Interview with Peter Koetsier, General Manager, Bristol-Myers Squibb Poland

29.07.2012

Tags: Bristol-Myers Squibb Poland

peter-koetsier-general-manager.jpg

Bristol-Myers Squibb Corporation and Bristol-Myers merged in 1989, Bristol-Myers Squibb has been officially operating in this market since that date, but the affiliate has a long history previous to that. What is the importance of Poland today for the group's global strategy?

About six years ago, there was a need to consider the future direction of BMS globally and to change for the future. As success in the pharmaceutical industry was becoming more challenging, many companies changed their global strategy and began to diversify into generics including biosimilars, OTC and even consumer brands. BMS on the other hand chose a different path. Whereas most companies plan to be either "big pharma" or pure Biotech companies, Bristol-Myers Squibb has decided to merge the best of big pharma and the best of Biotech, becoming a BioPharma company.

The company globally is focused on innovative products that treat serious diseases, concentrating only on diseases with significant unmet medical need. Bristol-Myers Squibb works mostly with hospitals and is active in specialized therapeutic areas such as oncology, diabetes, HIV, hepatitis, central nervous system (CNS), transplantology and immunology. As a consequence, the company's structure has changed, becoming more streamlined and the culture is more about focusing on the customers.

In Poland, up until the mid 2000s, the Polish environment was challenging for companies wishing to launch innovative products. There was poor intellectual property (IP) protection, and the government concentrated on supplying locally made generics. Around 5 years ago the market

began to open up to select new products, although even today Poland has one of the highest rates of use of generics in the EU with generic brands accounting for 80% of the total market volume and more than 60% of the market value.

The transition to modern healthcare has been challenging for the government as they try to meet the demands of the people of Poland for access to newer treatments. I often liken the healthcare system in Poland to an adolescent – it has its adult moments mixed with moments of being quite underdeveloped, and sometime a constant movement between the two. Expenditure on healthcare and pharmaceuticals remains one of the lowest per head of population in the OECD.

The country has gone through a remarkable transition in the past twenty years, if you consider the huge steps forward in terms of the financial system, infrastructure as well as the legal system. I look forward to continued progress in healthcare that will see the people of Poland reach health outcome levels more akin to other EU countries.

Our business in Poland is purely focused on patented serious diseases medicines, which makes us different from a standard pharmaceutical company. Even though there is recognition for the need of these products, the processes are sometimes slow and unpredictable.

Despite some of the challenges their history brings, I have been extremely impressed by the level of education and expertise of Polish physicians and connectivity with the rest of Europe.

The biggest challenge for pharmaceutical companies bringing innovative medicines to Poland is the unpredictability and uncertainty around the reimbursement system. This can create frustration as dates and deadlines can be unclear so when you work in Poland, it is important to stay resilient, persistent and agile.

Interviewed in December 2009, Mike Seeley took the example of Plavix, the biggest molecule on the French pharmaceutical market, that went generic in the middle of 2009, hitting the market in the last quarter. It was a 600€ million brand that has lost 60% in 10 weeks. To what extent are LOE issues affecting Bristol-Myers Squibb's sales in Poland?

The impact of short-term patent expiries is less of an issue in Poland, as many of the big brands at or near patent expiry, already have generic equivalents available. Because of the less robust IP up until 2004, brands such as Plavix and Lipitor, have been competing with generics for a number of years. New laws have changed this for the future.

What does Bristol-Myers Squibb's string of Pearls strategy look like in Poland?

In Poland, we share many of the global strategies, global alliances and partnerships with companies such as AstraZenecca in diabetes, Pfizer in cardiovascular and Gilead in virology. If we look at the "String of Pearls" strategy specifically, the brands and technologies BMS has licensed

will be very relevant to the unmet medical needs of Polish people. In the future I expect Poland to be a source of innovation that may be of interest to BMS. Poland already is a growing place for phase II, III and IV clinical trials, and I look forward to seeing it taking a greater role in phase I and early stage II work in the future as the government fosters innovation.

Polish clinical trials market is worth about 860 million PLN. The Group obviously capitalizes strongly on this high figure considering that Bristol-Myers Squibb has located its centre for the Eastern European region in Poland, accounting for 15 per cent of all trials carried out by the company. How do you see Poland's position evolving in terms of clinical research in the light of the rising competition from Ukraine and Russia?

