

“I can see many big pharma companies are panicking,” says Viggo Birch, Novo Nordisk’s UK managing director. “Patent expiries, no new drugs in the pipeline, feeling forced to expand in less developed markets.” It’s a storm of epic proportions. Add in the NHS reforms and “very complicated” might be the polite way of describing the changing healthcare environment.

“But pharma has to change just like the NHS is changing,” Birch says. “We have to adapt to the new situation and think about our role as providers – do we provide molecules or go a bit further into the patient pathway and offer more than just the molecule in our value proposition? That’s where pharma has to rethink the model.” It’s a difficult place for pharma, Birch says, but he believes the industry is capable of making the change.

Radical mindset

Indeed, Novo Nordisk has had a seemingly radical mindset from the outset. While the company has some of the world’s leading diabetes products and

among the broadest diabetes portfolios in the industry, Novo Nordisk isn’t like a lot of its big pharma counterparts. The blockbuster model has never been the favoured approach – a focus on disease area wins over the product-centric archetype and long-term strategies are preferred, not the quick fix. Patients, ethics and being environmentally friendly – these are all central to the firm’s business ethos as well. “I’m convinced this all makes sense,” Birch says. “Time has proven our business model is the right one, and the right one going forward.”

Founded in 1923, the Danish company was borne out of a passion for wanting to help people with diabetes. But the company is anything but niche, having sought to offer innovative solutions that fit the way people want to live and moving into the areas of haemostasis management, growth hormone and hormone replacement therapy. About 20 years ago, Novo Nordisk introduced its Triple Bottom Line approach to business, focusing on balancing its financials with its responsibility to society and the



Viggo Birch, UK managing director, Novo Nordisk

Leading the Novo Nordisk way

Ten years ago Novo Nordisk was a relatively small fish in a big pharma pond. Now the Danish company is classed as one of the top 10 pharma companies in the world. *PharmaTimes Magazine* talks to the UK’s managing director about how Novo Nordisk found its feet

environment. Indeed, the company has been a driver of this concept within the industry, with a number of companies now beginning to follow a similar course. "We have a strong belief this is how we develop a business and I think we have proven this is successful," Birch says.

Corporate social responsibility and an ethical approach is a strong element in the company's ethos and is clearly seen in how Novo Nordisk conducts its R&D.

Likewise, a focus on the disease area rather than the product has helped drive the company's success. Members of the UK salesforce, for example, are called diabetes care specialists. Furthermore, they have a bonus system based on patient outcomes and not just sales numbers, which is more aligned to the new healthcare environment and the objectives of healthcare professionals. By understanding the disease and the patient's experience, Birch says, issues such as the drug's safety profile and compliance can start to be addressed. "We are producing medicines for patients and if researchers, marketing and sales people think of putting patients at the centre then we are more likely to have a product with a high value to the patient."

Indeed, value has been a cornerstone for Novo Nordisk for years. It was common sense to the company more than a decade ago, as Birch explains. "If we can develop products and deliver systems that really add value to the patient then we are the preferred supplier and that generates a higher market share and fulfils our financial objectives at the same time."

"Value is what we can contribute to our stakeholders in general – patients, payers and shareholders. If you can combine all that – that's value," Birch says. "But we won't compromise on certain things – we are accountable for our financial, environmental and social performance. That needs to be balanced." It's not a difficult balancing

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act either, he adds. "It doesn't cost extra to be socially responsible or environmentally friendly and it can provide financial benefits."

Essential values

This is all part of the Novo Nordisk Way – a list of 10 essential values that characterise the company and describe how the company and its employees should behave in the marketplace. Launched as a global initiative 10 years ago, Birch says this makes Novo Nordisk's culture distinct from other companies. "We want to make sure we have the right focus going forward – from research to marketing to sales people, we need to understand that everything we do adds value to the patient." It's a culture that has seen Novo Nordisk named the 2010 winner of The Great Place to Work 'Learning and Leadership for Sustainable Excellence' award and was voted 5th overall Best Workplace in the UK.

"Our customers like this way of thinking" because, Birch says, they feel more comfortable talking with a partner that is transparent, with values that are aligned to theirs. "That's what running a company is like today. It's about being a good citizen – that's the secret. We are part of society and we are responsible for its evolution – both good and bad."

While the company feels it has a strong role to play environmentally and socially, Birch is concerned about the implications of the NHS changes. "The principle of clinician-led decision making is good but it is empowering very local decision making and that can lead to variations in quality standards and I'm

concerned about that... The difference between commissioners and providers is becoming weak and that could be an ethical issue. Reduced spending, cost cutting and the squeeze on margins could mean we end up with worse quality of care". As Birch says: "This is a situation I don't think we can accept."

"I believe the idea of joining public and social health in the healthcare process is a very smart and positive move, however, I think it is a pity that primary and secondary care is split the way it is. Going forward, the management of chronic diseases and their complications will be significant cost drivers. Diabetes alone accounts for £9 billion of the healthcare budget, much of which is the result of secondary complications, and the majority of which could be saved if the complications were avoided through top quality care. Chronic disease management requires a seamlessly integrated healthcare system."

If anything, the responsibility for pharma to meet this challenge is even greater. But Birch is optimistic the Novo Nordisk Way can help. "We believe what we are doing is right... I'm convinced we can deliver, have the right values, the right pipeline and the right operation." He is aware of the dangers of becoming complacent, and is determined not to compromise on quality or ethics. Birch describes this as a "new era" for pharma and the NHS. Yes the stakes and expectations are high, but having strong values can help pave the way to future success.

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