germany, Spain, and Italy; along with Canada, Australia, and New Zealand.

Within our new regional structure, I was asked to take on the role of managing director for the UK/Ireland sales organization. We had previously separated the two markets, and one of my objectives has been to integrate them. This means I am responsible for UK and Ireland, my direct

reports are responsible for UK and Ireland, and each of their key managers are responsible for UK and Ireland. We do not any longer have a separate setup in the Irish market.

Of course, we do continue to have people on the ground in Ireland locally—a fantastic team. I have been keen to ensure that, in integrating these geographies, we retained the talent in both countries, and we continued to motivate our local talent.

You have said that this new structure has a "fantastic opportunity to share experiences between two countries." What do you see as the principal differences between the UK and Irish healthcare markets, and what can each learn from the other?

In Ireland, when the economic environment was positive, the government was very interested in investing in healthcare, and we saw health spending increase considerably. The pharma industry, meanwhile, was in a position to offer great value to the state.

Having worked in the UK for six months, what I see immediately is that the hurdles for market access are certainly more challenging there than in Ireland. But I believe that Ireland is now catching up very quickly.

When I look back over my 19-year career in LEO, I have seen a gradual increase in the challenges we face to reach the Irish market. However, having said that, and having been actively involved with IPHA for a number of years, I believe that one of the key differences in Ireland is that there is a very healthy dialogue between government and industry in this country. Thus far, this has not been my experience in the UK. I have a sense that the industry is kept at arm's length in the UK. In Ireland, the partnership we enjoy has greatly benefitted the Irish economy—and, most importantly, Irish patients.

The significance of the agreement that has just been finalized between IPHA and the authorities is that while we have managed to deliver in terms of savings to the taxpayer, we have also succeeded in protecting Irish patients and allowing them access to innovative medicines. This is a message that I am sure is echoed by every one of my colleagues in the country.

The UK is by itself LEO Pharma's 3rd largest global market. If we consider the UK and Ireland together, what is the significance of this company to the LEO Pharma group?

The combined organization remains number three for LEO Pharma today. The U.S. is our largest market, and France is second. As I have mentioned, we are also part of the E.U.5+ region, which is LEO's largest region—In this region, our operation is second. Hence, from a commercial standpoint, we are very, very important to the global group.

I believe, moreover, that in terms of mindset, thought leadership, and strategic influence, we have been very instrumental in helping LEO Pharma build that global, patient-centric organization. Most

companies today will talk about being patient-centric, and the challenge for us at LEO is to demonstrate that we really mean it. We started on the journey of patient-centricity in Ireland 12 years ago, establishing patient support programs in dermatology that offered highly innovative services. I believe that initiatives like these have inspired the global organization in its endeavor to focus on the patient. Our work over this last decade in Ireland has certainly, at the least, very much influenced the UK organization in establishing some very progressive programs—in fact, the company won three awards last week in recognition of our efforts.

The managing directors of dermatology companies often cite a gap in education within the market, noting that many people do not take dermatological conditions seriously. Is this a challenge you have witnessed in Ireland?

Yes. It is no secret that in Ireland, dermatology has not been very well resourced, and dermatology patients have had to endure long waiting lists to see specialists. I believe the local community of dermatology practitioners would agree with me in this sentiment.
Given the lack of funding for dermatology in this country, we see—from our discussions both with dermatologists and primary care GPs—that there is a real need for education in this field. If you suffer from a skin condition, more often than not, your first source for help will be your GP. GPs are incredibly busy these days, and they have very little time. Each visit might last less than ten minutes. Meanwhile, if you suffer from a disease like psoriasis, you suffer from a chronic, lifelong skin condition. It is a condition that takes time to understand: what is psoriasis? How does it affect patients? How do you manage your condition? These are all questions that take time! Time that GPs simply do not have.

As early as 2000, we provided nurses trained in dermatology to practices in Ireland. They were made available to provide education. Obviously, they could not prescribe, and the prescribing decisions were completely up to the GP. But the program was a recognition of the fact that patients needed understanding and assistance. If someone lives with psoriasis, their life may be affected in terrible ways. Very often, they need someone to listen. We provided that service to them, and we continue to do so today.

When you provide these kinds of programs, are you creating the market for the competition?

This is not our primary concern. If we can make a difference in people’s lives, we will. If people are motivated, and understand how to manage their psoriasis and why, they will get the greatest benefit. We hope that we, too, can derive a benefit from that—but if our competitors benefit instead, we can live with it. The patient is more important.

