Interview: Leonard Sojka – Managing Director, Merck Slovakia

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Dr. Leonard Sojka who has spent over 25 years with the innovation-driven Merck group explains how Merck is turning its focus to science and technology; his experience on market access; the specificities of the Slovak market; and why Merck is a great company to work for.

2015-16 has been a very busy period for Merck, with a new global CEO, new directives in terms of group offerings, a focus on profitability, growth of existing products, a hastening of R&D, and the development of three new divisions: healthcare, life science, and performance materials. Given your long association with the German group (more than 25 years), what do you see as the key impacts of this new direction in the CEE (Central Eastern Europe) region and on Slovakia?

I think Merck has become a respected player in Central Eastern Europe after years of lower visibility. Recent changes have introduced new branding to the company. We have reminded all our customers that Merck is turning into an innovation-driven company and that we focus on science and technology. We are also planning to achieve leadership in chemicals and other scientific areas. In pharmaceuticals and especially biotechnology, areas such as oncology, immune-oncology and neurology are critical for the future. Our customers understand our strategy and transformation to become a leader. We started this change earlier with an exciting pipeline to follow. We hope that our development will confirm our leading role in these areas.

Upon taking up the role as Managing Director for Slovakia in April 2015, what were your top priorities?

Leading the company is not just about the business. It is about being an orchestrating force for all functions. My vision includes making Merck an attractive place to work for. We want to show the outside world that we have serious intentions in innovation and people´s development.

Merck now characterizes itself as a "leading science and technology company" with Healthcare (Biopharma & Consumer Health businesses), Life science and Performance materials divisions; how has the company's focus changed and what does that mean for your offering in Slovakia?

We have just started our journey of transformations in this area. A lot has already changed, but a lot is still to come, including our new pipeline. We still have a traditional business in cardiometabolic care, including products for diabetes, cardiovascular and thyroid diseases and other products such as Campral for the treatment of chronic alcoholism. Our main cardiovascular brand, Concor, is the most prescribed beta blocker on the market. This classical business accounts for 36% of our annual turnover (based on 2015 sales). However, the growing part of the business is biotech (representing 64% of total business in 2015), especially neurology and oncology. These are also businesses where we are expecting new product launches in 2018.

Both Rene Bastl in the Czech Republic and Pierre-Henry Longeray in France have mentioned the growing importance of fertility as a therapeutic area for Merck in their respective countries; is this also the case for the Slovak affiliate?

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Merck is indeed a long-term leader in fertility. Our vision is to drive innovation in drugs and beyond aimed at providing individualized solutions to meet patient needs in order to help fulfilling their biggest wish of having a healthy baby. It is a promising business area for the future as infertility represents a serious medical problem for more and more couples. For countries like Slovakia and other European countries that suffer from low demographic growth, our fertility products will have a great impact. And as improvement of demographic growth is not a part of political agenda in most of the CEE countries and also CEE population is not satisfactory educated about the topic of infertility, there is a space for action here. Therefore, on top of our traditional medical and marketing activities we are also conducting general awareness campaigns aimed at improvement of public awareness about the topic of infertility and possibilities of its treatment. Bearing in mind the fact that the outside world has changed and moved into digital era, we follow the trend and

communicate this topic via digital channels, such as Facebook.

Are there issues regarding raising awareness of this area in a conservative, Catholic country like Slovakia?

I don’t share this feeling. I have worked in global roles across Central Eastern Europe and I don’t find Slovakia to be conservative. In Poland, for example, the Church has a much higher impact on this area and used to block progress in the treatment of infertility. However, the situation has slightly improved there and Poland introduced reimbursement of fertility products and procedures couple of years ago. Slovakia has adopted a constructive approach. Even if there is some limitation regarding reimbursement of fertility drugs and budget allocation (as a couple need to meet certain criteria in order to get funding from Sick Funds), we may say that access to treatment is not a barrier in Slovakia.

Can you share some insights about specifics of the Slovak Pharma market and role of Merck here?

Let us take a few examples. Some diseases that are in many other countries in the full competency of GPs are still in hands of specialists in Slovakia. Good examples are treatment of diabetes or thyroid diseases which are still in hands of diabetologists and endocrinologists. Therefore, most of Pharma companies operating in these areas are targeting their activities to specialists only. Merck as a first company bringing original metformine to the market, market leader in the treatment of Thyroid disorders and owner of one of the strongest brands (Concor) in cardiovascular field focuses on both specialists and GPs. We believe that education still plays important role among medico-marketing activities. We organize numerous territorial symposia and workshops where we speak not only about our products but also about disease management in general. This traditional method seems to be very powerful and has yielded outstanding results. However, watching the modern trends we are also entering the projects of “multi-channel marketing”.

