Tytus Litynski – General Manager Switzerland & Member of Board of Directors, Alfasigma



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Alfasigma Switzerland's Dr Tytus Litynski introduces the Italian firm's diversified portfolio of both Rx drugs and food supplements in Switzerland, why internal innovation remains the company's core focus, and how stakeholder relations have had to evolve in the COVID-19 era.

Can you begin by introducing yourself?

I joined Sigma-Tau [which later became Alfasigma – Ed.] in 2015 as general manager for the Swiss affiliate and a member of the board of directors. Previously, I worked in larger companies such as J&J, where I had responsibility for marketing, then sales for vision care within the Swiss and Austrian affiliate. Prior to that, I spent a few years at Sanofi Switzerland in various functions, ranging from market research through to marketing and then also sales. I have also worked as a sales rep, which was a useful piece of field experience. Given my experience in both large and smaller companies and in functions ranging from marketing to sales and back office, I believe that I have an interesting insight into different aspects of our industry.

Between 2015 and 2017, Alfa Wassermann and Sigma-Tau, two of Italy's most important pharmaceutical groups merged to create Alfasigma. How have you overseen

this journey in Switzerland?

This journey has not been particularly arduous in Switzerland. Only Sigma-Tau had a Swiss affiliate while Alfa Wassermann was not present in the market and worked through external partners. Therefore, in Switzerland it was not so much a merger with new offices and staff to bring in, but more a rebranding of the company name and the opportunity to introduce new products from the Alfa Wassermann portfolio.

Globally, Alfasigma is present in gastroenterology, vascular, metabolic, and nutraceuticals and medical foods and 53 percent of revenues come from the company's own proprietary molecules. How well is this split reflected in the Swiss market?

We have a diversified portfolio with both Rx drugs and food supplements. Our products are positioned in various therapeutic areas and come from internal Alfasigma innovations as well as via licensing agreements with external partners. This broad business model is beneficial for a smaller company such as Alfasigma where country affiliates are not always able to provide the same portfolio. Of course, we have mandatory corporate products, which is where the major innovation comes from, but we are also allowed to develop our business with external partners and thereby provide Switzerland-specific products.

For example, Alfasigma Switzerland is active in rheumatology, the only such affiliate where that is the case. Our more mature products still account for an important share of our revenues, but the innovative portfolio will drive growth in the future. One advantage of being a family-owned rather than a stock market driven company is that we do not only focus on fashionable segments like oncology, but can also provide "basic" products which are highly valuable, important for the treatment of patients, and which would otherwise be lacking in the market.

How do you select the extra products to bring to the Swiss market and enhance the core Alfasigma portfolio?

Pragmatically, we have to pay attention to the areas in which we are already present. Our reasonably sized and country-wide present sales force means that we cannot accommodate a completely new indication where we are not currently active next to our current products. This is because we do not know the right customers or physicians, nor do we have the human resources to get into a completely new indication.

Therefore, we look for products or opportunities that align with our current areas of focus. Our therapeutic areas are not limited to gastroenterology and rheumatology; we are also present in gynaecology, endocrinology, and internal medicine, meaning that there are a few possibilities to add products that are complementary to our portfolio.

Our starting point is to look at where we could add value to the market; we are not focused on me-too products or generics. However, this added value does not necessarily need to come via a new molecule; it could be a new method of administration for example. By finding new innovations which are complementary to our current portfolio in terms of indication we can leverage the customers and market we already know.

Unless a huge opportunity came along which would completely change our focus, we will continue to prioritise the areas in which we are already strong and in which we have several years of experience. One of our areas, gastroenterology, is currently developing very strongly amid discussions around the microbiome and the importance of the gut-brain link. Given our expertise and the fact that we already have products on the market in this field, Alfasigma is a strong potential partner for other companies without Swiss affiliates seeking to bring their products to market in a fast and professional way.

The core focus of the company is bringing our internally developed innovation to market. Adding other products via business development and licensing perspective supplements this core focus by helping to grow the business locally. Pharma R&D timelines are very long and there are a lot of risks, so bringing these other products to market in the meantime allows us a greater sense of balance.

Switzerland is a modestly sized domestic market but is located relatively close to Alfasigma headquarters in northern Italy and sits in one of the world’s most innovative zones for pharmaceuticals. What is the significance of the Swiss affiliate to the global group?

