Interview: Frederic Bengold – Managing Director, Servier Switzerland



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Frederic Bengold, MD of Servier Switzerland, on the affiliate's main growth drivers, an exciting collaboration with Novartis on heart failure medication, and the intricacies of market access in Switzerland.

Could you please start by introducing Servier's Swiss affiliate?

We enjoy a longstanding presence and reputation in Switzerland. The local affiliate was actually one of the earliest representative offices to be established here. Given its geographical proximity to our global headquarters and home market, Switzerland, alongside other close markets such as Belgium, constituted a logical first stepping stone for internationalizing the Servier brand. In 2018, we will therefore be proudly celebrating our 40th anniversary in Switzerland.

Our annual turnover is, right now, running at CHF 32 million (USD 31.45 million), which is about 1 percent of Sevier's worldwide revenue generation, but 2.6 percent of our Europe-wide sales. Considering that Switzerland's pharmaceuticals market is itself worth around EUR 5 billion (USD 5.28 billion) for a population of only 8 million, our performance is thus very much in line with the overall market potential for a company of our size and capabilities. In the local rankings, we today occupy the 30th position in terms of sales value.

Where do you identify your main growth drivers? What are your best performing and most prospective products?

Like many other Servier service affiliates, we are doing particularly well in the cardiovascular therapeutic segment, especially with hypertension and our Perindopril franchise, driving some 50 percent of our local revenue. Our sales are certainly on an upwards trajectory and, in the past couple of years, we have successfully launched two new fixed-dose combinations, which will go a long way towards bolstering treatment adherence and delivering therapies that are decidedly more patient-friendly.

Right now, we are gearing up to roll out a third product launch for Triveram, which associates two co-morbidities, hypertension and hyperlipidaemia. We are confident that this product will enable us to provide strong clinical benefits for doctors and patients.

Therapies for diabetes also form an important part of our local product portfolio, despite the fierce competition that we face from cheaper generics. One of the ways that we can alleviate this competition is to identify fresh areas of innovation and added value. Here in Switzerland, we are working hard to introduce a completely innovative treatment approach that combines a GLP1 with a medical device so as to deliver a patient-centric solution. Back in 2014, Servier established a worldwide partnership with a Boston-based biotech called Intarcia, with a view to sharing global development costs for game changing diabetes treatments such as the first ever injection-free GLP-1 therapy. It is this partnership that we are drawing upon to fashion ever more effective treatment pathways.

We understand that you have also been collaborating with Novartis on heart failure…

That is correct. Heart failure is yet another area where we have built a solid reputation over the years to the point that Novartis has now chosen us in their home market to support them in establishing their product Entresto. This is, of course, a great recognition and it shows that our experience is widely respected by the industry.

When we interviewed your global CEO, Olivier Laureau, earlier this year, he spoke about the 3R strategy to “reset”, “rebuild” and “reconquer” Servier’s place in the market by introducing three new molecules within five years, by becoming a reference player in oncology and by attaining revenues of 5 billion by the end of the decade. How is this vision trickling down and impacting the local level?

My task is to translate the strategy defined by our CEO to the local Swiss context as one of the longstanding affiliates in a mature European Market. Beyond strengthening our position in cardiovascular, through the launch of new fixed dose combinations to better treat hypertensive patients, we are also very excited by the neuroscience area, where we want to progress with our cutting-edge antidepressant Valdoxan.

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Servier, at the global level, recently signed an agreement with Japan's Taiho Pharmaceutical to develop and commercialize an anti-cancer drug called Lonsurf as part of our objective to become a key player in oncology. We have yet to secure the Swiss market authorization and price reimbursement for this therapy for metastatic colon or rectal cancer but we have already set up a new business unit dedicated towards this goal and built up medical affairs activities, moreover giving us the possibility to prepare the upcoming products in our pipeline.

How easy is it to introduce new products to the Swiss market? Comparatively, how does Switzerland fare for market access to innovation?

In comparison to some of the other European markets such as Austria where I worked for several years, market access in Switzerland tends to be relatively quick. Generally, the Swiss, as a nation, accept paying premium prices as long as the quality of what patients are provided with is assured. As with the rest of Europe, reimbursement models are undergoing profound changes and 'health technology assessment (HTA)' becomes more and more important. Similarly to a lot of our sister affiliates, we therefore have to adapt to this new world by building up the requisite capabilities. This entails recruiting and bringing together both product experts and process specialists who can appropriately demonstrate and articulate the value of any new product that we seek to introduce.

The industry is moving fast in the direction of more targeted, precision therapies and it is critical that we at Servier align with these trends so as not to be left behind.

Depression is for example a multi-factorial disease that needs a very wide range of therapies to be treated with a relative low rate of responders or remitters. Today, the diagnostic field has developed a test that allows the acquisition of some genetic data and, based on that data, increases the chance of choosing a treatment which corresponds better to the patient profile and increases the chance of a shortened recovery time. Pharmaco-economic studies in the future will likely take this into account when assessing the merits of reimbursement.

Gaining access to physicians is reported to be unusually difficult in Switzerland. Is that also your evaluation?

In short, yes. 40 percent of doctors here do not accept visits from pharmaceutical companies and, out of those who do, you are still only likely to be permitted one visit per year. This adds a complication when you are trying to introduce innovations and raise awareness across the medical community. Although we are also experimenting with digital communication channels, we are still keen on running as many face-to-face meetings as possible as this is one of the great hallmarks of the Servier ethos. Our personalized approach is actually something that distinguishes us from many of our competitors.

What then would you say are the secrets to making a success out of the Swiss market?

It is fundamental to appreciate that Switzerland is very diverse culturally and there are many different personality types behind the languages spoken. It would be a mistake to treat the people of Geneva as French because their mindset is quite different. Likewise, to assume that those from Zurich are Germanic in their personality can be misleading. Each of the 26 cantons and communities has to be treated on its own terms. Unlike other countries on the continent like France, which has a very strong preference for centralization and statism, Switzerland is notable for being highly federalized. It is therefore necessary to take this into account in your medical information strategy as what works elsewhere might fail here.

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As a general rule, the Swiss psyche tends to be rather conservative and resistant to change. As a manager, when you want to enact changes it is vitally important to take the time to explain to your employees the logic behind your decisions. That way you can mobilize support for your plans and you don’t find yourself having to deal with resistance later down the line.

Is the cautious and prudent mentality often exhibited in Switzerland not also a source of strength?

It is a double-edged sword. On the one hand, it produces a very stable atmosphere where the rules of the game are predictable and assured so that you can really engage in long-term strategic planning and fine-tune your medical strategies. Furthermore, the ethical expectations are in line with the Servier values: that is the positive part of the equation. The flip side of that is the inertia encountered when endeavoring to unleash transformative change and the general lack of willingness to take risks.

What are your immediate priorities for the future?

One of the real benefits of the Servier governance model is that we do not have to chase short-term goals to keep shareholders happy, but can instead focus on a winning long-term strategy that provides patients with innovative solutions addressing unmet needs and delivering real improvements to patient lives. My priority, right now, is to strike the right balance between furthering the lifecycle of locally highly-performant products like our hypertension solutions, while at the same time diversifying our portfolio into new areas like oncology. My second focus is upon assembling the right talents to take us forward into the future and that includes integrating fresh thinking and reinforcing team spirit.

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