Interview: Stephane Baudry – President, EHDH, France



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Stephane Baudry not only provides insight into his holding company EHDH (European Health Care Distribution Holding), the spectacular growth of affiliate EuroTransPharma and the developments underway for his other subsidiaries Transport Dufour and Ciblex

Express, but also shares his views on the goal for the European Association for Logistics and Transport in Healthcare (EALTH) he created a few years ago.

Could you please start by introducing yourself to our readers, explaining why you founded EuroTransPharma, and the position you currently hold?

In 2002 I joined our family company CSP, which specializes in logistics services. In 2011 I proposed the idea of forming a spin-off company for transport and logistical services as I saw an opportunity to provide active temperature controlled solutions to pharmaceutical companies. I understood that there was room for a player to consolidate this market, to be competitive, and to respond to all quality requirements and specificities. I therefore created this spin-off from the former transport branches of respectively CSP (it was called Translab) and Laboratory Marc Laine (the transport branch used to be called Laboratoire Marc Laine). My holding company is called EHDH, European Health Care Distribution Holding, and includes three different affiliates: Eurotranspharma, Transport Dufour and Ciblex Express. We are completely independent of CSP which is still run by members of my family.

Eurotranspharma began in 2011 as a start-up with EUR 28 million (USD 31 million) in revenues and 100 employees; today it is worth EUR 450 million (USD 506 million). I am a shareholder along with my colleague Claude Robert who owns a 20% share. We are very proud that we have been able to migrate solutions for the pharmaceutical industry from ISOP boxes to temperature controlled solutions in France.

We have also developed non-temperature controlled transport dedicated to pharmaceutical products. In 2014 we acquired a company called Ciblex, expert in express distribution, from the French Group Geodis. Ciblex was a challenging and exciting opportunity for our company as it had been losing revenue for more than 10 years and lost more than EUR 12.5 million (USD 14.07 million) the year before the acquisition. We understood that Ciblex had an extremely high quality level in services and would allow us to deliver products overnight and help connect our 123 different agencies. We have more than 2,500 daily runs and are able to deliver parcels within very short times. This also allowed us to compete with companies like Chronopost and TNT. Ciblex is also working with opticals; a sector in which we have a majority market share. More than 75% of Ciblex’s turnover is dedicated to pharmaceutical and optical related sales.

Eurotranspharma is dedicated to the healthcare industry as we wanted to establish a division of our business that could be specialized in offering services in smaller packages or orders. Ciblex offers Express deliveries and does not rely on temperature controls. We were able to create new possibilities to accept new volumes for parcels that require temperatures of 15 to 25 degrees Celsius.

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We also created another company called Transpharma Belgium that is based in Brussels and operates specifically with specialized active temperature controlled solutions in Belgium. At the same time, we were able to create a European network through a partnership with German company Trans-o-Flex; an endeavor we decided to take on due to the high strategic importance of entering the full European market. The European network, dubbed the Eurotime network, uses the same IT system that we are currently using with Eurotranspharma and delivers products to Germany, France, Netherlands, Belgium, Luxembourg, Denmark, and Austria.

All in all, the EHDH holding today includes Eurotranspharma, Transpharma Belgium, Ciblex, Ciblex Netherlands, Ciblex Belgium and Transport Dufour. We also recently joined the consortium who acquired the ferry company Corsica Linea, ex-SNCM. It was very important for us to purchase this company in order to have a connection with Corsica through the sea. We are able to maintain sea

and flight connections and capabilities, all of which are able to handle sensitive materials and temperature controlled products.

How are you managing to create a consolidated image when you have so many different companies in your holding group?

Depending on the needs of our clients we are able to offer services in all areas. If a client were to need assistance with temperature controlled products, they would use Eurotranspharma to assist them with their needs and if they preferred to use a standard and Express service to ship their medicines or products, we are able to ship their products with Ciblex. Depending on the nature of the product we are able to help in all areas of the pharmaceutical value chain.

You have recently moved to Belgium and the Netherlands with your transport divisions and have also secured a partnership with German company Trans-O-Flex. What is your current internationalization strategy and what are some of your future target markets and strategies to enter into new markets?