Education is important from many perspectives. For instance, if patients are prescribed a medication that they are not using, resources are wasted—the company’s, the patient’s, and the

payer's. Education is a win-win.

In our conversation with Alan Bass at Ipsen Ireland, he mentioned that, because people are less willing to visit GPs today due to a reluctance to spend money in this challenging economic environment, the diseases that would lead to the use of Ipsen products are under-diagnosed. Perhaps this phenomenon affects LEO even more than other players, because people may be inclined to view the treatment of dermatological conditions as a 'luxury.' Have you been able to find growth in this economy?

Your point is indeed well made, and it has definitely become more challenging to develop our products. Psoriasis won't kill you, as most skin conditions will not. People do tend to 'live with it' if they have limited means. During the economic boom in Ireland, we saw volumes increase significantly—those days are now over. We have not seen much of an impact among those whose medication is fully covered by the state, but we have seen growth taper off among patients that have to pay a percentage out-of-pocket. People are trying to make their medications last longer, and etc.

And yet, although the pace has been reduced, we have managed to find growth. We are looking forward now to launching a new treatment for actinic keratosis, which is a pre-cancerous skin condition. This is again an area where we have seen a significant increase in understanding, in part thanks to LEO's work with patient associations and the Irish Cancer Society under the 'Check Your Skin' campaign.

Is this product going to be made in Ireland?

It is indeed! Just downstairs from my office.

What synergies are you finding with your production operation? For instance, a number of Irish sales and marketing managers have told us that doctors trust them more when they can demonstrate that their company has invested in Ireland.
LEO is extremely well known in Ireland. We have a very high level of recognition and trust amongst our customers, having first invested in the country 55 years ago.

Our production commitment has been absolutely instrumental in building up loyalty to our medicines. The medical profession does understand and appreciate the importance of the pharma industry to our economy. Many of their children may wind up working in the industry locally, because we are such a major employer.
Over the years, we have continually promoted the fact that our products are made in Ireland. All of the products we currently sell in the market are manufactured here, either wholly or in part.

You mentioned that LEO Pharma was recently honored with a number of awards in the UK, for unrolling programs that were in some ways inspired by your efforts in Ireland. Can you tell us more about these honors?

I have to say that going up and accepting these awards on behalf of LEO has been one of the proudest moments of my career, because I saw the amount of work and effort that went in. I later told our team that we do not come to work to win awards, but we work so that hopefully, at some point along the chain, we can make a difference to patients. But, to get that recognition was superb!

The awards came about because we launched a product called Dovobet® Gel in the UK—and in Ireland—in early 2011. The product has been very successful, but the drug itself was only part of the launch. Our work was about changing people's lives in psoriasis: we focused on awareness and support. It was very much a holistic approach to a product launch.

The Pharmaceutical Market Excellence Awards (PMEA) judging panel came to visit us in the middle of October, and interviewed our management teams. What we explained recalled the mission of the company: to help people achieve healthy skin. We truly want to become the preferred dermatology care partner globally.

Yes, we must run a business. Yes, we must make a profit. Because if we don't, we won't be able to fund our programs or fund innovation. But the patient is first in our minds. LEO is a foundation, and that means that our profits go right back into our business, and into developing both products and services. We are looking at today's dermatology challenges from all sides: how patients manage their conditions, what it is like to live with a chronic skin disorder, and etc.

We have really moved, within LEO, from producing tubes of ointments and creams to—excuse the pun—getting 'under the skin' of people who suffer from these conditions, and what it means to them every day of their lives. In that way, we can bring solutions, rather than just offer a tube.

What can you tell us about your thrombosis business? Does it too embody the innovative approach you take in dermatology?

Absolutely. We have done a lot of work in partnership with the key centers to offer our stakeholders a better understanding of blood clotting.
Commercially, our thrombosis portfolio is also quite even with our dermatology business. We have built up this therapeutic area over the last 20 years—and in fact, per capita, Ireland is the most successful market within LEO in the segment.

Our team has worked extremely hard to make thrombosis successful for us. But, more importantly, they have worked with hospitals and conducted research with healthcare providers to discern how we can better manage therapy. For instance, we have helped to establish outpatient treatment

protocols, which have been a benefit both for patients and hospitals. We have great relationships with key opinion leaders in the thrombosis area in Ireland.

With 19 years served in LEO, what would you say has kept you here, and what is your management approach?

What has kept me here is the culture of the company. LEO is, and has always been, a wonderful place to work. Our value of integrity is very important to us. This is very challenging, because when you call ‘integrity’ your core value, you open yourself to criticism—but this value has kept me in LEO. It sits very well with my personal beliefs.
I also very much appreciate our customer focus, flexibility, and commitment to innovation. All of these elements are absolutely integral to who we are.

