Interview with Mary Dickens, Country Manager, Sanofi Ireland

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Tags: Sanofi Ireland

Ms. Dickens, in our interview with your Sanofi colleague Jan Hendrix in Belgium last month, he commented that it is amazing how diversified this company has become in just the last four years. From your own perspective, how has the company developed over this period, and why do you believe diversification was necessary?

Sanofi has had a remarkable history of producing highly significant innovations in medicine—particularly in areas of high unmet need. Our research efforts have yielded drugs such as Plavix, Aprovel, and Tritace.

When our current CEO, Chris Viehbacher, joined the group (in December 2008), he took note of our great success—but he also begged the question, “Where does Sanofi go from here?” It was a time to re-examine what the future held, and the trends in the market. Mr Viehbacher identified some key areas that we needed to focus on, because what was coming—although at the time it did not seem to be around the corner—was the patent cliff.

Positioning ourselves for future growth meant huge changes for the organization. Our ambition was to become a global, diversified, healthcare company. We could no longer be the traditional pharmaceutical company that we had been in the past, despite our previous accomplishments. This model was no longer sustainable.

Based on our existing strengths, and the future strengths that Mr. Viehbacher envisioned, Sanofi built a new model. Our strategy was based on seizing external opportunities, increasing innovation,

and adapting our internal structure to meet the demands of a changing environment. We began to actively search for innovation—which gave me, personally, a great deal of confidence in our future.

Our CEO then identified seven growth platforms. Firstly, he realized that we had a place in consumer health—even if we had not been able to realize it ourselves. Our bet on consumer health was a bet that people would increasingly become empowered to turn to self-care.

Diabetes was another platform. We have a very special place in diabetes at Sanofi. I am not speaking only about diabetes medicines, but about diabetes solutions. I am speaking about products like Lantus, which really has been a revelation for the patient.

Oncology was another area where we had traditionally been very strong in the past. However, there was a gap in terms of where we could take the business—Mr. Viehbacher sought to close that gap by identifying new areas of need.

Our Vaccines business was another growth area. Obviously, there is still a huge burden of disease in the world, and this burden will only grow. Sanofi has a major role to play in vaccines.

We also began looking at animal health. I often wondered, “Why on earth would we have a presence in animal health? How does this fit?” Mr. Viehbacher’s answer is simple: agricultural production is critical to feeding a growing global population; people eat animals, so animals need to be healthy as well. In addition, as the middle class grows, pets become an important part of the family. Making these connections is pivotal to increasing the value of the company.

We looked at internal opportunities, because there are promising innovations that have been developed within our own house. However, we decided not to rely solely on these internal developments—instead, we formed partnerships with academic and research institutions. Academics have a great independence, and that kind of environment is well suited for innovation.

Mr. Viehbacher wanted to transform the future Sanofi, and to take people with him on this journey. Acquiring Genzyme for rare diseases was perhaps the most significant move under his tenure so far. The integration was a major boost to our business, and enabled a move into the rare disease market which was exciting for the group.

Ultimately, every decision we have made has been targeted toward the patient. As an organization, if we keep the patient in focus, and we appreciate that our reason for existing is to prevent disease through vaccines or help people that are suffering from disease, then it is much easier to weather and adapt to change.

In Ireland, Sanofi is in a particularly demanding position—this affiliate has had to adapt not only to the internal changes within the organization, but also to major external change and austerity in the local market.

That is correct. I returned to Ireland at the end of 2009—prior to that, I had been working in a global position for the company. 2009 marked the beginning of real change in the legislative environment, and sudden price cuts. The price cuts were a knock-on effect of the broader challenges the country was facing: debt, pressures on the healthcare budget, inability to meet patient needs, etc. The price of medicines was an area that officials sought to tackle early.

Hence, we had a sudden loss of revenue that was highly impactful. As a public company that is hugely regulated and makes plans on a long-term, anticipatory timescale, sudden measures such as these are detrimental to our operations. We had never contended with something like this before. At that point, the future looked vulnerable for us.

We had to step back and ask, “What are the key components that can keep this business sustainable and successful?” We had to ask this question in Ireland, but we also had to ask it in Europe at large—because Ireland simply was one of the first countries to experience the difficulties that went on to plague the whole of the continent, but not the last.

Moreover, with the patent cliff coming, and the imminent loss of exclusivity on Plavix—a huge piece of our turnover—we were further challenged. We foresaw that our turnover would change, and it would change very suddenly.

