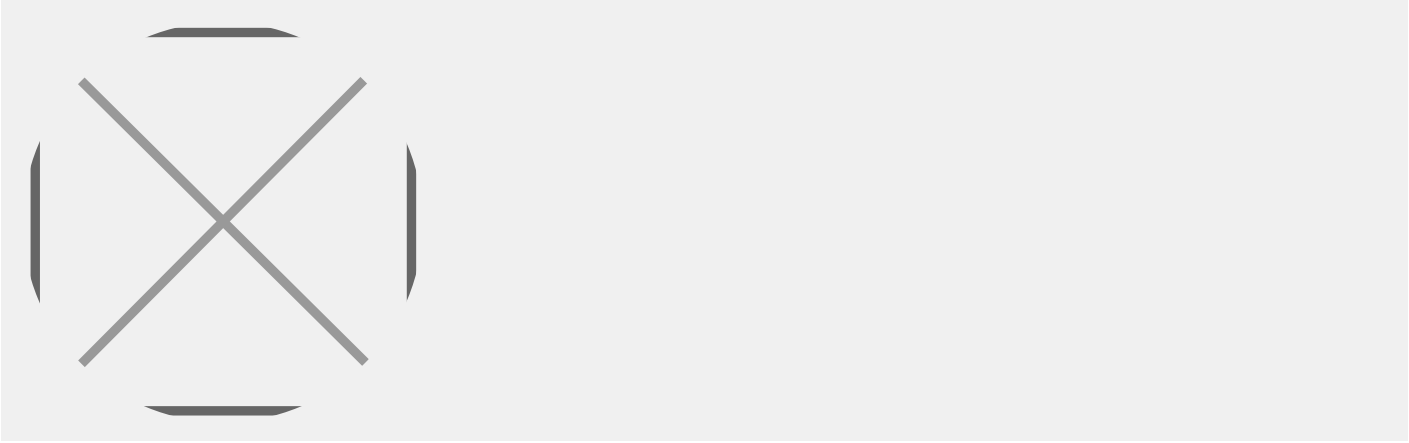
Interview with Marco Fazi, President & CEO, Eurogroup Consulting Italy



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Tags: Eurogroup Consulting Italy

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Fazi, you co-founded Eurogroup Consulting (EGC) in Italy in 2007 and are now leading a well established reality, renowned for the new model of governance it has designed. Could you introduce to our readers the main guidelines and principles of this innovative approach to consulting?

M.F: The Italian consulting market is mainly based on Anglo-Saxon's roots. As a result, the first Italian firms were born as extensions of leading multinationals and since the early eighties, there has not been any example of successful Italian partnerships in the country- the only promising experiences having been soon or later swallowed by larger international groups.

I personally started my career in the American firm Arthur Andersen but from the very beginning, my professional life followed the idea to build an Italian-native consulting partnership. Indeed, such goal has been eventually realized 25 years later, after two unsuccessful attempts, when I met Dr Centrone and the other partners of what is today EGC Italy.

The firm has been created following absolutely democratic rules. Ten partners of different ages and levels of experience equally share the property of the company- which makes EGC the very first Italian-native partnership based on such peculiar governance. On the other hand, a very clear system of rules has been implemented, complementing the compulsory compliance to the Italian civil code by additional contracts between partners.

Overall, such a model is aiming at creating a “self-generated” company, able to grow independently from its founders by attracting new potential collaborators.

As EGC Italy is part of the European Eurogroup Alliance, what does a Global vision combined with local expertise brings to the activities in the country and what is the relative importance of Italy in terms of revenues and growth for the Alliance from a global perspective?

M.F: EGC Italy is above all an Italian partnership- but it is also necessary to offer major customers a European or International vision of the market, and this is why local knowledge has to be combined with international practice.

For this reason, the Italian branch is strongly involved in the creation of a European group, which should be achieved by the end of 2009.

EGC Italy currently represents close to 8% of the Alliance’s global turnover. But most important is its intellectual contribution the building process of the European group. Indeed, whereas most of the other European partners have been building their career path in local companies, the Italian collaborators can bring significant experiences from other multinational firms to be applied in the creation of an international practice.

Looking deeper into the origins of EGC’s pharmaceutical division: Dr Centone has built Improvance, an Italian pharmaceutical-orientated consultancy, which became in only five years a partner of reference for the industry- what was the rationale behind integrating it to the wider EGC in 2007, therefore accepting to renounce to its brand?

A.C: Improvance has been started by four partners in 2002, and reached a headcount of 25 in little less than three years, expanding its customer base to the main pharmaceutical companies in Italy. Then in 2006, the time came to evaluate how to boost the company’s growth and take it to the next level. The results of the six month long study that has been conducted in such scope clearly highlighted the need for a European vision of the market- as a local scale is too narrow to address major pharmaceutical companies, usually headquartered outside Italy.

On the other hand, Improvance was also aiming at expanding its expertise to a wider range of sectors and industries.

For this reason, international projects and potential European partnerships have been studied. A major multinational firm expressed considerable interest in acquiring Improvance to enter the Italian market; but EGC’s project was much more suitable to our vision and expectations, and the integration was successfully carried out in a few months.

On the other way around, what was the rationale behind integrating Improvance to EGC Italy, therefore introducing the firm in the pharmaceutical sector?

M.F: Originally, EGC has been present in three main areas: financial services, telecommunications and utilities, as well as healthcare- in relation with hospitals, regions, and other organizations but excluding the pharmaceutical industry.

