Thomas F. Schmidt – Managing Director, Roche Pharma Switzerland



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Thomas F. Schmidt, country manager of Roche Pharma in its home market of Switzerland discusses adjusting to his first role in general management, the particularities of the Swiss market, and how Roche is aiming to be a key player in Switzerland's digitalisation push.

Thomas, you were appointed managing director of Roche Pharma in Switzerland in December 2020, having previously been in a number of finance functions for different Roche affiliates. How have you been adjusting to the new general management role?

For me personally, my career journey has always been moving in such a direction. Certainly, I have been working predominantly within finance roles in Roche for the past 22 years, but over time, the mandate of my roles has grown broader and broader. I was able to develop an extensive knowledge of the entire business across all functions and departments, covering everything from mature products to market analytics to event management, and so on. In addition, the previous role I had at Roche Pharma in Germany was much broader than the classical CFO function. In asking myself where I could further contribute, I started zooming in on country manager roles or general management roles. In that sense, my appointment as managing director of Roche Pharma in Switzerland was a natural progression.

What do you see as the difference between functional and country manager roles in terms of impact and challenges, especially within the Roche organization?

By its very nature, the country manager role is broad. A key element, of course, is to bring the Roche strategy to life at the local level and to shape an organizational set-up and mindset that supports that strategy. My focus as general manager is to enable and empower our teams, and to enable us to operate in networks of these empowered teams. We are also improving our processes in terms of rapid decision-making and faster learning cycles, so that we can help our people grow, take responsibilities, and participate in the leadership of the organization.

That is quite different from a classical functional role, but we are also moving away from the old definition of functional roles at Roche. We are creating flatter organizations to foster the kind of empowered teams we want to see within the organization.

Coming in as new managing director, what have been your priorities over the past three months?

Having moved through various roles in various geographies at Roche, I do know the company and how to manage transitions well. I also had a little bit of a head start because the German Roche Pharma affiliate is based in Grenzach-Wyhlen, which is only six kilometers away from the Swiss Roche Pharma affiliate. Once the announcement was made about my appointment, I was able to engage with the new team fairly easily. It also gave me the opportunity to meet some of my new team members face-to-face in the autumn of 2020, when COVID restrictions were a bit looser in Switzerland.

This was crucial because Roche Pharma Switzerland initiated an organizational transformation – in terms of flatter hierarchies, faster learning cycles, more empowered teams, etc. – in the summer of 2020. Once I was appointed, even before my official start date of 1 December 2020, I was already engaging in discussions about where we wanted to take the organization and how we could embrace and support the development of the affiliate.

This organizational transformation is all about setting the patient at the center of everything we do. We want to co-create solutions with stakeholders and customers. It was therefore also very important to enter the role with a learning mindset and to start understanding the Swiss market dynamics quickly. In the years to come, we will continue to focus on how we develop the different ecosystems within the markets in which we are present to address the different needs that exist.

You were already familiar with the Swiss market prior to this role but have there been any particularities about the Swiss market dynamics that surprised you once you took over the country leadership position?

One of the topics that did surprise me was the state of digitalisation in Switzerland, and essentially, how we still have to develop elements like healthcare data and digital tools a lot more. I come from Denmark and have experienced and used tools like electronic patient records since many years, both in Denmark and in other countries, for myself and my family. With the level of innovation that exists in Switzerland, I think we have to do more here. We need to leverage this unique position along the entire healthcare value chain to drive progress and advancement on the digital side because it already is and will become even more a central aspect of healthcare development.

At Roche, we are looking at how we can support this needed shift towards a digitalised healthcare system. Our focus is shifting more and more towards co-creating solutions with customers and stakeholders to ultimately benefit patients. Overall, we want to deliver better medical outcomes at lower costs to society, which needs finding new and different ways of working. Looking at the digital health side, we will most likely need to acquire new skillsets and capabilities to the organization, and we are constantly working on this.

Can you share a couple of examples of what this co-creation effort has achieved for Roche in Switzerland?

Certainly. Roche is uniquely positioned within the industry because we have our pharma business and our diagnostics business, which we are combining with health data and analytics capabilities to drive our focus on personalized healthcare solutions.

One of the newest parts of the business, Foundation Medicine Inc. (FMI), is a good example. We have a unique public-private partnership with the Zurich University Hospital in which we have established an FMI laboratory that has created a next-generation sequencing test that offers personalized treatment options and suggestions.

Another example is our NAVIFY® tumor board, where Switzerland has been one of the few pilot countries. It is a cloud-based workflow product that securely integrates and displays relevant aggregated data into a single, holistic patient dashboard for oncology care teams to review, align and decide on the optimal treatment for the patient.

We have also started a project on value-based healthcare with the University Hospital of Basel to look at what creates value for patients along the entire patient journey and how we can take a more holistic approach instead of seeing the patient journey as a series of single decision points. The idea is to generate much more value for patients and increase efficiencies across the system so that overall costs are lower – to everyone's benefit.

Roche is obviously highly recognized for its innovative pipeline and portfolio. What are you excited to bring to the Swiss market?

We have a highly exciting pipeline to look forward to. In the short term, we will continue to build on some of the newly launched products, including our recent hemophilia and multiple sclerosis (MS) medicines. We hope that a further MS treatment will be approved soon in Switzerland, it has the benefit of a shorter infusion time for patients. A family member of a good friend of mine has MS, so I know firsthand the value of treatment options for patients and their families in this area.