Finally, we are a small company, and we are not hierarchical. I feel empowered to make decisions. I hope, on that note, that our employees feel empowered to make decisions.

Certainly, my vision for the future of the UK/Ireland organization is that we C19become the most patient-centric subsidiary within this company. Obviously, we also have to run a successful business—but I believe we must do so with patients at the core. The fact that we now have an integrated organization means that today, we can really and truly share best practice. We talk a lot about sharing best practice, but we can only really do it through full integration. We can bring the innovations from both sides to the market.

Mr. Fitzpatrick, can you give us a brief overview of the development of LEO Pharma’s investment in Ireland?

Brendan Fitzpatrick: LEO was the first foreign company to invest in a production facility in Ireland. In 1960, we took over a tobacco plant in Dublin, and began producing medicine for the domestic Irish market and the UK market. We had a wide variety of products at that stage, including penicillin, analgesics, and OTC drugs.

Subsequently, the company began to diversify geographically and move into more European markets. In Ireland, we were asked to export all across Europe, leading to the expansion of the Dublin site. We took over a number of other production plants in the vicinity of the original facility. We began producing different finished dosages, including tablets, powders, and gels.

In the 1980s, LEO enjoyed rapid expansion in this country. We built a dedicated penicillin facility for the global market, with different dosage forms as well as active ingredients. We also built a small synthetic plant for diuretic APIs, and, at the end of the ‘80s, we upgraded our topical product facility in order to increase its capacity.

Going into the ‘90s, therefore, we had a very diversified portfolio of products and a very diverse range of pharmaceutical processes. In the mid-‘90s there were approximately 600 people working for LEO Pharma in Dublin. Our marketing colleagues were here by then as well, and we also started adding on a number of global shared services.

The next evolution came approximately 10 years later, when, in the late ‘90s, LEO took a strategic decision to focus its business on dermatology. We divested our antibiotic business, and hence sold all penicillin products. We closed the penicillin facility and demolished the structure.

This was a big change for people working here—including myself, because I worked at LEO between 1995 and 2002 before returning in my current capacity in 2007. We also closed our diuretic synthesis plant, because we saw that demand for those products was falling as generic competition was wearing away the market. We did not have the scale to compete from Dublin. Diuretics were outsourced to other manufacturers.

We started focusing on becoming a center of excellence for topical dermatology products—a good place to be, as LEO was beginning to become a company that was much more focused on dermatology, striving for the first or second position in every indication where it offered a product.

Today, in Ireland, we continue to focus on our role as a topical manufacturing hub.
Over the last five years, in particular, we have brought in a number of new technologies and added capacity. We have introduced new products—we have had to compete for them, but we were successful in doing so. We are also now establishing a technology center to develop new topical solutions for patients. We are moving into the drug delivery space, and the medical device space. We are looking at novel packaging formats. We want to improve that patient’s experience with our medicines.

Our vision, as it stands today, is to be the best topicals manufacturer in the world. We have a strategic plan to support this vision, outlining how we can compete on cost, on service, on supply, and on quality—and how we can be fit for the future.

LEO has now restructured the company and aims to become truly global. What does that mean for you here in Dublin?

Becoming more global means both opportunities and threats. The opportunity lies in the fact that we can now export to more markets, and reach more customers and patients. We can service and learn from those markets, and that will help us to develop. On the other hand, there are threats on the horizon as well, because there are great manufacturing opportunities in some of the geographies LEO is not entering. A lot of those markets, moreover, will call for a local production approach.

I think it is important that we are not afraid of the globalization of this organization. We have to accept that we will not produce medicines for every single LEO market. Once we accept that, the question becomes, “what role can we play?” How can we support local production operations? How can we help transfer technology and best practice? In many ways, we can play a role in servicing and supporting our new affiliates. By doing so, I am sure that we will learn as well—because perhaps they have innovative ideas that we have not yet implemented here.

LEO pharma will definitely have a more networked supply chain in the future, and while this development will challenge us to think differently, I believe this is a great time for the company. In Ireland, we have to discern what we can focus on, and where we can best utilize our resources. We have to understand how we can play within this network.

What is your final message to our readers?

LEO Pharma is a growing company, and a company that is changing rapidly. It is a company that people will see and hear a lot more of in the future. We will be seen as a high-performing dermatology business. I believe the Dublin manufacturing site can play a key role on that journey, and add a great deal of value. Operating out of Ireland offers many advantages to LEO—and we are ready and excited to get going.

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