# Isabelle Ducellier – CEO, BioGaia, Sweden



***BioGaia never launches a product that has not been clinically tested.***

06.09.2019

Tags: Sweden, Probiotics, BioGaia

*Having more than 20 years' experience in the beverage industry, Isabelle Ducellier was appointed as the CEO of Swedish probiotics company BioGaia in November 2018. Here, Ducellier highlights her goal of moving the company into the B2B/B2C sector, regulatory obstacles for clinically proven probiotics and BioGaia's long term strategy.*

**Isabelle, after a long career in the beverages industry, you have switched now into life sciences, being appointed as the CEO of BioGaia in November last year. What has been your motivation to take on this new challenge after many successful years at Pernod Ricard?**

After 22 great years at Pernod Ricard, I was eager to find a new challenge and for private reasons, it was not possible to continue the expat lifestyle I had been living before. After finishing an executive MBA programme at Harvard University in the US, I decided to stay in Sweden and focus on the life sciences area, as I found it very appealing. A few weeks after returning from the US, my son was diagnosed with bone cancer, so I did not take a job immediately but looked after him and this also reinforced my motivation in working in an area that brings value. I later took over the General Secretary position of the Swedish NGO Barncancerfonden, a childhood cancer foundation, and was approached by BioGaia's founder, Peter Rothschild, who asked me to join the Board of the

company. After a few weeks, the CEO of BioGaia resigned, so I was suggested as the successor and took the position in November 2018.

**How has your experience of previously working internationally in the beverage industry and in consulting, helped you in successfully leading a company in the life sciences field?**

BioGaia is at the stage of moving from a B2B to a B2B/B2C business model to keep up with the recent trends in the industry. While the company has a lot of knowledge in medical marketing, I bring a lot of experience from the B2C field, as brand building was my main area of focus when I was working in the beverage industry. My task is to establish a consumer-centred mindset within the company and develop a strategy for branding and packaging together with the team. BioGaia's initial business model was to sell probiotic bacteria to other companies; and while we still continue to do that to a certain extent, we launched our own brand in 2006. Since then, our focus has been on finished products sold under the BioGaia brand. As we have a global distribution network in more than 100 countries, we have the possibility to leverage brand awareness. Today we see great potential in the consumer market, as consumers are more aware about probiotics.

**BioGaia is developing probiotic products containing different strains of the probiotic *Lactobacillus reuteri*. Can you highlight the main health benefits to our international audience, who may not be familiar with probiotic bacteria?**

It is very important for consumers to understand that the word "probiotics" is a general expression. Different probiotic strains have different properties and may thereby address different indications. Since the company was founded almost 30 years ago BioGaia has been focusing on different strains of the probiotic species *Lactobacillus reuteri*. We have a very sophisticated process of testing hypotheses, running preclinical analyses and conducting clinical trials. BioGaia never launches a product that has not been clinically tested. This is what makes us, and a few other players, stand out from the crowd, as there are many probiotic companies that do not have any scientific proof of their products.

The main area where our probiotics have benefits is gut health and the scientific evidence for indications like colic, diarrhoea and constipation is quite strong today. We also have strong data in oral health and are now beginning to explore other areas, such as bone health. 80 percent of the

immune system is located in the gut and we see a shift in mindset, from only treating diseases and conditions to preventing and preserving good health. Prevention is a key topic for governments around the world, as the costs for treatment are exploding and it is much cheaper in the long run to focus on preventing diseases. We do know that by using probiotics and by other means taking care of their gut health, people are less likely to become ill.

**Which of your products are your main growth drivers in terms of sales?**

80 percent of our turnover comes from paediatric products and our star product is BioGaia Protectis drops for babies with colic. The effect of these has been proven through several meta analyses and while physicians rarely recommend taking probiotics, our product is one exception. As an example, the French paediatric association has included our product in their guidelines on how to treat colic.

**Despite many clinical studies proving beneficial health effects, the probiotics field is still stigmatised. In Europe, for example, there is no probiotic product with an official health claim. With the industry focusing increasingly on the consumer, where health claims make more sense, what do you see as the necessary next steps in the regulatory field to ensure companies like BioGaia can apply for these health claims more easily?**

I am very concerned about this and I cannot understand why regulatory bodies have not been cooperative in issuing guidelines for probiotic regulation, as this lump our products into a big basket with probiotics both with and without proven health benefits. Despite great clinical trial results, we currently cannot make any health claims, which means that we cannot communicate the effects of our products to consumers. On top of this, less serious probiotic manufacturers may ignore the regulations and market their products with all kinds of claims. This clearly makes it difficult for the consumer to understand the value of clinically proven probiotic products, such as ours.

