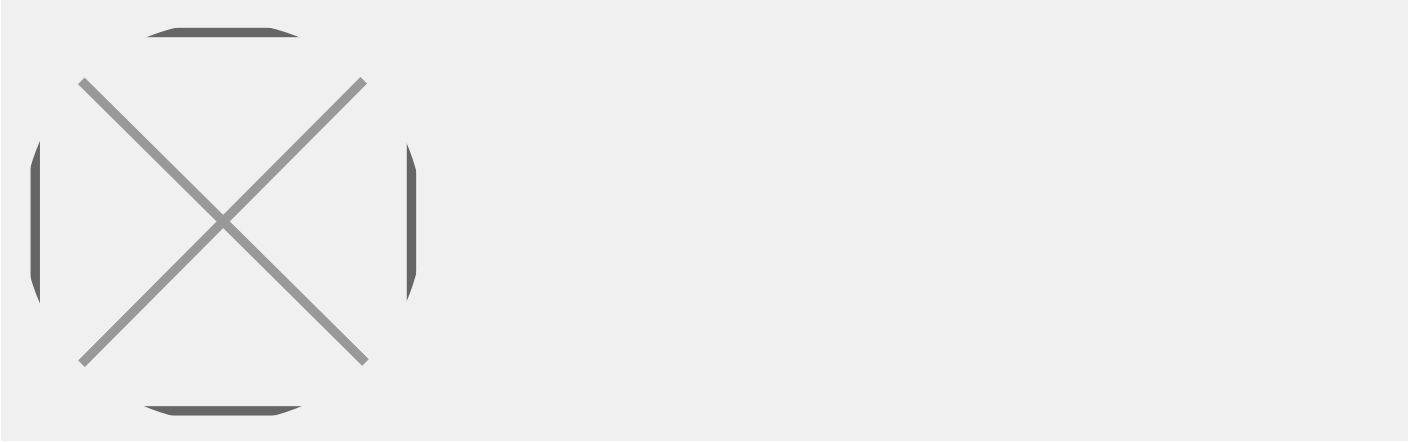
Interview with Stefan Brinkmann, General Manager, Nycomed Germany



21.09.2009

Tags: Nycomed Germany

stefan-brinkmann-general-manager.jpg

What challenge is for you as General Manager of Nycomed Germany to lead the number one subsidiary of the Nycomed Group and what would you highlight as the key milestones since you took the reins of the German operations?

I enjoy the day-to-day challenge of being in charge of the biggest marketing and sales unit within such a global company. Naturally, it involves great dedication as I am responsible for the sales and thus the profit generated, meaning that I am in close contact with other branches of the company such as corporate marketing, medical department as well as the R&D division. Germany, being the biggest market, influences greatly the corporate strategy; therefore, we must work hand in hand with our headquarters, which are based in Zurich. Additionally, the close geographical location enables Nycomed Germany to have a very close relation with the headquarters.

When we had the opportunity to interview Nycomed General Manager Lide Verdugo in Spain she highlighted the importance of ALTANA's acquisition for Nycomed's Spanish operations. How was the integration process in the German context and how did it affect Nycomed's German operations?

Similarly to the Spanish situation, Nycomed operations before the takeover were ten times smaller than ALTANA. This takeover represented a challenge where employees from the two companies were brought together in Constance, Germany, creating a new culture for everyone. The new Nycomed culture reflects openness and professionalism.

The integration period was a challenging one as merging companies had to be financially viable and operate effectively. In Germany, we had to take some gambles, especially in the R&D department here in Constance, to ensure the financial success of the merger. Looking back, this process was done smoothly and fairly for the employees as the transition was loyal to Nycomed's values. The respect for our personnel and corporate values were the cornerstone of the integration process as Nycomed showed to its employees and counterparts that it maintains its principles not only in the day-to-day operations but also during the most difficult and challenging times.

The new company was put into action very quickly compared to Merck Serono and UCB Schwarz who had announced their merger activities during the same period. After only half a year of integration, Nycomed was able to start its marketing sales operations in record time.

Even being a very recent event, what would you underscore as the main achievements of Nycomed Germany since its merger with ALTANA?

After the merger it was crucial for the companies to grow together, feel and act like one sole group; thanks to our efforts this was successfully achieved and it is reflected on Nycomed's day-to-day business activities.

The major milestone for Nycomed was being able to bring the sales force together half a year after the integration started. Another milestone was the set up of new R&D strategy. We joined the strengths of the previous two companies creating a strategy dedicated to sourcing projects with our own research, mostly conducted here in Constance, as well as including licensing and opportunities for specialty products. These new R&D operations created in 2007 enabled the launch of new innovative products onto the market and ensured their exclusivity to Nycomed.

