Interview: Marie-Hélène Dick – President, Laboratoires Panpharma, France



14.01.2016

Tags: Pharma, Pharmaceuticals, France, Panpharma, Distribution, Europe, Markets, SMEs, mid-sized, medium, Interview, Insight, Executive, injectable, hospital

The president of the family-run Laboratoires Panpharma, a specialist in injectable drugs for the hospital sector, reveals how they have affiliates in both France and Germany, are in the process of opening an affiliate in the UK, and are active in over 80 countries through distributors. She also reveals how to survive in a market of giants when you are a mid-sized family owned company.

Panpharma has witnessed exceptional growth over these last 15 years, with the company having grown almost tenfold. How do you explain your success?

Our products have been key to our success. We specialize in the hospital market with a large portfolio of essential injectable drugs. Today we have a turnover of around 130 million euros (USD 141.15 million). 40 percent of our turnover is derived from our activities in France, 10 percent in Germany and the remaining 50 percent through distributors in more than 80 countries all over the world. Our main growth over the last few years has come from our hospital business in France, where we have launched many new products. We have a portfolio of 40 injectable products entirely dedicated to the hospital market. A large number of these products are antibiotics. We are a leader in France in this field. We cover all the essential drugs that are required in the hospital sector, with the exception of oncological products. We offer products in niche areas that other laboratories disregard . One of our main achievements has been to launch the first ready-to-use paracetamol injectable bag, a large market in France with a volume of around 30 million units. During a three

year period, we were the only company, alongside BMS, to offer such a product, and we managed to obtain a 70 percent share of the market. We have a very low rate of turn over concerning our commercial team and this is a considerable advantage, and differs to the approach taken by many of our competitors. Panpharma is a family-owned company, something which is increasingly rare in the pharmaceutical industry, and allows us to have a long-term strategy. Our independence is crucial to us and is something which is non-negotiable.

How challenging is it to be a smaller player in such a large market dominated by Big Pharma?

There are a number of key factors when it comes to being a successful medium-sized company. When you are not a Big Pharma company, it is important to be a specialist. In the case of Panpharma, we are specializing in the hospital sector. However, becoming a specialist takes time and request to develop your particular know-how over a number of years. The other key factor if you want to be successful is to be prepared to look beyond your domestic market. Today 60 percent of Panpharma´s growth comes from countries others than France. We are both a specialist and an international company.

When we were with Arnaud Gobet of Innothera he was telling us how manufacturing in Western Europe makes sense for high-value-added products. Given that you manufacture generics, how sustainable is it for you to keep manufacturing in France?

We have two sterile plants in France. It is true that the regulatory requirements controlled by the ANSM when it comes to manufacturing in this country are particularly demanding even compared to other European countries. Our injectable business is a generic product business and therefore delivers low margins. The cost of production is therefore a key element . Main costs of our products is today with the API. The cost of an API is the same whether you manufacture in Europe or in Asia. When it comes to the finished product, the cost of investing in a GMP approved plant and of maintaining it,is nearly the same around the world. Furthermore, having a plant close to the country where you commercialize your products, in our case France, can be an important cost saver.

Today, maintaining our plants in line with the highest regulatory requirements is mandatory and already an important challenge. We believe that having the right mix between in house production of strategic products and outsourcing of other products is the best solution.

Can you tell us more about your international footprint and future ambitions?

Our primary market is Europe. Today we have a direct presence in France and Germany which are Europe’s biggest markets.We are also selling our products through reliable distributors in other European countries. In Germany where we are not a major player yet, we are aiming to double our sales in the coming three years by strenghthening our salesforce and actively launching new products. In addition, we have now decided to establish a direct presence in the UK, third market in Europe as well as in Austria and we will be launching our first products in those countries in 2016. In these countries, payment delays are satisfactory on the contrary of some other European countries. Poland is also a country of particular interest.

Outside Europe we also have a presence in 80 countries through distributors and are looking to reinforce our position in highly regulated markets such as Australia and Canada.

You took over Panpharma at the age of just 27 from your father. What are the core values that have allowed you to succeed?

My first conviction is that you need to recruit and retain talented people with strong team spirit. In times when individualism often takes over, I believe that talent without strong team collaboration does not enable success on the long term. Both are mandatory.

My second core value is to act with perseverance and determination. We have faced many obstacles in the sterile industry and we will have many more to face in the future . With my teams we have always kept in mind our long-term objective. We ought to be motivated, reactive to compliance and regulatory changes, patient to make productivity gains year after year and tenacious to bounce back after difficult times and become even stronger.

My last guiding principle is to be a passionate entrepreneur. I thrive much more on giving than receiving and companies are a fascinating human journey.

The transmission of my values to the next generation is at the heart of everything I do. The importance of unity, teamwork, entrepreneurship and a strong desire for independence should be passed on throughout my family.

Click here to read more articles and interviews from France, and to download the latest free pharma report on the country.

See more interviews