There are clearly educational, societal and financial benefits for countries to encourage high quality high value clinical trials. The law in Poland has been somewhat unclear but fortunately the government is currently looking at a new law to help clarify the situation. Hopefully the law makers and experts will work with the industry to maintain the combination of quality, efficiency and reliability of clinical trials as they finalise this new law and don't add any unnecessary administrative burden.

Unfortunately the significant benefits of clinical trials for Poland have not always been recognized by various stakeholders. Recently PwC released a report showing the enormous benefits of clinical trials in Poland and the potential for Poland to take an even bigger role globally.

When asked about the future of the industry, Michal Bichta of Merck said that regulators need now to provide a path to the industry to go from chemical-oriented entities to biotech-oriented entities. How do you assess this statement?

Historically under communism, the pharmaceutical industry in Poland was 100% government-owned, and pharmaceuticals were produced by government-run factories. The transition to a free open market and a world of innovation will continue to be an evolution. The new wave of biologics is the next challenge as Poland attempts to prepare for the future.

The industry remains ready to work cooperatively with all arms of the government to plan for the challenges of the future. Sadly the government is not always open to this offer and hopefully time will see this improve. The industry could do better at communicating too and fortunately in the past 12 months the association of innovative Pharmaceutical companies has started work to document and better explain the value of the industry to Poland, allowing decisions to be made on fact and logic rather than history or bias.

It is time to explain to everyone in Poland that the work of our industry creates employment, a culture of innovation and significant growing investment that is helping to build a stronger future for Poland. Bristol-Myers Squibb employs hundreds of people in Poland and companies such as

GlaxoSmithKline have some of the biggest pharmaceutical manufacturing facilities in Poland. Better recognition needs to be given to the contribution some foreign companies are making to the future of Poland.

Both the industry and the government have responsibility for improving the lack of dialogue and recognition of mutual benefit. I strongly believe eventually the situation will sort itself out.

We know that Bristol-Myers Squibb has a corporate culture of global reach with local touch. Considering your extensive international experience, given that you worked both on a national and regional level, to what extent do you think the group is implementing this core strategy in Poland, taking into consideration all specificities of the Polish market?

At the core of the Bristol-Myers Squibb culture globally, which is shared by the Poland affiliate, is a high level of ethics and compliance. An ethical corporate behavior is fundamental in this industry, which is why it is constantly maintained and monitored. As an employer, we attract many people who want to be part of a company that thinks and behaves with integrity.

Whilst Bristol-Myers Squibb global and the Polish affiliate have the same brands and the same fundamental approach to doing business, when it comes to customer interactions, there needs to be some localisation. I am very fortunate to have a very strong team here in Poland, who focus on unmet medical needs and understand the customers.

Bristol-Myers Squibb implemented in some ways a different marketing mix in Poland. For instance, in Poland, much of the communication is still face to face contacts with doctors. In some countries, the communication is electronic and doctor driven, which means that they are the ones who get to decide which companies to approach. I’m sure this will become reality in Poland soon so we are also preparing for the future.

The Bristol-Myers Squibb Foundation project fights among other diseases against the lack of access to knowledge, treatment and prevention for cancer in Central and Eastern Europe. To what extent are these projects as well as other corporate social responsibilities (CSR) initiatives your priority as the head of the affiliate?

CSR has been a major priority for us at BMS and we strive to do the right thing for the benefit of the patients we serve around the world, our company, our employees, our shareholders and our communities. Our employees need to feel that they are good corporate citizens: they actually live and work in a country, they do not just run a business. The BMS Foundation was established in 1955 which sits, as it should, away from the commercial division as an independent group.

As members of the Polish community and BMS we are proud of the Foundation’s program Bridging Cancer Care, specifically directing funding and developing partnerships to help narrow the differences in care and outcomes experienced by countries in Central and Eastern Europe.

Through specific programs the foundation has focused on areas such as building capacity for cancer nursing, healthcare worker training and screening. One of the groups the foundation supports focuses on patient education for cancer patients and their families. By conducting activities such as workshops to answer questions and build knowledge, these people can feel more empowered at the most difficult of times.