Ophthalmology will be a new disease area for Roche Pharma in Switzerland. We are just preparing for it and are looking forward to entering this space! We also have potential launches in spinal muscular atrophy (SMA), we are excited to be able to offer novel treatment options to patients.

Last but certainly not least let me mention our continued strong oncology presence. In addition to a number of medicines that are on the market already we have some line extensions that will hopefully read out positively over the near future. Many of us have been affected by cancer at some point in our lives, either directly in our own family or someone else we care about. As this remains an area of huge unmet need, I'm glad to see that we are constantly able to offer new therapy options. Options that with the advancement of personalized medicine will also be more and more individualized and therefore even more effective.

With all the product launches coming up, how do you view the market access and reimbursement environment in Switzerland?

We think that some of the regulations around market access and reimbursement are somewhat outdated. For instance, in terms of pricing, we face challenges with the novel products and therapies because sometimes the evidence of clinical data is limited. Questions like how to work with such limited clinical trial data or how to use real world data evidence still have to be resolved. Another challenge is how to deal with therapies that will have a high budget impact, and how to

work with potential solutions like risk-sharing agreements. The third challenge I would like to mention is in the area of market access. In Switzerland, new medicines are subjected to a so-called therapeutic cross-comparison. A process which often reaches its limits when assessing newer and more complex therapeutic approaches. It especially doesn't work when you bring a completely new treatment option without any comparator therapy on the market, or when you have a combination treatment.

As a company, Roche takes responsibility by providing input and discussion elements. In the interest of patients, we need to see more innovative pricing models and other solutions. At the end of the day, access models in Switzerland should promote fast and inclusive access for patients. We are actively working with various stakeholders – such as health authorities, insurers, industrial associations like Interpharma or policy makers– to solve these challenges and to optimize existing processes.

With COVID taking up so many healthcare and public resources, we can anticipate a further tightening of healthcare budgets for non-COVID priorities in the upcoming year or so. What would be your message to public and private payers in terms of balancing COVID and non-COVID priorities?

We understand that healthcare systems are faced with rising costs and increased demands on already strained finances. Still, it's important to remember that medicines account for only a small part of health costs. In addition, there are many socio-economic benefits of good healthcare and of good health in general. The earlier we can diagnose and treat patients, the better outcomes we can achieve, and the lower the costs will be across the whole system. It is not just about the prices of medicines; it is about lowering the costs along the entire system. For instance, our upcoming MS treatment decreases the infusion time for each patient. This means that more MS patients can be treated in the same amount of time, which is good for the patients since they spend less time in the hospital but also good for the hospital because it frees up time for other patients.

I will also emphasize my point on innovative pricing mechanisms. We need to have more discussions on that topic. There are different ways of looking at this, but we have to make progress because that's how we can all work together to lower healthcare costs for society while improving patient outcomes. We believe it is critically important to focus on implementing long-term, system-wide solutions that lower costs, while sustaining scientific innovation and access to life-changing medicines.

We have heard a lot about the abundance of talent in the Swiss ecosystem. Obviously, Roche is one of the most prominent and established companies headquartered in the country, so how does the Swiss Roche affiliate capitalize on this positioning?

Within the past few years, the competition for talent has grown fiercer in Switzerland but we are well-positioned. The benefit for us as an affiliate is that we are part of the larger Roche group and located within a 15-minutes' walk from our headquarters.

Roche as a company is located across four different sites in Switzerland, employing close to 14,000 people in total. On one side, we can draw upon the talent pool that already exists within Roche. On the other side, our proximity to headquarters also offers interesting opportunities for new talents that want to join our affiliate. There are great development opportunities within the affiliate but also potentially with the regional or even global operations.

With this set-up, we put a strong focus on best practice sharing within Switzerland and beyond and to foster a network approach. For instance, if we are working on market access topics in Switzerland, we are not doing it in our affiliate only. We are working together with many colleagues. Like this, we are leveraging insights and expertise across the entire Roche network and we learn from each other.

Going back to what I was saying earlier about our new organizational model and the focus on rapid learning cycles and employee empowerment – we are also aware that we have to think about how to organize and manage our international talents in a coordinated way. As Roche, we want to avoid that every general manager hires an expert in digital health because that might mean we are doing the same tasks twice in the company. We do not want to have individual pockets of strength across each affiliate, we want to build networks of teams, talent and capabilities across the overall organization, so that we can operate in a leaner and more efficient manner.

A final message to our international audience?

I would like to focus on our goals around personalized healthcare and on the changes needed in the Swiss healthcare system to bring us closer to this vision. We are committed to supporting the further development of the existing system.

To that end, firstly, we need to see adjustments to regulatory approval processes that take into account the characteristics of personalized medicine and therapies. This means elements like real world data, tumor agnostic labelling and so on, all with the aim of bringing medicines faster to patients.

Secondly, we would like to see additional reimbursement and pricing models based on science, both for therapeutic options and new diagnostics innovations.

Finally, we also want to see a stronger and better digital infrastructure for the collection and analysis of health data, including electronic patient records, interoperability of systems and so on. This is a key element in terms of how we can help develop the overall system and deliver broader access to the right treatments to the right patients at the right time. Such data would also help pharma companies like Roche develop better and more effective therapies. The more seamlessly we can integrate digital elements, the earlier and better we can start detecting, treating and even preventing diseases.

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