

Napp is entering a huge growth phase by thinking creatively and swimming against the tide, finds *Mark Greener*

Napp: they do it their way

Elvis, Sid Vicious and Nina Simone didn't have much in common. But they all recorded Sinatra's 'My Way'. The song's popularity reflects a deep-seated desire to hack our own path through life's jungle. However, in today's corporate, multi-national, stock-market-sensitive pharma world, doing it your way is harder than ever – unless you work for Napp.

At a time when many companies cast worried glances at their desiccated pipelines, Napp is about to launch several products, any one of which, it says, could double its sales line and propel Napp into the UK's Top 10 drug companies in the next few years. At a time when most new launches target specialist and secondary care, Napp plans to launch its new products mainly by promoting directly to GPs. And when many other companies are shrinking primary care sales teams, Napp is recruiting. "We're entering a huge growth phase that will focus on primary care," says Antony Mattessich, Managing

Director of Napp. "That's counter to the current market environment and suits our contrarian tendencies."

At the same time, Napp prides itself on being a friendly, 'family' business. The approach works: sales in the UK now exceed £100 million and Napp ranked 12th in this year's *Sunday Times* 100 Best Companies to Work for league. So, given the challenging market conditions, how can Napp continue to do it their way?

Insulated from market vagaries

Napp's success depends on three mutually reinforcing strands: a privately-owned corporate structure; an innovative business model; and people. "Napp is a privately-owned, medium-sized pharmaceutical company," Mattessich says. "We're not beholden to the stock market. We don't have to produce quarterly income figures for institutional investors. We're not controlled by a corporate headquarters in another country or continent. We make our own plans and implement these consistently. As we generate our own cash we are, to a

certain extent, insulated from the vagaries of the market."

Central to Napp's business model is the innovative reformulation of existing products, which dramatically reduces the likelihood of late-phase failure. "There are a lot of very effective, well tested molecules out there that simply need the benefit of a better formulation. There is certainly no need to switch someone from a better molecule when all you want to do is dose it less frequently or get it stable in a better device," Mattessich argues. "The fact that we are the fastest growing of the top 15 drug companies in the UK shows that the model works."

While Napp focuses on optimising the pharmacokinetics and pharmacodynamics of existing drugs, it also has a stake in basic research programmes in, for example, oncology and pain. The company's research suggests that drugs acting on targets like TRPV1 receptors and calcium ion channels, among others, could yield a new generation of analgesics that could be more effective than opioids. "Some people feel sensation, but not pain,



Antony Mattessich



so it must be possible to knock out pain entirely," he says.

Against this background, Napp's pipeline over the next year includes a low-dose opioid agonist and antagonist combination that relieves moderate-to-severe pain as effectively as conventional analgesics, but with fewer gastrointestinal side effects. Apart from cancer pain, the combination may be valuable for lower back pain and other chronic conditions. "It's a new concept in pain management," Mattessich says.

Also in the late-stage pipeline is a new inhaler combining a steroid and long-acting beta-agonist Napp hopes will rival GlaxoSmithKline and AstraZeneca's blockbuster asthma drugs Seretide and Symbicort. In addition, Napp will enhance its oncology portfolio with a new hybrid alkylator that has a novel dual mechanism of action, which promises to be more effective and less toxic than current front-line therapies for common haematological malignancies. The real jewel in the crown for oncology though lies in a novel compound being developed in collaboration with Biocryst in the USA. "The antagonist/agonist combination for pain and the asthma product both have the potential to double our sales line," Mattessich predicts. "The hybrid alkylator will deepen our participation in oncology and pave the way for a potential blockbuster with the Biocryst compound."

A flexible, friendly business

As an independent entity, Napp's sales and marketing team can be extremely flexible when meeting customers' needs, rather than having to balance the potentially competing priorities of local needs and a head office in the USA or Basel. "In our key areas we still believe in the 'old model' – that getting good, empowered and motivated representatives in front of the GP generates scripts. We believe the GP is still king and will be key to our future growth," Mattessich points out.

Currently, Napp employs around 1,000 people at its Cambridge site – encompassing R&D, manufacturing and office services – in a flagship building that now symbolises the Cambridge Science Park worldwide. "That's big enough to allow us to be a major player, but small enough that you get to recognise everyone's face," Mattessich says. "As we're family owned, we aim to engender the



feeling of a family company. We've had people working here for 35 or 40 years; a person in production even manages his own father. We're small enough to take the entire company over to Dublin – as we did recently – to celebrate passing £100 million in annual sales. The last thing we want to be is large pharma – in anything other than sales.”

Mattessich notes that large, publicly traded companies often set out mission statements and leadership principles that local managers are powerless to maintain in the face of, for example, a patent row or litigation in the USA. “There’s nothing magic about the attributes we value: honesty, respect, passion and innovation,” he comments. “But we get to create and enforce these ourselves. In a publicly traded company, even a large affiliate can lose control and consistency when something serious happens elsewhere in the world.”

Napp also considers employees’ views. For example, a ‘charter team’ sets Napp’s strategy. Half the team consists of senior managers, the remainder comes from the company at large, chosen for their ability to challenge conventional thinking and generate new ideas. The team sets Napp’s direction, aims and strategy. Those people closest to delivery – such as the customer or the production line – then determine the best way to implement the strategies to improve performance.

The company-wide drive to constantly

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improve performance explains why Napp participates in the *Sunday Times* Top 100 – it offers an opportunity for the company to benchmark itself against other leading companies, especially those outside pharma. “Our culture is very different from that of the usual pharmaceutical company,” Mattessich says. “We’re a bit less ‘hard-edged’: we really look for balance between the heart, head and body. You need to have all the standard attributes required in any pharmaceutical company, such as drive and intellect. However, that isn’t enough. You need to be human: a nice person.”

You also need to be able to rise to a challenge. “Napp allows you to do what you think is best, to do what you need to do, with minimal interference,” Mattessich concludes. “At times that can feel like you’re playing tennis without a net. However, the feeling of responsibility is liberating for those who want to make a difference.” And, when Napp’s employees look back over their career, at least they can say they’ve done it their way.