Nycomed Germany has invested large sums in R&D, partnerships and licensing agreements in order to amplify its product portfolio. In this regard, what are the most promising therapeutic areas and products for the company?

Our most promising product is Roflumilast, the first anti-inflammatory treatment developed specifically for people with chronic obstructive pulmonary disease or COPD. Roflumilast is a PDE4 enzyme inhibitor, which targets the underlying mechanism rather than the symptoms of COPD. If approved, it will be a new approach to the management of COPD in a generation.Roflumilast is taken as a once-a-day oral tablet and has the potential to significantly improve the way COPD is treated, reducing exacerbations that require medical intervention, including hospitalisation.

COPD is a progressive and irreversible lung disease resulting in difficulty in breathing. The disease is characterised by severe episodes of worsening, called exacerbations. According to the World Health Organization, 210 million people have moderate to severe COPD. More than three million people died of COPD in 2005, which corresponds to 5% of all deaths globally. Alarmingly, this is a

disease that is predicted to become the third leading cause of death worldwide by 2030.

The company generated total sales of € 3,4 billion in 2008 and an adjusted EBITDA of 1,2 billion. Could this be matched in 2009? What are your prospects for growth and revenues for this year?

This year, the majority of the European countries will lose their exclusive rights to Pantoprazole, causing a smaller growth rate overall. But even though one of Nycomed's main products is out of patent it has retained a good market share in the market what guaranteed a smooth impact of the lost of such an important patent.

Nycomed Germany has been an active player in partnering with other companies aiming to increase their market share and penetration in the European markets. In your words, how would you portrait Nycomed as the right partner of choice?

Nycomed has a very special company profile, which differentiates it from other companies in the pharmaceutical industry. Nycomed offers a great coverage in Europe and Eastern Europe thus providing great market knowledge and key positions in these fast growing markets. This represents a unique and attractive profile for partners wanting to have comprehensive market coverage of mature and fast growing European markets.

Many in the pharmaceutical industry – especially among multinationals – ponder whether to further invest in Germany due to an increasingly challenging legal environment. What is your assessment over this issue?

It's true that the German market faces great challenges imposed by cost-containment policies that are strongly affecting the innovative sector, which is getting smaller year after year. But, on the other hand, Germany is still an important hub for cutting-edge R&D and manufacturing thanks to its highly skilled and experienced workforce. It's up to the decision-makers' intelligence to see the importance and benefits of having a growing and strong innovative pharmaceutical industry in the country.

As you said, one of Germany's main strengths lays on its highly skilled workforce. However, in such a competitive labor market with many players disputing the best talent, how does Nycomed attract and retain the best people inside the company?

Finding the best people for R&D operations is a continuous challenge for a company. Nycomed addresses people very early at university level in order to attract the best talent. The location of our plant and headquarters around Lake Constance is an asset as there are international schools, high standards of living and good opportunities that really make a difference when you have to decide where to plan your professional and personal life.

Image and brand recognition are a special challenge for companies that recently went through big mergers and acquisitions – the case of Nycomed in Germany. Therefore, what has been your strategy to better position Nycomed's name in the German market?

The major strategy is to promote Nycomed through our day-to-day activities. Nycomed is present through approximately 350 sales representatives all over Germany working alongside customers. It took Nycomed two and a half years to reach this level of awareness in the market and we can proudly say our sales representatives achieved great results in better positioning Nycomed's name in the German pharmaceutical market. This was also done through innovative marketing, advertisements, interaction with doctors and universities to better establish the name in Germany. Now everyone in the industry knows what Nycomed stands for in a wide scope of areas, from R&D to generics.

Looking towards the future, what are your main ambitions and expectations for Nycomed for the next five to 10 years?

Naturally, my main ambition for Nycomed Germany is to continue our positive development and face the upcoming challenges with intelligence and strategic thinking – such as in the case of Pantoprazole.

Secondly, Nycomed is preparing itself for the respiratory market. Nycomed will also maintain its presence in the generic market, an area where much of the competition has been pulling out of. Therefore, Nycomed will enlarge its scope and continue to maintain a focus in the specialist businesses and compete in the generic products where it has the clear advantage of being the original producer.

As the head of Nycomed Germany, what will be your final message to your partners from the pharmaceutical industry worldwide?

Nycomed will continue to play an innovative role in the market by always being slightly quicker and smarter than the competition.

See more interviews