Enrique Álvarez – Managing Director & General Manager, Merck Denmark



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Spanish native Enrique Álvarez gives an overview of Denmark's importance to Merck as a key European early launch market, a crucial clinical trial destination, and home to a treasure trove of holistic patient data. Álvarez also outlines the increasing challenges around market access in the country and his talent development and retention strategy.

Could you talk us through the career trajectory that has brought you to this point as managing director and general manager for Merck Denmark?

I am a chemist by education and feel immensely proud to today work for the oldest pharmaceutical and chemical company in the world, a company with more than 350 years of history. I started out in management consulting at Deloitte and then Accenture across a variety of sectors, including pharma, consumer goods, banking, telecoms, and tourism, before joining Merck in 2008. Additionally, I have studied Business Management at top-notch business schools across Europe, including IESE, IE Business School, and London Business School.

Over the last 12 years, I have taken on roles of increasing responsibility within Merck, primarily leading strategic and commercial teams in Spain, before taking the reins at the Danish affiliate in April 2019.

Coming from Spain, what were your first impressions of Denmark, its pharma market, and its healthcare system?

The past two and half years have been very educational and rewarding for me, both professionally as a leader and personally in terms of adapting to a new culture, despite previously having spent time outside of Spain in the UK, US, and Sweden. It is a privilege to work in a global company among people from different cultures and backgrounds; this diversity enriches and improves one's professional life, challenging the thinking and habits that we would otherwise take for granted. Merck's highly diverse Danish workforce is a great example of this, meaning that as a leader I have access to a wide variety of different perspectives, skills, and experiences, which I really value.

Culturally, there are both similarities and differences between Denmark and Spain. One significant difference is that Danish hierarchies are much flatter and everyone involved in a project has the potential and right to speak up and be part of the decision making process. One of the reasons why Denmark, especially Danish life sciences, has such a great deal of innovation and creative solutions to offer is that great ideas are not hidden away within hierarchical layers.

How were you able to balance the long-term objectives for your tenure as Denmark general manager with managing the pressing short-term challenges that the COVID-19 pandemic brought about last year?

When I joined the Danish affiliate back in 2019, my primary ambition was ensuring that Danish patients had access to Merck's latest innovative treatments. Happily, we have been able to launch new innovative products over the last two years, serving many patients. On top of this broader purpose, we are focused on increasing Merck's reach in Denmark and have managed to increase our workforce by 20 percent over the last two years; an impressive feat in the current economic environment. Finally, we must be in constant dialogue with the healthcare authorities around working together to foster innovation and R&D in Denmark and create greater patient access to new treatments while contributing to a sustainable healthcare system.

COVID-19 has foregrounded the importance of closer and more transparent public-private collaboration and cooperation, something that Merck is always eager to engage in. Our priorities did change back in March 2020, with the immediate challenge of ensuring the health and safety of our employees, but our overarching goals of contributing to the wellbeing of humankind through

our medicines remained in place.

Within the European context, Denmark is a relatively small but well-developed market. What is its strategic importance to Merck?

Denmark is a very important location for Merck and in 2022 we will celebrate 40 years of presence here. We not only provide innovative and lifesaving medicines for Danish patients suffering with conditions like cancer, multiple sclerosis, and infertility, but also provide researchers in Denmark with state-of-the-art tools, services, and expertise in the life science industry. The need to experiment and reengineer new products is well understood by both Danish society and stakeholders in the country's healthcare system.

COVID-19 has reaffirmed the importance of public-private partnerships within Danish healthcare, and we are seeing an increasing willingness from universities, hospitals, the Danish regions, and governmental agencies to initiate and embark upon collaborations with the private sector. There is a growing understanding here of the crucial importance that private sector expertise and knowledge will play in solving the healthcare challenges of the future.

Moreover, Denmark has some of the most complete, longest-running, and highest-quality patient registries in the world, which will be an important tool for personalized medicine and real-world evidence (RWE) studies in the future.

Globally, Merck is increasingly focused on innovative oncology and immune-oncology products. Is this reflected in your key therapeutic areas within Denmark?

We are a global science and technology company that designs and develops both medicines as well as intelligent devices that provide ongoing care for patients beyond their treatment. In Denmark, we have developed strong expertise in oncology, immuno-oncology, fertility, and thyroid disorders. We will continue to direct research and collaboration efforts towards oncology and immuno-oncology with the goal of addressing significant unmet needs in urothelial cancer, renal cancer and Merkel cell carcinoma. These are expected to become among the most frequent new cancer cases in 2029.

At the same time, infertility has become a greater burden in Denmark since 2014 and will continue to be a focus. Birth rates have been declining in Denmark over the last couple of years, and our

hormone treatments are a good solution to helping women and couples establish a family. We have helped give birth to over 3 million babies worldwide.

Denmark has been highlighted as an important launch country for Merck. What characteristics make the country a promising early launch market?

