Interview: Eric Placet – CEO, CreaPharm Group, France



12.04.2016

Tags: Pharma, Pharmaceuticals, France, CreaPharm, Eric Placet, Creation, Growth, Management, SME, Blister, Biotech, Packaging, Interview, Insight, Executive, Exclusive, Free

CreaPharm Group's CEO, Eric Placet, discusses the creation of his company, ambitions for growth, and the lessons learned throughout his leadership. He also emphasizes the relevance of the size of the business in optimizing performance.

For the last 20 years, you have built the CreaPharm Group to the success that it is today. How would you introduce the CreaPharm Group and its business units to our readers?

CreaPharm Group today stands at EUR 20 million (USD 23 million) in revenues with four industrial plants. Approximately 50 percent of our business comes from the clinical supply branch of the group, with the other 50 percent being from contract manufacturing, within which around 40 percent of our products are cosmetic products and the other 60 percent are focused on the pharmaceutical side. In terms of our assets, we today own 180 patented formulas and a high-performing cosmetic laboratory. We can manufacture a variety of products from lipsticks, creams and perfumes to medicines. Innovation has always been key to us and we place a lot of effort in our research. We continually strive to create new products and source new materials.

Our pharmaceuticals portfolio mostly consists of products for pills and blister packs. Our packaging engineers work collaboratively with developers within the pharmaceutical laboratories to help package their products. We manufacture products for a variety of renowned brands and a large proportion of these products are then exported by our clients to about 45 countries worldwide. We

adapt requirements to the local needs of the countries, by for example translating the labels.

The CreaPharm Group that we know today has been built through acquisitions. What was the strategic thinking behind the compatibility of the acquired companies and how have you managed to integrate them all under one name?

When I founded the company Sodia in 1998, I inherited a small product for treating feet problems from my father's pharmacy. I decided to build a factory to produce this drug. We started with a small pharmaceutical laboratory, only 1000 square meters in size, in order to help develop the product. This is also the foundation we used to begin the contract manufacturing branch of the business, which we later externalized. Thereafter, our site continued to grow and we extended our line to fit pharmaceutical supplies as well. Today, we are proud to work closely with most big pharmas and well-known biotechs.

We then acquired Stradis in 2007 which specializes in pharmaceutical contract manufacturing, Onyligne in 2009 focused on cosmetic contract manufacturing and CreaPharm in 2013 to reinforce our international presence in the clinical supplies business. Today my challenge is to integrate all these companies under one single brand name. This is an ongoing process and just a few months ago we put in place the name 'CreaPharm Group' under which we have our three business units as described earlier. Our strategy is to create vertical integration amongst the different brands that we work with, under the CreaPharm Group name, and our objective for 2020/21 is to double our current revenues and to grow to EUR 40 million (USD 45.5 million) in net sales.

How do you plan to grow the company towards the future, given its history of expansion through acquisition?

We will continue to acquire companies that align with our business model for as long as we have the capital. We are 100 percent independent, and this is important to us. For the time being, we are not planning to sell if a larger company wants to acquire us. We will therefore continue growing organically and with future acquisitions in Europe, focus on niche markets in line with our existing activities.

How have you managed to create competitive advantage given the saturated competitive landscape of the CMO business in France and Europe?

We place an emphasis on our technical competencies and reaction time over creating mass volume. Value over volume is key in our strategy. We just cannot compete with large established players such as Fareva or Delpharm; our edge lies in our niche positioning and we pride ourselves

in providing flexibility and quick action-reaction to our existing and potential future clients.

In terms of our internationalization strategy, we have partners and distributors in over 40 markets, including a strong partnership in Israel. With the help of Business France, we recently employed a person aimed at strengthening our presence there. We also aim to build an edge in markets that have plenty of biotech activities, such as the United States, the Middle East and Singapore.

Our goal today is to reinforce our existing expertise and resources in biotech and also develop it internally. Biotechnology expertise is a main attraction for the clients and will therefore provide us with another competitive advantage if we can source these specific biotech expertise and we pursue our efforts to recruit such profiles. Given our diverse set of expertise and business units, it has been a challenge to establish ourselves with one type of competency, although we do specialize in each of the activities that we do.

Given that you were a young entrepreneur when you founded CreaPharm, what is the main lesson that you have learned throughout your leadership?

One of the main things I learned from a practical business standpoint is that at the onset of a new product with a lot of potential, the course of action should be to sell fast! Another tactic is to build a strong partnership in order to give the product a chance in the market. A new product would not survive with a solitary effort and promotional channel.

Secondly, despite our internal and external growth, it is important for me to maintain our DNA and corporate values based on Agility, Creativity, Reactivity and Flexibility bringing tailor-made solutions to our clients.

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