

# Look ahead boldly

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Looking back on 40 years of working at Sandoz and Novartis.



**Dr. Jörg Reinhardt**

**Chairman of the Board of Directors**

When I walk across the Campus today, perhaps to an event in the Pavilion, I can hardly remember what it used to look like here about 40 years ago, when I arrived in St. Johann for the first time, to start my career with Sandoz.

The world was a different place then. Sandoz, a traditional mixed business that was strong in dye and chemical production with some pharmaceuticals on the side, was a European industrial giant emitting smoke and noise and everything else that went with it.

Nowadays the Campus has changed so much from how it was then. With the best will in the world, I could never have imagined there would be a pond with koi carp or a park at the entrance to the St. Johann site, where goods vehicles used to rattle along and ships' horns blared.

You'd have looked in vain for any trees or green spaces to relax in then. It was 1982. The world was in the depths of the Cold War and still suffering the consequences of the oil crisis. You could sense that the world of work was constrained, strictly regulated and ruled with almost military discipline, apparently leaving little scope for progress.

Yet these times were about to change. With the rapidly growing liberalization of the markets, and especially the opening up of China, there was a new dynamic in the business world, even in the early 1980s. Sandoz felt it, too, as its traditional dyes and chemicals business came under pressure.

## **Changing times**

For a pharmacist like me, fresh out of university, these changing times turned out to be a stroke of luck. That's because developing new medications, already an important part of the business, was coming increasingly to the fore, allowing both me and the company to grow and seize new opportunities.

In retrospect, the 1980s may look a bit gray and overly serious, but even then there was a lot of research going on with many breakthrough innovations – even if the word wasn't used as frequently as it is today.

In the USA, doctors commenced working on developing gene and cell therapies for the first time, then still called gene surgery. And researchers all over the world were competing to find new ways of tackling cancer, which at that time was still difficult to treat.

In 1982, the year I joined Sandoz, the company – which had already developed a number of significant medications – wrote medical history when it launched Sandimmun. This treatment made it possible for the first time to carry out transplants without fearing that the organ would be rejected.



This was an important breakthrough that helped the company to grow, and not just in an economic sense. Having the courage to think big and venture ever deeper into medical research were also consequences of this milestone.

The development of new treatments was accelerated, while the traditional chemicals business came under ever-increasing competitive pressure due to the gathering pace of globalization, becoming weaker and less profitable. In 1996, the combination of these two trends led to the merger of Ciba-Geigy and Sandoz, a move which shook Basel to the core and also caused a furore around the world, given that this was the biggest industrial merger of its time.

### **Fresh start**

For me, the merger meant a kind of fresh start. I took over responsibility for preclinical development and worked on new molecules in the merged company, including, later, Glivec, which was launched around the turn of the millennium as the first personalized cancer treatment.

It was a medical highlight that made Novartis a beacon of hope for patients, scientists and doctors: Glivec enabled us to reduce some of the horror of cancer and turn myeloid leukemia from a certain death sentence into a chronic illness.

Even more was invested in cancer research around the world and even bolder projects were tackled. For example, here at Novartis we began working on gene therapies at an early stage, and even ventured into xenotransplantation.

In general, and not least, the founding of Novartis enabled us to intensify our research and development work, and systematically press ahead with what is now called innovation. Research had always been characterized by meticulous attention to detail and a good dose of inspiration. However, when Novartis was founded – making 2 billion Swiss francs a year available for Research and Development at a stroke – we wanted to proceed in a more structured way.

Setting up research institutes such as the GNF, NITD and NIBR, which are now part of Novartis Biomedical Research, enabled us to pursue different branches of research separately.

This approach has more than paid off. Over the years we have not only steadily increased our R&D investment, which has now reached an annual sum of nearly 10 billion dollars: our strong support for innovation has also allowed us to bring

some of the top researchers to Basel and Cambridge and position Novartis as a truly global player – not just one of the most economically successful pharma companies in the world, but also one of the most innovative.

### **The future**

Novartis has successfully established over 40 new treatments on the market since its foundation and now occupies a leading place in the industry. We want to retain that position in the future, by integrating R&D and the commercialization of new medications even more closely and systematically pressing ahead with developing new platforms.

However, we will continue to encounter stumbling blocks in the future. Back when we first started to venture into new terrain in the late 1990s, we had to learn the hard way. Many projects that we started, full of hope and enthusiasm, led nowhere – at least from the point of view of resulting in a product.

We also had to abandon our broad-based life sciences strategy involving animal health, vaccines, generic medications and eye care. Technological progress was too fast to be able to build up and maintain a leading position in all fields.

We needed to concentrate on those areas where we could become market leaders. But even this approach is no guarantee that everything will run smoothly. Although our gene therapy, radioligand and RNA platforms are now far more robust and have reached market readiness, setbacks can never be ruled out.

There's nothing surprising in that. The pharma industry, with its strong focus on research and development, will not advance without encountering obstacles in the future either. As in the past, it will have to advance cautiously, but also be willing to take risks.



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What seems impressive today can be outdated by tomorrow. That's why it's important to strike a balance between taking risks and accepting that mistakes have been made, and to take a long-term view. Only then will we continue to make the right decisions in the future, and overcome difficult times.

The last few decades have been characterized by constant ups and downs in the pharma industry. Nevertheless, it was always clear that Novartis constantly pursued the goal of being right out in front with the very

best. It is this mindset, already apparent at Sandoz and Ciba-Geigy, that can still be seen running through Novartis like a common thread. Today I am proud that we continue to be one of the best, just as Alex Krauer, the first Chairman of the Board, said we would be when Novartis was founded.



### **Working together**

However, we need to keep our eye on more than just technological changes in the future. We mustn't lose sight of how society is changing. On the one hand, international tensions are rising and, on the other, ever wider cracks are opening up in society itself – not least due to an ever stronger sense of individualism that nowadays can find new online channels on which to express and assert itself in increasingly extreme ways.

This trend is not welcome in business, because individualism, if too pronounced, works against the momentum that results from people working together. Such momentum is essential in a highly complex industry like pharma, if we are to make real progress.

No single researcher nowadays is capable of developing a new treatment alone. Today, it requires experts from all kinds of different fields of research to interact in order to build up a basic understanding of a disease and find ways of treating it.

Lone wolves, even if they are luminaries in their field, are not of much use to a business in the long term. The most important thing in future is for all team and project leaders to be vigilant and, not least, work hard to cultivate team spirit and a sense of community.

That has perhaps been one of the biggest changes of the last few decades. In the past, colleagues used to have a kind of mutual understanding of their shared vision and a highly collegial culture prevailed. When I meet former colleagues, we enjoy talking about the work, but also about the strong bonds of friendship that existed then. And even though the St. Johann site looked like a sad place from the outside in those days, inside it already had that special glow that it retains today.

I don't cling nostalgically to days gone by, nor do I want to look back with rose-tinted glasses – certainly not everything was better in the past. Just walking across the Campus is enough to convince me of that. Nevertheless, I will miss the old times when, in March 2025 and after over 40 years at Sandoz and Novartis, I step down. But I will still be looking ahead, to the challenges and the possibilities of our time. If I were to pass on something I have learned from my career in pharma, it would be this mindset: look ahead boldly.