We have managed to be very successful in Belgium and the Netherlands and we are always looking for opportunities to grow within Europe and expand our European partnerships. In Belgium we were able to identify that there was no logistics company that offered high quality services to their customers and in turn we created Ciblex Belgium that caters to the needs of the Belgian market.

Our main goal is to have satisfied customers and, in order to achieve this goal, you must be able to supply the best products and services to your clientele. If we find partners that are strong in quality we will continue to work with them.

Eurotranspharma has created an image for itself as a large player, but given the vast number of logistics companies in Europe and the fact that Europe is essentially borderless, how are Eurotranspharma and the EHDH group differentiating themselves across the continent?

European distribution centers need carriers like us to work with them. Many players in the industry do not have the proper infrastructure, investments, and capabilities to correctly deliver all their products' needs. We are the ideal partner for the industry to deliver products because of the fact that we work independently and we are able to produce the best solution for each customer depending on their needs.

Competitors such as TNT and Chronopost work in B2C deliveries whereas we work with B2B deliveries, solely focusing on the needs of our clients. We deliver medicines with the same quality

service all year round, even during Christmas and New Year holidays, no matter what the situation is at that moment.

Our strategy is to take all possible growth opportunities but maintain our large market share. There are still a lot of opportunities and market share to be gained in France, the second biggest market in Europe after Germany, and in Europe more generally.

Looking at the current situation with the strikes in France, it is our duty and first priority to deliver all products on time. It is vitally important that our clients receive all their products on time; striking and delays cannot affect our outcome and delivery times. We have a crisis team that is always in place to avert potentially dangerous or difficult situations; we meet every morning at 6:00 am to prepare. We assess national and international level situations and prepare in advance for anything that may arise.

What was your goal in the creation of the European Association for Logistics and Transport in Healthcare (EALTH)?

EMA (SB/ “What do you mean by EMA). We decided to create this organization to incorporate GDP (Good Distribution Practice) and the needs of logistics companies. When I contacted the EMA and spoke to them they agreed that the majority of their work did not incorporate the needs of logistics companies. There was no specific sector dedicated to working with logistics companies. At this point I made an effort to speak with a number of logistics companies such as DHL and Trans-o-Flex in order to organize this endeavor. In turn, we created EALTH. We now represent 23 countries worldwide and have more than 13 members, including DHL, Movianto, Medlog, and many others. The organization helps lobby for the needs of all member companies for parallel imports fighting, medical device distribution, and many more topics to help monitor all logistical activities. We have permanent contact with the European Economic and Social Committee (ESCC) through which we were able to discuss GDP guidelines and rules with the EMA that could be enacted and followed. Our goal was to create texts and guidelines that would be applicable to our operations; this is a common interest and we are working to better conditions for import and export logistics.

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When we spoke with Stephanie Herve of Geodis logistics she explained how more and more pharma companies are outsourcing their logistics operations. How has this situation evolved over time and what potential do you see for Eurotranspharma?

There are many pharmaceutical companies that are focused on working with their own distribution channels but this is a part of the industry at the moment. Approximately three to five years ago there was almost little to no pharmaceutical related imports into France and now we see that 30 percent of imports into France are in medical devices, nutrition, and other pharma related products. When pharmaceutical companies work alone it is much more difficult to deliver efficient and quality services to their clients; using an outside source simplifies the process. We have the knowhow and expertise to distribute products. Pharmaceutical companies can gain cost reductions by using outside services like ours for their logistical needs and this is why so many have chosen to work with us. This is just the tip of the iceberg and we have the capabilities and technology to help companies efficiently deliver the right products at the right time. Companies nowadays do not have the time and budget to always manage all logistical operations and need help from other services to maintain an efficient workflow.

You have managed to develop a very successful company with more than USD 450 million in revenues and profits in less than five years! What is the secret of your success?

The secret is that there is no secret! The secret is hard work. It is very important to understand that you are the heart of your company. The secret is to liberate the energy of your workers and trust the people you are working with.

Where would you like to see your overall operations in five to eight years' time when we return?

I would hope to reach USD 1 billion by that time; to essentially double the size of the company.

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