The framework conditions in a country are key to choosing early launch markets. In 2017, Denmark launched the Danish Medicines Council, with the mission of evaluating new medicines to be used in the country's hospital sector. The purpose of the Danish Medicines Council is to ensure fast use of new medicines across hospitals, while at the same time ensure that new medicines to be used in hospitals has been proven to be effective for patients.

Speaking honestly, it has become very difficult to introduce innovation into Denmark in the last two years. The number of recommendations for new medicine approvals has decreased while assessment times have increased. Moreover, the largest number of rejected applications are within oncology. Price has become the main factor in evaluation and there are several examples of price overruling the clinical value of a new medicine in Denmark. If Denmark wants to continue to be a thriving life sciences hub, it must remain an attractive place in which to launch new technologies and innovation, and not let price alone be the deciding factor in all decision making.

Against the backdrop of a more challenging access environment, having to interact with stakeholders virtually over the past 18 months has no doubt added an extra layer of complexity. How has Merck been able to navigate this landscape?

COVID-19 has been challenging, both in our internal and external processes and interactions. However, our overall experience was quite heterogeneous, with good and very fruitful access to some stakeholders and several access barriers to interacting with others. These barriers, at the end of the day, will not benefit patients. Transparent dialogue between private industry and payers, regions, and healthcare professionals is crucial in what are both customer-provider relationships as well as partnerships.

This year, the Danish Government launched a new Life Sciences Strategy which promises to, among other things, strengthen the framework environment for launching

new innovations. To what extent do you see this new Strategy as a game-changer?

Merck was heavily involved in the process of establishing this new Strategy in collaboration with other important decision-makers in Denmark. We believe that it has the potential to establish the Danish life sciences environment as one of the best in the world. The Strategy's 38 initiatives address all the most important and urgent areas which we need to strengthen to ensure continued success. These include further building up the clinical trials environment, extending the use of data, attracting life science talents, and further strengthening public-private collaboration. Currently, close to 50,000 people are employed by the Danish life science industry and foreign pharma companies invest DKK 34 billion (EUR 4.6 billion) annually, but there is room for more and we all need to work together to achieve it.

What is the status of Merck's clinical trial footprint in Denmark today and how would you like to see it progressing?

We conduct clinical trials in Denmark and in 2020 joined Trial Nation, an initiative that has proven its worth over a long period of time and resulted in an increase in industry-sponsored trials in Denmark, with feasibility risk assessment in just four days and a globally leading recruitment speed. Trial Nation functions so well because of its public-private nature and is now being replicated in Norway and Sweden. Equally, Trial Nation's 'one-stop shop' nature, where dialogue with clinical sites, contact with strong researchers, and regulatory advice is centralised and streamlined, gives Denmark a great advantage as a clinical trials hub.

Our hope is for Merck to become a strong and visible scientific partner in neurology and oncology in Denmark, leveraging our ambitious pipeline and completing even more clinical studies in Denmark and across the Nordic region in the future.

What scope is there for collaboration between the Nordic countries on clinical trials to create a larger patient pool and share knowledge and learnings?

From a governmental perspective, the Nordic countries are working very closely together on several related topics. The current collaboration focuses on issues like rare diseases, register-based research, new technologies, price transparency, and security of supply. As a science and technology company, we strongly believe that there is great merit in increasing Nordic collaboration on clinical trials, especially as trials increasingly focus on rare diseases with small or

limited patient populations. Hopefully, we can address the legal and ethical implications inherent in cross-border clinical trials and strengthen our ability to hold clinical trials here.

Data is one of Denmark's key differentiators, with holistic cradle-to-grave data sets for the entire population. To what extent is this something that Merck is currently leveraging in Denmark?

Denmark has several top-ranked cancer hospitals with excellent track records on recruitment and quality for industry studies. They have experience in Phase I-III studies and and some of them are performing more than 25 early phase-industry studies at the same time. The feasibility and contracting process are smooth and industry-friendly. In joining Trial Nation, our aim is to ensure we can take advantage of this setting and become part of that.

It is also important to note that Denmark has excellent national biobanks, some of which have samples dating back to the early 1970s. Additionally, the relatively new National Genome Centre offers a promising opportunity to continue developing precision medicines for Danish patients. The recently launched Danish Life Sciences Strategy contains a section on investment into strengthening the clinical trials environment, including initiatives on incentivizing hospitals and researchers involved in clinical trials and decentralized virtual trials.

What is your strategy to attract and retain the best talent?

Our company has a clear purpose and we need to ensure that we attract the right people who are also motivated by this purpose. One area in which we have made considerable investments is sustainability, a key topic in the future of our society and an increasingly integral part of the Danish life sciences industry. Universities and governmental agencies in Denmark, for example, are requesting a sustainable approach within public-private collaborations, which Merck fully supports. Sustainability has been vital for Merck for many generations, and we know that the only way to ensure our future success is by creating lasting value for society, a vision that perfectly aligns with the views of the new generations now entering the labour market.

Although we have a long history, over the last 20 years our organization has changed dramatically. Now we are a vibrant and global science and technology company with a clear purpose and long-term vision that is attractive to new generations, allowing us to attract, retain, and develop talent.

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