At the beginning of 2010, and into 2011, Sanofi announced a pan-European reorganisation. A number of multi-country organizations were formed. For instance, Jan Hendrix, whom you interviewed in Belgium, heads up not only Belgium, but also Luxemburg and the Netherlands. The purpose of the reorganization was to bring together similar countries and capitalize upon the strength and knowledge of each individual to collaborate and find a way forward. We put a real focus on customer-facing activities and aligned our approaches in terms of regulatory affairs, pharmacovigilance, and support services.

Ireland became a multi-country organisation (MCO) alongside the UK. Restructuring challenges followed. In Ireland, we made significant changes in 2011. However, we rebuilt Sanofi Ireland to be very much focused on the patient and the customer. We also aligned elements like procurement with our Genzyme site in Waterford, sharing resources across the organization.

As a team, we set out our own philosophy. We brainstormed the changes we needed to make: for instance, we discussed what we needed to stop doing, what wasn’t totally necessary. This was new for big pharma. We needed to become smarter – to work more efficiently, more effectively and look carefully at our investment policy.

The Irish people are very strong, and they are very independent. When they are challenged, they find strength together. As a group of people, we managed to put together an entirely new model. We also embraced the MCO that was Sanofi UK and Ireland, and saw the good in it: that we could

focus on being more operational in Ireland, and less transactional. We had to change quickly, but having people with you along the way makes a significant difference.

We all know who our customers are, and we need to really value every single one of them—because ultimately, each one of those customers has an impact on our patients.

Did you manage to keep your team motivated through this transitional period?

Prior to the restructuring—and during the restructuring—things were difficult. But I am very proud of the way we came out of this period. We recently had a town hall meeting, and all of our employees were very much focused on where we want to go, and how they can contribute.

Our team is extremely motivated. They know what they want to achieve locally, and they know what we want to achieve as an organization.

In mid-2012 we conducted a global employee engagement survey across Sanofi. The Irish affiliate scored well, well above many of our European neighbours, and this is further testament to the agility and durability of my colleagues here, and their ability to adapt so readily to our new challenges.

Certain companies take an approach of walking away from a product as soon as it loses patent exclusivity. What is Sanofi's strategy?

As a global, diversified healthcare company, we strive to do whatever we can to serve the patient. Our approach is to continue to provide what we can, where we can. If we can deliver value, we do.

Of course, once a product goes off patent, we may invest less in promotion and marketing than we did in the past. But we do ensure that patients can get access to the medicine that they need.

Everything with our name on it has the patient's name on it. There were times when we had products on the market that cost us more than we earned. Unless the market can be served otherwise, we do not walk away.

Sanofi has become much leaner in Ireland, and the industry at large is having to do more with less. Do you believe that this is a temporary trend, or a new paradigm?

The pharmaceutical industry is one of the most regulated industries in the world. We absolutely need to ensure that we operate compliantly and ethically—ultimately, we are talking about patient safety. In order to do that, we need resources and we need people—highly skilled people that can anticipate shifts in the market.

With that said, in the past, we had large sales forces in this industry. I believe that approach has changed, and now our talent is more specialized. I think we are looking at an industry that is considerably more customer-oriented. Those who succeed will be those that really understand

customer needs in a changing environment—those who can recognize what value we ultimately bring, and what that value can look like in the future.

As Sanofi, we have set out to provide people with a lot more training, in order to empower them to bring the right level of service, and the right level of information and understanding. This is the direction in which we are evolving as a company. When austerity comes in, it brings barriers with it. You can only overcome those barriers if you understand the customer, the payer, and the patient.

Can Sanofi in Ireland return to growth?

I certainly believe that we will. Sanofi was one of the first companies to really challenge the patent cliff head-on. Our first priority was to stabilize the business. Now we want to move ahead.

We will still have challenges along the way—at least through early 2013. However, in the middle of next year, we will start to see ourselves getting results from moving in the right direction.

Our growth will be supported by a number of new innovations that should soon reach the market. It will also be supported by the fact that we have the right approach, and the right people. We have the ambition to return to the space we were in before.

We should also note that the latest IPHA agreement with the state has provided, at the least, a framework for us to operate in. This is not to say that there will be no challenges—but at least we have clarity and a three-year perspective. Each company in Ireland has had difficulties in convincing its headquarters that this country is still a good place to do business. With this agreement, that has thankfully changed.

Especially in a country where over 50% of the country's exports come from the pharmaceutical and related industry, we must have access to innovation at the local level. It is of the utmost importance that Irish patients can receive the medicines that make a difference in their lives. If we have to make concessions for that to happen, then we must do so. For this reason, the 400Mn EUR in budget cuts that the industry agreed to through the agreement is worthwhile. We know that the agreement takes another layer from our turnover; for us, the opportunity to bring innovation and innovative treatments to Irish patients is more important.

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