

Interview: Jon Fairest, President & CEO, Sanofi Canada



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The President & CEO of Sanofi Canada talks candidly about the pros and cons of the current administrative setup of the Canadian healthcare sector; Concerto, an association in Quebec that puts innovative pharma alongside government and regulators, and the local implications of the global trend of diversification in Big Pharma.

What are some of the unique characteristics of the Canadian market?

Provinces have almost 100 percent control of their healthcare budgets. European markets may have regional control to a degree but not at the Canadian level. This should create a targeted approach to the demographics a province has and should allow them to work efficiently. It also creates an extra level of complexity that is not needed. There is a slower process in terms of access to medicines, due the need to obtain approval for a drug at several different levels. A patient in one province can get access to a new innovative medicine much more quickly than in another province. In that sense, there is a lack of consistency across the country in terms of access to innovation.

However, there are some excellent best practices across different provinces. Canada has some fantastic programs in terms of chronic disease management and expertise in R&D, as well as some very innovative processes in linking secondary and primary care. The best practices are not shared as well as they could be. I think there is an element of competition between provinces, making the Canadian model markedly different from the European model. Furthermore, a population of 34 million people spread across Canada's geography and the country's unique demographics create

more challenges. There are some similarities to Europe in terms of approval processes and budgetary challenges. Overall, it will be a challenge to maintain the sustainability of the healthcare system in Canada as it currently stands.

At Sanofi, we are doing a few things to ensure that we are part of the solution going forward. First, we have diversified our own business that offers integrated health solutions to patients. We have moved away from the blockbuster model that subjected us to patent cliffs. We have a pharma business, vaccines, rare diseases, animal health and consumer health. In Canada, in our pharma business are working to strengthen our strategic pillars of diabetes, oncology, consumer health and specialty care, which in the future will include cardiovascular care.

Historically, Quebec has been strong in innovation. However, many multinationals have shut down their R&D plants here in recent years. How can Sanofi help to bring back that investment in innovation here?

There needs to be a good commercial environment for companies, as well as a true and transparent partnership between public and private payer organizations, the government and industry, both R&D and generics. A provincial budget of which 40-50 percent is spent on healthcare, with a 5-6 percent increase every year, is going to create problems. An environment has to exist where all stakeholders cooperate rather than implement legislation that simply cuts costs or prohibits efficiencies to be reinvested in new innovations. Furthermore, major R&D companies like Sanofi have gone through the patent cliff, so provinces have made their big savings already. That is part of the pharmaceutical model.

The focus has been too much on the price of medicines rather than managing the healthcare system as a whole. Partnerships for improving the management of chronic diseases like diabetes do not really exist. If drugs are 15 percent of the total cost of a healthcare budget, the other 85 percent is not being looked at in terms of how stakeholders can work together.

When you move from being a traditional pharmaceutical manufacturer to a healthcare solutions provider, you have many projects that are collaborative efforts. Sanofi Canada is involved in Concerto in Quebec, which is a true partnership between four or five innovative pharma R&D companies, the government, and an external consulting organization. Through the Concerto model, healthcare practitioners focus their efforts on managing chronic disease and target the optimal management of the five percent of patients with three or more chronic diseases that use 85 percent of our healthcare resources. The potential savings of this program are extraordinary. Concerto is a true pilot partnership. There has to be more willingness and transparency like this

between government and industry.

The environment needs to focus on innovative solutions and partnerships that make a difference for everyone. IP protection is crucial as well. In our current system, you have what is fundamentally two years less IP protection in Canada for an R&D company. This combined with the complexity of market access in Canada can frustrate the pharma commercial model. IP in Canada does not have to improve beyond the rest of the world, but at the very least it needs to be on parity with the rest of the developed world. It all boils down to partnerships and an environment of transparency and trust in each other to work on chronic issues together.

Could you describe Sanofi Canada's social initiatives in regard to raising awareness?

Sanofi Canada works with many charities here, such as various cancer associations, Anaphylaxis Canada, the Canadian Diabetes Association, and most of the major patient associations with whom the affiliate is a close partner. The company works to find gaps in the market with each association and how they operate.

Sanofi is also a founding member of ACT, which trains teenagers how to conduct CPR and use defibrillators. This program is important because this simple training helps the next generation save lives.

Our company is also a founding member of the Sanofi Canada BioGENEius Challenge Canada (SBCC), which awards teenagers keen on science to work with world-class researchers and mentors in labs across Canada. The program is a critical component of Canada's efforts to develop students and talent in the life sciences. The media love the program too, so participating students get high praise.

Recognizing that social responsibility is important outside our borders too, Sanofi participates in many programs globally, but in Canada we are especially proud of our participation in Health Partners International Canada, which provides medication to the poorest of the poor all over the world.

While we think globally, we need to act locally. Sanofi also undertakes social responsibility in our own home community of Laval, and across the regions where we have employees. In Laval, we feed the poor at Christmas and participate in Centraide (United Way) fundraising.

What is your strategic vision for Sanofi Canada in the next three years?

Sanofi Canada has a clear vision for the future. In three years, I would like to be the market leader in Canada for diabetes care. Sanofi Canada has the best understanding of patients as well as a product portfolio, solutions and innovative ideas that will take the affiliate to that level. For oncology, the company is also squarely focused on patient care. We have a portfolio of niche products and programs especially for the elderly to which patients need access to as quickly as possible.

For consumer healthcare, Sanofi needs to raise its profile as a clear partner to pharmacy markets. We continue to innovate in consumer health products and grow product lines and services.

The company also has some exciting drug launches in the next couple of years. In the cardiovascular arena, there are some interesting products that could bring Sanofi back to the level of Plavix and Avapro. These products are real innovation, not “me toos”. I would like every healthcare organization to consider Sanofi as an innovative company with new ideas. I want Sanofi to be seen as a true healthcare partner and part of the solution to healthcare

You have enjoyed a diverse career within Sanofi, with positions in the UK, Portugal, Bulgaria and Finland. What have you been able to bring from all these experiences to your current position as head of Canada?

Coming from an outside market brings new ways of thinking. You can bring new approaches or ideas, and as the markets evolve you are able to adapt and change as you move forward. I also think that you can look at different economic models and understand how different payer organizations have to operate under different budget constraints. You can also provide examples where there are special projects in terms of access to innovation. I think you can bring new partnership models and ideas that might not have been considered on both sides of the table either from the payer organization or healthcare provider. You also bring a depth of knowledge of the company that perhaps a local does not have because you have made many global connections and are able to access resources more quickly and efficiently.

Sanofi has diversified from the traditional blockbuster model into more of a healthcare solutions company. I think you pick up experience in each of those different models depending on where you work. For example, I was in charge of generics in Iberia, and thus my knowledge of the generic model is helpful when moving to a location where generics are becoming increasingly important. Different markets are at different levels of maturity. The experience you gain from disease management and its maturity in a market is very useful.

Sanofi is a very dynamic company that sees and adapts to market changes. The company has built a very robust and sustainable business moving forward. Sanofi is particularly good at anticipating and dealing with challenges as they arrive. Sanofi Canada's stock price has risen significantly, built by confidence in investors that the company's business model is going in the right direction.

The affiliate is improving its ability to innovate and to be more agile as an organization, and I want current and potential employees to feel that they want to work here. Sanofi also looks to bring new skill sets into the organization. It is an exciting place to be. I have been lucky to work in a variety of countries and cultures, and because of Sanofi's diversification into a variety of businesses, there are opportunities for people to expand their career and experience and therefore have a great working life.

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