On top of existing routines we collaborate with Expert Societes in all above mentioned areas, but also with other specialists, e.g. endocrinologists involved in growth hormone therapy, neurologists, oncologists, psychiatrists… Together we try to find all solutions that could improve life of our patients. There are couple of good achievements how we moved some unmet medical needs forward. An example is recent approval of pre-diabetes treatment by the Slovak Diabetes Society.

What sets the Slovak market apart and what is the affiliate’s importance to Merck regionally?

Slovakia is a country of 5,4 million people and a small market compared with neighbouring Czech Republic, Hungary, and Romania. Our importance regionally is therefore reflected by the volume of population. Yet, we belong to the best in the region in some areas (e.g. neurology) and we frequently share our best practices with other CEE countries.

In your time with Merck, what has been your experience regarding market access and bringing products to market? How receptive are the Slovak authorities to innovation?

In the context of the Central Eastern Europe, Slovak rules are very transparent. Certain industries do lobby our policy-makers but abide by compliance and internal regulations. Compliance has been brought to the top of Merck's priorities.

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Locally, many general managers from Big Pharma feel it is difficult to bring innovative products to the market. And that classical understanding of the pharmaco-economic value of drugs is not integrated properly. Many institutions see the price as a single component of the product. If it doesn't meet certain pricing criteria, they are dismissed.

I miss broader evaluations of products based on better understanding of pharmaco-economic (PE) criteria where price is just one parameter – even though important. In general, Slovakia suffers from lack of independent PE experts, and this is what slows down the entry of innovative products, not the system itself. Yet, when comparing other CEE countries, in many cases, Slovak Authorities were able to register the first line indications and grant reimbursements for new molecules much faster than e.g. Poland or the Czech Republic.

What are your expectations on the newly appointed ministry of health?

The new Minister of Health, Tomas Drucker, has prioritized promoting transparency and reducing wasteful spending across the Slovak health care system. Although this is very positive, there is some misalignment visible with the Ministry of Finance. They have the same goal – savings – however, different view how to achieve it. I find Tomas Drucker as an expert who well understands the economic principles and by surrounding with the right people from Health Care, he may be able to improve many weaknesses of existing health care system. He has obviously strengths in general management, collaborative approach and ability to listen to objective arguments.

Our industry strives to support the MoH with the goal to save but maintain access to innovative treatments. We offer solutions and contributions to their agenda and therefore we hope that we find "the common language".

What role does Merck play in shaping the industry?

Merck devotes itself to patients. The patient is at the heart of our vision, strategy and activities. Although we are geared towards health care professionals, our intention is to improve the lives of patients. We create lives via our fertility offering, improve the quality of life via our MS products and prolong life via oncology products.

In the context of political transformation that I mentioned earlier, we are a regular member of the industry association AIFP. We try to contribute via our nominees in different task forces. We strive to improve the industry's reputation and ramp up access to innovation.

What is your final message to our audience?

After many years without new product launches we finally want to introduce novel products to extend our existing pipeline, especially in the field of oncology, immuno-oncology and neurology.

Our avelumab, an investigational fully human anti-PD-L1 IgG1 monoclonal antibody, has received FDA Fast Track designation for the treatment of metastatic Merkel cell carcinoma (MCC), a rare and aggressive type of skin cancer. Avelumab has a promising future and we look forward to realizing its full potential in a range of hard-to-treat cancers, like ovarian, lung, gastric and bladder that are currently in the stage of clinical trials.

The next molecule we are hoping for is cladribine dedicated to treatment of multiple sclerosis (MS). It can well broaden the current offering in Multiple Sclerosis as an agent changing the treatment paradigm. Submission of cladribine to EMA was completed in June this year.

I always tell our employees that we may not be the largest and the best paying company in the world, but definitely we are one the best places to work. And we have a long lasting tradition in it. Being the oldest pharmaceutical company in the world, we will soon celebrate our 350th anniversary (in 2018). Merck is a place where people enjoy working and develop their working competencies. Many people say that there is a special spirit here. Maybe because we respect and live the same values, the Merck values. It repeatedly happened that some colleagues who decided to leave our company from different reasons were coming back. Having said all this, we are proud of our heritage as well as special "Merck spirit" and we want to keep it as the most important asset, differentiating us from other companies.

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