The geographic location not far from Northern Italy is helpful simply for communication and operations. Before the COVID crisis I was able to visit Milan often and have direct contact with senior management there.

You are right to say that Switzerland has a fantastic reputation in the pharma world for innovation in general. This also applies to the country’s regulatory body, meaning that when we have

interactions with Swissmedic that result in positive outcomes, it gives a good signal to the management and to the industry in general that Alfasigma is a serious company with products which matter. This is just one example of how a rather small market like Switzerland can be important in other ways.

Switzerland is no longer the land of milk and honey in terms of market access with delays making patients wait longer to access innovative new medicines. What has your experience been on this front?

The environment has definitely become tougher in recent years, mainly as a result of political price pressure. As in other countries, overall healthcare costs are increasing, and the Swiss population is being hit harder in their pockets by health insurance costs. To counter this, Switzerland has put strategies in place to contain costs with drug pricing a key component. The authorities have implemented several measures in recent years to lower and contain medication costs which have had an unfortunate effect on our go-to-market possibilities.

The discussion around innovation and pricing is difficult and will take time to fully resolve. It is important that all stakeholders work together in a productive way and find mutually beneficial solutions. We cannot always go in the direction of reducing costs and compromising on innovation; a balance needs to be struck. Industry associations like vips are important players for enhancing this crucial discussion and leading a national debate.

Generics penetration in Switzerland is very low; can the government therefore be said to be justified in wanting to reshape the market?

It is true that generics penetration in Switzerland is lower than in many other countries. Although I am not personally engaged in the generics market, I see that original products which are generified or could be generified are making a huge effort on their pricing. Therefore, there is less of a price difference between originals and generics and the pressure to change to generics is smaller compared to other countries.

What effect has COVID-19 had on your operations and how Alfasigma engages with internal and external stakeholders?

Pharma has tended to lag behind other industries in terms of digitalisation. We all have room for improvement, but bigger companies with bigger budgets to put in place new technologies and new ways of working will find this easier. Mid-sized companies like Alfasigma have tended to favour the more traditional approach of face to face contacts and relationship building, so we have been heavily impacted by the pandemic. During the lockdown, all of a sudden we were not able to visit our customers.

However, the facts that we had built client relationships in person over years and that our products were well known and made sense in market meant that the instantaneous impact was less severe. Physicians know and trust our products and company and know that they can contact our reps, even if they cannot see them in person.

Our mixed portfolio between innovation – which of course is newer and less known – and mature products which are older and more known is quite helpful to leverage and balance out certain difficulties in contact. Nevertheless, we set up and are trying to increase the possibilities of digital communications with physicians using videoconferencing, but this takes time and depends not only on the pharma companies themselves but also the audience.

Physicians are currently facing a lot of offers because every company wants to compensate for the drop in face to face visits with webinars and digital interactions. Many are somewhat resistant to this new reality, but I foresee an evolution over time with the shift in generations. When younger, digitally native physicians come into decision making positions the conversation will surely change.

In this new reality, catering to the needs of physicians rather than patients may be the most important relationship for pharma companies.

Of course, this depends on the areas in which a company is active. For food supplements it is the patient, but for Rx drugs it is the physicians as there we are not allowed to directly communicate with patients. Because we are active in different segments we have to adapt to different realities, which takes time and investment. It is not always easy but with the right mindset and attitude of the people, it can be done. In challenging times, questioning ourselves and being open minded enough to do things differently is crucial. The entire team – not only those working in sales, but also marketing, all support functions and management – needs to be onboard.

Luckily, my colleagues in Switzerland have this mindset in abundance. Across all departments, our people are able to motivate themselves even in difficult times with a proactive and positive

mindset. In the future we will see a big difference between companies who remain in the old mindset and will have problems adapting to a new reality and those where these changes, even if it takes time, will result in new methods of collaboration and communication. The successful company of the future will be more flexible, innovative and adaptable to challenges

Despite recently surpassing EUR one billion in revenues, not all international stakeholders will be familiar with Alfasigma; what are the intrinsic values of the company?

The great strength of being a family-owned company of this size is that we can balance tradition and future. In terms of tradition, the company has evolved over a long period of time, not instantly over a few years before being bought by a big company or listing on the stock market. We have a certain stability and history and more of a people-oriented approach than other companies which may be more stock price oriented. For the future, we have a need and wish to grow, innovate, develop, and over time become a leading company, at least in certain therapeutic areas.

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