However, being perceived as a most important player in Italy requires being active in the most important sectors. Therefore, integrating Improvance was meant to complete the range of services offered, sharing competences to create new methodologies and improve the relationships between pharmaceutical customers and healthcare operators.

Thanks to Improvance's highly specialized profile, EGC Italy can now complete its excellence in Healthcare consultancy with a leadership in terms of pharmaceutical competencies. As a result, the healthcare-pharmaceutical division is now amongst the most significant ones, bringing integrated ideas for both its segments.

In this regard, it is worth highlighting that our firm is dedicated to provide customers with new ideas beyond mere methodologies. EGC considers that being methodology-driven is necessary but not sufficient to successfully adapt to both the country's environment and the individuals we deal with.

Indeed, EGC develops both ideas and methodologies through a wide range of integrated products and solutions- spanning from CFO services, to change management & HR excellence, IT advisory, Operational Excellence, Sales & Marketing Effectiveness and Supply Chain effectiveness. On which lines are you mainly focusing in Italy?

M.F: All sectors together, two main best practices of EGC Italy can be identified.

First of all, in terms of sales force effectiveness, our consultants can offer excellent solutions, which are crucial for all industries in these times of economic slowdown.

And in addition, highly competitive competences have been developed in terms of logistics and supply chain optimization.

Looking at sales force effectiveness solutions applied to the pharmaceutical industry, new marketing solutions are increasingly important as so many multinationals are reshuffling their sales force on the field. How does EGC manage to drastically increase the efficiency of direct drugs promotions to GPs and pharmacists?

A.C: Helping the industry to optimize its field force efficiency requires a deep understanding of the current international and national market trends.

On a global scale, the pharmaceutical industry is going through times of changes, the main trends being a global consolidation through M&A, the progressive expiration of the main blockbusters' patents, the genericization of primary care and an increased focus on specialty care. Such a shift from GP-orientated to specialist-focused companies requires organizational changes and different approaches.

In addition, at the Italian level, sales force optimization requires to take into account the ever-changing regulatory framework, the increasing number of new stakeholders, and the regionalization process which requires tailored sales strategies for each region in order to guarantee the best market access.

Taking all these factors into account, EGC is providing customers with innovative ideas in order to challenge their strategies and create room for further improvement.

In terms of supply chain optimization –another main best practice of EGC Italy- there is a strong need to find a balance between public service, containment of healthcare spending and competitive market dynamics to improve pharmaceutical distribution in the country. Being a partner of choice for both healthcare public operators and the industry, which role can EGC play in this field?

A.C: EGC's consultants are working closely with both private and public stakeholders to evaluate how to optimize logistics in the healthcare sector. The main topic in this regard is to better integrate regional warehouses and local hospitals to the pharmaceutical industry at the national level.

Our engineered approach towards distribution channel strategy is in line with European regulations but also ensures efficient and uninterrupted service at local level. For this reason, ECG develops its strategies taking into account the ever more significant role played by Italian pharmacists in final purchasing decisions, helping companies to manage their product's exclusivity.

Another increasingly relevant best practice is related to the track and trace of medicines along the supply chain. EGC works with laboratories to help them comply with the new traceability regulations, which will help Italy to maintain its reputation of a most reliable and qualitative market.

Excellence in these fields already granted EGC the trust of both multinational and local key players. Looking at future, will growth be fuelled by finding new niche clients or by developing more added value services for the existing ones?

A.C: Both approaches shall be combined.

Expanding and innovating EGC's offer is crucial to maintain a leadership position. In this scope, a European market survey has been launched a month ago in order to benchmark the evolutions of pharmacists' role in times of crisis and European deregulation.

But on the other hand, investment is also increasingly dedicated to develop new promising collaborations with biotech laboratories and medical devices companies.

Last but not least, the third strategic pillar is aimed at strengthening the European vision of the company. As the other practices of Eurogroup Alliance are not strongly present in the pharmaceutical sector, a European team dedicated to pharma has been set up, and is starting to train people in different countries.

M.F: In each of its strategic developments, EGC will always remain at the forefront of progress and research.

Indeed, offering solutions to the traditional pharmaceutical market requires to be closely connected with innovative players such as biotech laboratories, or companies specialized in technological transfer between Universities and Research Centres, in order to translate the results of research into added value for the industry.

In this regard, EGC's work on new innovative services can be compared to the scope of a R&D department; investing in innovation to keep a competitive edge.

In this process of finding new partners and developing at the European level, where do you see further room for improvement in terms of image, in order to reach your objective of being recognized as the European Management Consulting company, relevant to the business community?

M.F: Considering that most other multinational consulting firms were born between the late-19th and early 20th history, EGC positions itself as a long term project. And in this regard, it is worth mentioning that the brand has already been present in France for the past 25 years.

But looking at Italy, where the firm was born only two years ago, considerable steps have been achieved in terms of strong presence in the market in such a short period of time. I like to consider that among other firms EGC is "the bigger of the smallest or smallest of the bigger".

The final goal is surely to become one of the first consulting firms in Italy, which does not only require monthly results, but also a log-terms strategic vision.

As the co-founders of such an ambitious project, would you say that your entrepreneurial spirit is an innate characteristic n or is it a skill you developed through time and experiences?

M.F: I believe that entrepreneurs are born as so.

For this reason, when selecting new collaborators, EGC is looking for young talents with high potential. Through the very strict hiring procedure, we evaluate personal capabilities and take into account university degrees- but a main condition to work with us is to combine such skills with an

entrepreneurial spark.

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