Anders Ekblom – Vice Chairman of the Board, LEO Pharma

Sweden, although a small country, is able to form global connections amazingly well

09.07.2019

Tags: Sweden, Research, AstraZeneca, LEO Pharma, Innovation

Anders Ekblom is the former EVP Global Medicines Development AstraZeneca and CEO of AstraZeneca AB Sweden and is currently the Vice Chairman of the Board of LEO Pharma A/S. Additionally, he also occupies board positions on many biotech companies (Elypta, Alligator Bioscience AB, Mereo Biopharma Group Plc, AnaMar Medical AB). Anders shares his wealth of experience within the pharmaceutical industry and discusses the current healthcare and pharmaceutical climate within Sweden.

As an industry veteran sitting on the board of many innovative Swedish biotech companies, what do you see as the strengths of Sweden's research and development ecosystem?

Sweden boasts a highly educated population with a high proportion of people pursuing doctoral and post-doctoral qualifications here and in other countries such as the UK and US. Sweden also has a high qualitative and well-developed research system linked to advanced clinical research. Sweden also attracts foreign students thanks to its high standard of research and education and also due to generous PhD grants and scholarships programs. For instance, many Chinese students come to educate themselves in Sweden and return to China, which creates bonds between our two countries. Thanks to this attractiveness, Sweden, although a small country, is able to form global

connections amazingly well compared to other countries.

Since the 2000s, the Swedish life sciences industry has seen many mergers and acquisitions targeting national champions like AstraZeneca, Pharmacia, and more recently Meda. On the one hand it means that Swedish expertise in life sciences is recognized. On the other hand, it also means that Sweden no longer has a national champion to propel its ecosystem like other European countries. What is your take on that?

I think it is a difficult to provide one answer to the question because these cases are very different. With respect to Astra and Zeneca they were two mid-sized companies creating a large global company. Today, AstraZeneca continue to play a major role in driving the local ecosystem. The company has over 3,000 staff in production in Södertälje and over 2,500 staff in R&D in Gothenburg, making it two of the premier hubs globally for AstraZeneca. Even more so AstraZeneca recently created a BioVentureHub to drive innovation in Sweden and interacting globally. The fact that the headquarters are located elsewhere is not necessarily a negative.

During my tenure at AstraZeneca as EVP for global medicines development in AstraZeneca and CEO of AstraZeneca Sweden, I combined global and national responsibilities. When I met with Swedish Ministers and government officials, they would often say that *'Sweden wants to compete on knowledge, not on salary arbitrage'* based on education and skills. One example where this could be seen was within production. Within the internal AstraZeneca family, there are worldwide production sites and they benchmark on a daily basis. Despite higher labour costs in Sweden, the production site is competitive compared to the others. While it would be great to have global corporate headquarters located in Sweden, one must first answer some questions: How many foreign companies have established themselves in Sweden? How many investors are coming in and how many companies have started with significant foreign involvement? Having answers to these questions depending on the analysis would then open the opportunity to speak with the government and ask what they are doing to make the Swedish market more attractive for foreign and domestic companies.

When we spoke with Göran Ando, former chairman of Novo Nordisk, he mentioned that in Sweden early stage financing is good but lacking in mid to late stage funding. How can Swedish life sciences companies attract more investment in this critical

development stage?

To be attractive there is of course a need for experienced and well-educated staff, all based on world class research and development. Swedish scientists and start-up companies are attractive due to the fundamentals which sets them off for the first years. However, to be attractive for international employees to help take the companies to the next level and attract foreign interest including capital there are a couple of challenging components. Firstly, there is the governmental component: how can Sweden become more attractive? This can take the form of tax exemptions. For instance, Spotify wants to have a larger presence in Sweden, but because stock options are taxed in an unfavourable way, they find it difficult to attract enough qualified staff to come and work for them here. Moreover, Stockholm is one of the fastest growing and expensive cities in Europe therefore it can be difficult to find somewhere to live. More building needs to be done. When it comes to Sweden/Scandinavia and Europe to be attractive also for US investors there is more to be done. There are successful Scandinavian based investor/PE companies that actively operate in the region. However, I would argue that there are several interesting companies to be looked at by foreign investors here and now in Sweden!

In the past, you have been sceptical of the impact of the governmental life science initiatives saying that its strategy risks not having a big enough impact. In your opinion, what are the prerequisites for the successful implementation of the national life science strategy?

There are a couple of points I would like to highlight. Firstly, it is still unclear what the government’s life strategy actually will turn into practically. Secondly, the government has yet to allocate resources to the development of life sciences. This is in contrast to for example the UK where government currently in office have announced specific investment funds and targets to be achieved in the coming years. It would be nice to see tangible investments and targets beyond policies and collaborative initiatives. Two initiatives illustrating what can/should be done was recently presented by Research!Sweden and by SwedenBIO.

How would you assess the ease of market access in Sweden compared to other countries?

There is a too long lag time between the approval of a drug and agreed price and utilization in the clinic. Normally we are fast at getting regulatory approval, but it can take around a year or longer until national price is finalised, national formularies accepting the new treatment etc. The timeline for this process is lengthy. In the case of new cancer treatments, it means that many patients will die before the treatment becomes accessible. This issue makes us less attractive compared to other countries.

However, one important advantage of Sweden is that although the country has a small population we can follow people over time thanks to the personal identification numbers providing a basis for longitudinal studies for new treatments in a way very few nations can do. In combination with our national quality registries this create a powerful model to generate unique real-world evidence and data. One example is the basis for how the initial questions on increased numbers of lymphoma and tuberculosis in rheumatoid arthritis patients receiving TNF-alpha inhibitors could be answered and the drugs stay on the market.

Can you share some commonly made mistakes by CEOs during the drug development process that you have witnessed?

The rate of success depends on the science and what mechanisms you are working on, whether developing a small chemical molecule, a biologic, cell-based therapy etc. As a CEO there needs to be an understanding of what the probability of success is, what capabilities are needed, how good are my scientists, disease mechanism etc. The business part of the work cannot compensate for not having done your homework and working with the best people you can find.

Conversely, what do you think large organizations can learn from small biotech ventures?

Large organisations can learn about the agility of smaller organisations, the non-bureaucratic approach and experimentation. Today you see lot of collaborations between small and large companies as well as with academia. However, you could just as easily flip the question around and ask what can small organisations learn from large organisations? I think we need more large companies in Sweden to complement our small company dominated ecosystem. Since small companies have a small head count, every staff member needs to know exactly what they are doing. You cannot join as a rookie at a small company in the same way you can start your career in

a large company.

Sweden is sitting on a treasure trove of health data thanks to its long-standing tradition of developing national healthcare registries. How can Sweden further leverage this wealth of information?

The healthcare registers are based on two major strengths of the Swedish system: the personal identification numbers and our egalitarian healthcare system where everyone has the right to quality healthcare irrespective of their wealth. The registers can be used to draw correlations between different illnesses and environmental factors such as socio-economic status and education level. This allows a better understanding of the individual. However, the challenge is that the systems do not talk with one another: one region’s data system does not necessarily match with others. I think the system is too fragmented for a small country. It would be fantastic of we could amalgamate the data into one system. Fortunately, there is now work in that direction and it will enrich the system greatly. In conclusion, the coherence between the different databases, the universal healthcare system with a strong tradition and knowledge in clinical research and personal social security numbers are some of the secrets to our success.

See more interviews