Interview: Pascal Brossard – Managing Director, Zambon France; President, Afipa, France



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Pascal Brossard, the Managing Director of Zambon France and President of Afipa (Association for the French self-medication medicines industry), reveals why he is confident that the self-medication market in France will witness substantial growth in the years ahead; and how as a family-run Italian company Zambon has a long-term vision, that is not dictated by short-term financial results, to become a major player in two specialty fields: neurology and cystic fibrosis.

Before talking about Zambon France, let's talk about your role as President of Afipa (Association française de l'industrie pharmaceutique pour une automédication responsable – Association for the self-medication medicines industry). Last year, you were re-elected the president of Afipa. Why is this role important to you?

In the past I had the opportunity to manage pure OTC companies. From 1996 to 1999 I was marketing director of Theraplix, a business unit of what was then Rhône-Poulenc. I was responsible for their entire OTC business, including well known French brands such as Doliprane. I had also been managing director of Warner Lambert Consumer Healthcare, a big player in the OTC field that was later acquired by Pfizer. I was elected President of Afipa due to my extensive experience in the OTC market, even if it is true that Zambon´s business today is not entirely within this field. Zambon France is active in the OTC field through two major brands, Fluimucil and Spedifen. In France, we also promote a number of OTC products, such as UCB´s Zyrtec and Adare's Lacteol.

I am convinced that the self-medication market in France will witness substantial growth in the years ahead. The main factor preventing the development of the self-medication market is a lack of political will. An association such as Afipa has an important role to play in convincing politicians, and this current administration, of the importance of developing this field.

What is Zambon France's strategic positioning within the group?

For historic reasons the company has long been focused on three European markets, Italy, Spain and France. These three countries account for just under 50 percent of Zambon´s total turnover. Initially the strategy was to set up affiliates in other southern European markets. Today the group has affiliates in Germany, the UK and the Nordic countries and has also long been present in Switzerland, Belgium and the Netherlands. France is an important market for Zambon, as our third largest affiliate, but it is also a country which presents a number of challenges. Looking at all the affiliates we have across Europe, France is the country where we have the lowest prices, both in the OTC field as well as the Rx field. France used to be a low-priced market, with a relatively stable environment. However, such stability no longer exists: once a generic enters the French market, sales can drop by up to 85 percent.

What are the main growth drivers in France?

In France our Rx business accounts for 80 percent of our sales, with our OTC business making up the remaining 20 percent. Today we are in the process of entering two specialist areas. First, neurology, where we are looking to launch products for Parkinson's disease across our European affiliates. The second field is cystic fibrosis. Next month we will be launching a product for this orphan disease in France. More important than our therapeutic focus areas is our strong presence in three main fields, OTC, Rx and specialist products, the latter being a new development.

What is Zambon's strategy for establishing brand recognition in these specialist areas, given that you are a relative latecomer compared to more established players?

It is true that Zambon has to establish a name in its specialist business areas. It will be key to communicate better about the activities of Zambon, creating brand awareness amongst the key opinion leaders across the different fields. Investment in specialist fields has been decreasing as these markets become increasingly genericized. Many companies no longer promote their products once there are generic alternatives available. Consequently, companies entering specialist areas, such as Zambon, with new products under patent, can have an important role to play. For the prescribers it is important to have new players entering the market, providing new products in areas such as Parkinson's disease.

Currently Zambon France is responsible for Francophone Africa. Can you tell us more about this side of the business?

Zambon France manages all the French-speaking African countries, including North Africa. Until now we have been working with contract sales organizations; the reps we have in these countries were employees from third party companies. However, Zambon has been intimately involved with all marketing issues, actively promoting these products inside these countries. We are in the process of changing our business model, looking to develop relationships with local distributors and partners that will then conduct the business independently. This is the model that the group has always adopted throughout the other markets where we are active, and it will now be deployed in French-speaking Africa.

This is the first Italian company we've interviewed in France. What are the particularities of working for an Italian company?

Italian people, and Italian companies, are very flexible. Agility is one of their greatest virtues, being able to grasp opportunities as they arise. This is very much reflected in Zambon´s approach. As a family-run company we can have a long-term vision that is not linked to our quarterly results. We can invest in innovative new products for the future. The culture of the company is also very strong. We have this concept called the Benvivere which has represented a way of being and of understanding work at Zambon. Since the beginning, its aim was to provide a common sense of belonging, creating a real-life community of people who would see it as a place not only for professional development, but for personal growth. It is a concept which sees the individual in a company as being at the center of our business model.

What is your five-year vision for the future of Zambon in France?

Globally the company´s vision is to become a major player in specialty business, developing a particular know-how and experience in this field. When it comes to France, I am convinced that the self-medication market will continue to grow, and that in the future there will be great opportunities in this area. Concerning our Rx business in France I believe we will face some difficulties over the next few years, as these products become commoditized with low prices, and with the increasing penetration of generics. Looking at the three pillars of our business, the Rx pillar will face increasing challenges, and you have our specialist business on the one side, and our OTC business on the other, both with opportunities for considerable growth.

Zambon is the best proof that a medium-sized family-owned company can have a great future, by being extremely flexible and capitalizing on opportunities as they present themselves. This is not to

say that we do not have a strategic plan, but our strategy is centered around flexibility. Notwithstanding the constraints present within the French market, there is space for a medium-sized company such as Zambon because of our flexibility and agility.

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