While medical marketing is still our core business – ensuring that physicians are aware that the effect of our products is proven through clinical trials – the switch to a B2B/B2C business model makes it more relevant to file for health claims. Countries like Canada have been very smart in this area, as they have created a special category for probiotics, located between drugs and food, which is perfect for our industry and we are looking forward to seeing other countries adopting a

similar framework.

**The company has a very unique business model, working with many external partners in all three phases: research, manufacturing and distribution. What benefits brings this lean form of operations?**

It is a very unique approach, but it makes a lot of sense for our company to operate in this way. On the research side we would not be able to conduct as many studies as we do if we didn't collaborate with research institutions and other facilities. Today, we are partnering with global universities like Harvard, MIT and Karolinska Institutet as well as hospitals all over the world. These external institutions have been performing more than 200 clinical studies with our probiotic strains, which gives us a certain credibility. Besides, we could have never afforded to conduct all these studies ourselves.

**Sweden is known for its tradition of excellence in medical research embodied by the Karolinska Institutet which awards the Nobel Prize in Medicine. How does BioGaia leverage this outstanding academic research landscape?**

There is a strong collaboration triangle between the state, academia and the industry in Sweden, which is not the case in most other countries. The fact that academia and industry are very open to engage with each other is very beneficial for us. If there is a great idea or project, the state is usually very open to provide funding, too. BioGaia has a couple of projects with all the seven Swedish university hospitals, which are all very active in research. Swedish physicians are often involved in research, while treating patients, and their dual experience obviously benefits other stakeholders as well.

**One of BioGaia's founders, Peter Rothschild, has been very vocal on the need of fighting antibiotic resistance. What is BioGaia's approach to tackle this challenge?**

Antibiotics are very effective against bacterial infections but kill both good and bad bacteria in the human body. Probiotics on the other hand have a preventive approach. They are good bacteria and thereby contribute to balancing the microbiota. It should be common practice in all countries to add a probiotic when taking antibiotics. Our bacteria are isolated from breast milk and therefore of

human origin, which makes it natural for them to colonize humans.

Three clinical studies, performed in Israel, Indonesia and Mexico, have demonstrated that the number of days using antibiotics to treat an infection was lowered by taking our probiotic at the same time. The number of days with antibiotics was significantly reduced by up to 34 percent. So far, the research in this field has strongly focused on developing new antibiotics. What we see now is that the industry is slowly moving towards putting more attention on bacteria and other microorganisms in our body, as additional ways of addressing the global pressing situation with antibiotic resistance.

**How do you brand and market BioGaia when entering new business areas?**

While we have a strong portfolio in the paediatric area, there are many possibilities in adult health as well. I also believe that there are other indications, apart from gut related ones such as IBS and constipation, where probiotics may have an impact, for example in autism or even in Parkinson’s disease. I am convinced that we are only at the beginning of our journey and that there are many potential areas for our probiotics. As an example, we recently launched a new and promising product in the US called BioGaia Osfortis, for the prevention of osteoporosis, which has excellent clinical trial results.

Our aim is to be a pioneer in the field of next generation probiotics and that is why we have invested in the research-focused company MetaboGen, based in Gothenburg, which is at the forefront of research in the microbiome area.

**What is your strategy to strengthen your position in fast-growing markets in the Americas and Asia?**

Today, 60 percent of our turnover comes from EMEA, but the plan for the future is to have 40 percent coming from this region, 30 percent from APAC and 30 percent from the Americas, to better spread the risks across the regions. The APAC region has a history of using probiotics, so we see a huge market potential there. Consumers are very aware about the benefits of probiotics and they are also very open about international products, so we expect good sales growth here in the future. The Americas is also a region with great potential for us. Consumer interest in probiotics is growing rapidly and we have several partners, companies such as Abbott and Aché, who are investing a lot in the marketing of our products.

**Where would you like to see BioGaia in five years, when we come back for our next report on Sweden?**

We want to grow significantly in the adult health segment, while keeping our strong position in paediatrics.  BioGaia is growing very fast at the moment, so we are in the process of scaling up sustainably, while continuing to provide high-quality products. I feel very comfortable working in this company, and we have a great culture,

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