Interview with Michael Pehl, Managing Director, Celgene Germany

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michael-pehl-managing-director.jpg

Celgene is very new in the German market. What would you say have been the main achievements of Celgene Germany since its establishment in 2006?

Celgene Germany started as a small legal entity in a still smaller office at the airport in Munich without even a computer! Three years later our Celgene office in Munich hosts a full-fledged organization with more than 90 employees responsible for the German market and our Central European operations. During three years, the company has been broadening its scope and building up a sales and marketing organization, a medical and clinical research team, finance and accounting, and much more. Besides, Celgene successfully launched three products already and, of course, is looking forward to doing much more.

What were the main challenges to start on the German market from scratch?

There was a specific challenge around two of our products. Thalidomide has a terrible history especially in Germany due to malformations of babies brought upon by the wrong use of the drug many decades ago. Therefore, we did not only have the task of building up a profitable organization within a small timeframe but also of positioning it as a trustworthy and responsible partner towards the medical community as well as the healthcare authorities and the German public.

This was a considerable challenge, however, we succeeded.How relevant and integrated are your German operations regarding the rest of Celgene group?

Naturally Celgene’s biggest market is the USA. However, the importance of Europe is growing steadily and Germany is a significant contributor in all relevant areas – sales and profit wise as well as in terms of conducting clinical research for drugs still in development.

In terms of growth and pipeline expansion what is your assessment for 2009 and what are your perspectives for 2010?

Celgene’s growth in Germany has been very much based on three products that we have launched in distinct indications. So far we have two products for multiple myeloma and one for myelodysplastic syndromes. For 2010 we are expecting new data in multiple myeloma which will further strengthen the leadership position of Revlimid in this area. In parallel, we are moving forward to broaden our indications in multiple myeloma and MDS, but also run an extensive development programme in lymphoma, acute leukemia and solid tumors. These indications will be the fuel for our growth beyond 2010.Germany is the second biggest biotech hub worldwide and its market is extraordinarily competitive.

How does Celgene manage to differentiate itself from the competition and grow above the market average?

The key differentiator is the people that Celgene employs; this is paramount for the success of the company. Celgene makes a considerable effort in organizational development; talking to people on a daily basis, clear goals and expectations, intensive medical and marketing co-operation, making sure that departments and employees co-operate and understand each other. This makes a huge difference.Just as an example to illustrate this: Currently our sales force in Germany has been rated as being the number one in the country in Hematology even when compared to large companies. Celgene is very proud of this recognition especially because we have only been present in the German market for three years. The company puts special emphasis on constant medical education, product knowledge and health economic expertise. Our customers regard our sales force as reliable partners which provide true value for their daily work. As Celgene in general and as Celgene Germany we have a clear mission: We want to turn incurable diseases into treatable chronic conditions. We want to change the course of medicine in the areas we are working in. That is why we heavily invest in R&D. We know that excellent science has been and will be Key to our success. This motivation and excitement can be felt throughout all levels of our organization.

How do you manage to attract and retain the best talent in such a competitive labor market?

Besides our mission and passion for our patients there is another simple rule: Great people and strong teams attract great people. For instance, we could gain one of the leading experts in the field of MM and MDS as our medical director. This has been the starting point for building up a strong medical organization. The same happened with our marketing and sales teams. And finally:

our employees like what they do, they like to work with each other, like to work in the culture and environment that we have jointly been creating.

How would you define your management style?

I believe that Celgene was able to gain and built up a fantastic team of experts. With this my job is rather simple: to set the right priorities and ask the right questions so that our teams can come up with the right strategies to achieve our goals. Since we are especially careful with the quality of our human resources, I don't have to manage their day-to-day business and I don't want to do so. There is a quote on good management I like a lot: "Just put the right people into a room and provide them with the right question, they will always come up with the right answers." This is exactly what we try to do every day.Celgene has strong investments in R&D with more than 800 pending patent applications.

With such an upcoming pipeline how do you expect your product portfolio to evolve on the German market?

Celgene entered the German market with one indication in Hematology. We are now in a situation of having launched three drugs in several indications. We are confident that we will develop these further in the next years with an even stronger leadership position in our core indications, but also expanding the indications for our existing drugs. In parallel, we are stepping into the areas of solid tumors and inflammation. In doing so, we always follow our vision: becoming a pre-eminent biopharmaceutical company that is improving the lives of patients with rare and debilitating diseases.As you mentioned earlier, your operations based in Munich are also responsible for different markets in Eastern Europe and Russia.

Which of these markets is more promising for Celgene and what is their importance for the company´s continuous international expansion?

This is correct we have our regional office based in Munich which is supporting our growing activities and business in Central and Eastern Europe, Russia and the Middle East. Clearly our most promising emerging market is Russia. There are some existing specialty drug programs in Russia for rare chronic indications such as multiple myeloma. Our Celgene teams in Moscow, Switzerland and Munich are working intensively with physicians and healthcare authorities to make Revlimid – which recently has obtained registration in Russia – broadly available for Russian multiple myeloma patients.

What's your strategy to further penetrate those new markets?

It is basically the same approach that we applied in our more mature markets: focus on medical specialities; invest heavily into clinical trial programs; include national and international medical expertise into medical education, close co-operation with healthcare authorities and so on. And

again, try to have the best and strongest teams on board, they will make the difference.

Now that Celgene is well established on the German market, what are your main expectations for Celgene's future?

We will continue to making our vision a reality: ground breaking science leads to great products. By this we will be able to bring more disease altering therapies to patients. We want to turn life threatening diseases into chronic conditions. As we follow this path, almost everything is possible and almost each goal achievable. Watch out – you can expect great things from Celgene!

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