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Dr. René Buholzer
CEO of Interpharma

From your perspective, what has been the focus of the Swiss pharma industry in the creation of ecosystems?

We are convinced that the current framework with existing regulation is not sustainable, as it fails to address future needs. Health care firms have started to collaborate with each other and different actors but there is no broad movement tackling this challenge. There are some individual groups trying to do this, but there is no wider discourse yet around the topic of ecosystems in Switzerland, which would be necessary for true progress.

Data privacy is a big issue for the region. Do you see any regulatory advantages or disadvantages for firms that are based in GSA?

The focus is still very much on data protection instead of which data policy we need and want. We will see how the debate evolves, but historically Switzerland has a long and solid track record for protecting individual rights in a free market economy and is therefore well positioned. In addition, Switzerland has a very fragmented health system, with 26 different cantonal actors, all of which play a critical role in determining how the system functions. This creates the potential for different approaches. Fragmented markets can be a disadvantage for firms, but have also a huge advantage for a real-world trial and error approach. In addition, the Swiss marketplace is not only small but well connected between regulatory actors and the industry and with an above-average discussion culture. This allows actors to run pilot projects and conduct testing within an advanced health care system that is open to innovation.

Are you seeing firms in Switzerland starting to think about how they are going to compete with nontraditional market players?

Partly. The new CEO of Novartis has been very vocal in articulating that the industry needs to be more data driven and digital. Recent M&A activity testifies that Roche is investing in data platforms to develop real-world evidence for cancer research. Overall, it seems that, apart from research in the pharma industry, the health care industry is not as advanced as other sectors in taking advantage of digitization. One possible reason for this is that the stringent regulation distracts attention from management and can act in some ways as a barrier to market entry, keeping new firms from quickly or directly competing in this space.

I am personally convinced that the Swiss pharmaceutical industry is up to this challenge. I am, however, more concerned about the readiness of the health care system as a whole and the potential impact for the speed and delivery of innovation, particularly for doctors and other actors involved in health care delivery. Discussions on ecosystem creation are currently centered around cost containment and not how we as a sector adapt to technological developments and new innovations that can improve quality and effectiveness of care.

In terms of disruptors who could enter the sector, are there any Swiss champions that you see well positioned to compete with traditional pharmaceutical firms?

On the one hand, we could mention the obvious candidates that are successfully interacting with consumers, such as Alphabet, Google and Amazon. My personal opinion is that these firms are more likely to begin their foray into the health space by focusing on healthy people, which is to say prevention-based tools and ecosystems. Conversely, the pharmaceutical industry is dealing more with ill people, for both chronic and acute care, and I think those two elements will potentially over time grow together. Further, you can see players are developing new forms of health care delivery and starting to form ecosystems through easier interactions between their clients and patients.

What kind of partnering has been most effective in allowing for ecosystem development?

It is incredibly challenging to reform a complex and fragmented system that is highly regulated without causing some unintended consequences. When you change some aspect of the system, as these new ecosystems will do, there are potentially many players that would have something to lose and would feel the need to defend the position that they have established over time. This makes any reform process difficult and slow.

We, at Interpharma, are trying to approach this issue with a "do-tank." Essentially, this is a bottom-up initiative to give all stakeholders who are willing to innovate in the form of a concrete pilot project a platform to create these relationships and share the learnings for a sustainable health care system. There are already pilot projects that have been undertaken by our member companies and other stakeholders along the value chain (pharmaceutical companies, insurers, hospitals, medtechs or other actors) but the connection and the leverage for the system was missing. I am convinced that there is a lot of potential for improving efficiency, delivering better outcomes for patients and improving collaboration.

What stage of development are these initiatives in?

We are at an early stage, but there is a lot of will to move this conversation forward within Switzerland. To tackle the issue not via theoretical concept papers but with concrete pilots is clearly timely. We are talking to all stakeholders in the health care system to make sure that we have a multi-stakeholder approach, which is key for the multiplication and scalability of the pilots in a later stage of the project. But not surprisingly, to engage in such an open co-creation process needs a lot of courage and commitment. This impacts the speed at which the initiative is moving forward; but it is the only way to systematically form lasting ecosystems that will deliver improved outcomes.

Interview