Such a focus on CSR creates a culture that encourages employees to think about sustainability. For instance an initiative for a more environmentally friendly office came from the employees. We are fortunate enough to live in this great country, so I believe it is important to respect the country in which we live in.

Most companies take a lot of pride in being a great place to work. Bristol-Myers Squibb participated in the Great Place to Work ® survey and came in first place in Poland and at the 38th place in Europe. What would you say are the company's strengths in Human Resource Management?

Whilst we are proud of such a good result, we do not consider ourselves perfect, and the survey provides feedback from our employees that will direct specific actions we will take to be even better. Bristol-Myers Squibb recognizes that to be a great place to work is not just about paying people to do a job. We have great systems that offer equality among the staff, fairness as well as great development and training. People have the opportunity to feel that they are a part of the organization and to contribute to decisions that improve everything we do. As an example, last year a group of sales representatives came to the office for the day to tell management about things they don't like in the company and suggested what needed changing. The biggest issue identified was communication between different departments and between the office and the field – in both directions. This year we are kicking off a number of initiatives to make sure this improved dramatically. Bristol-Myers Squibb Poland is growing fast, so it makes it a vibrant and exciting place to work, particularly when you consider we are bringing new and important medicines to Polish people. I have worked in many places in the world, and I have to say that Bristol-Myers Squibb Poland is one of the best environments to work in and that's because of the people.

What do you think are the skill sets required from a manager to successfully run a business in the pharmaceutical industry in Poland?

We have discussed the differences between the countries, but there are also similarities. According to my personal experience, although the weather is different in Poland (compared to Singapore where I was before moving here), there are some fundamentals which do not change. Indeed, the government is trying to do the best they can for their people, trying to provide as much healthcare as they can with their budget; doctors try to be up-to-date and to prescribe the best products they can for their patients; patients want the best care and medicines to extend and enhance their life.

These aspects of the environment are the same the world over and understanding these dynamics is the essence of being successful in our industry.

As the environment is evolving so quickly in Poland, the ability to remain flexible is probably a leader's greatest skill. Rigidity brings often disappointments, given that things rarely go the way you predict. On the contrary, companies need to be able to take advantage of the changes. As having complete, timely and accurate data can be challenging in Poland, you have to be good at taking decisions and calculate the risk sometimes with little information. If a pharmaceutical company wants to be successful in Poland, it needs to be strategic and execute its plans well, and to do all this without the full set of decisions tools available in other places. At Bristol-Myers Squibb, an absolute pre-requisite for a sustainable business are very high standards of ethics. Building on that we listen to customers, to our staff and we have a coalition of people that we trust to help us make decisions. Most of the time, the feel is as good as the data.

This lack of information and unpredictability of the market can be seen as a good thing: it forces us to focus on customers, to get out of our offices and meet people; to get an understanding of how the market is moving on a daily basis.

In the coming few years, where would you like us to see Bristol-Myers Squibb in Poland?

With one of the best pipelines in the industry BMS Poland will continue to grow rapidly, and will likely be twice the size in the coming years. The company has evolved from the old business model to a period of important innovative launches of new processes and products, and delivering medicines for unmet medical need in Poland. For instance, Poland has one of the highest rates of serious skin cancer in Europe, and we are currently working to bring revolutionary products to Poland to help fight this serious condition where the current options are very limited.

There is no doubt that in Poland the legislative framework will fundamentally shift the industry in the next few years, whether it comes this year before the election or after. Our business is well set up to adapt to the change.

What would be your message about Bristol-Myers Squibb in Poland to the readers of Pharmaceutical Executive?

The company's global strategy has proven its success so far and I believe we will see even greater value in the next ten years. Bristol-Myers Squibb globally will become a major success story, as we reduced dramatically our costs by improving the performance in the organization. The company is today as strong as it has ever been, with a culture and portfolio that is absolutely right for the future.

I see great opportunities in Poland. The country has consistent and predictable economic growth, even maintaining positive Gross Domestic Product (GDP) growth through the recent financial crisis,

creating improved wealth, generating employment and enabling the emergence of a stronger society. As an industry we often talk about “the big five” in Europe; I believe Poland will be equivalent if not bigger than these countries in the coming ten to fifteen years.

Bristol-Myers Squibb’s right strategic decisions together with the numerous and important opportunities in Poland make this local affiliate a fantastic company to be part of.

See more interviews