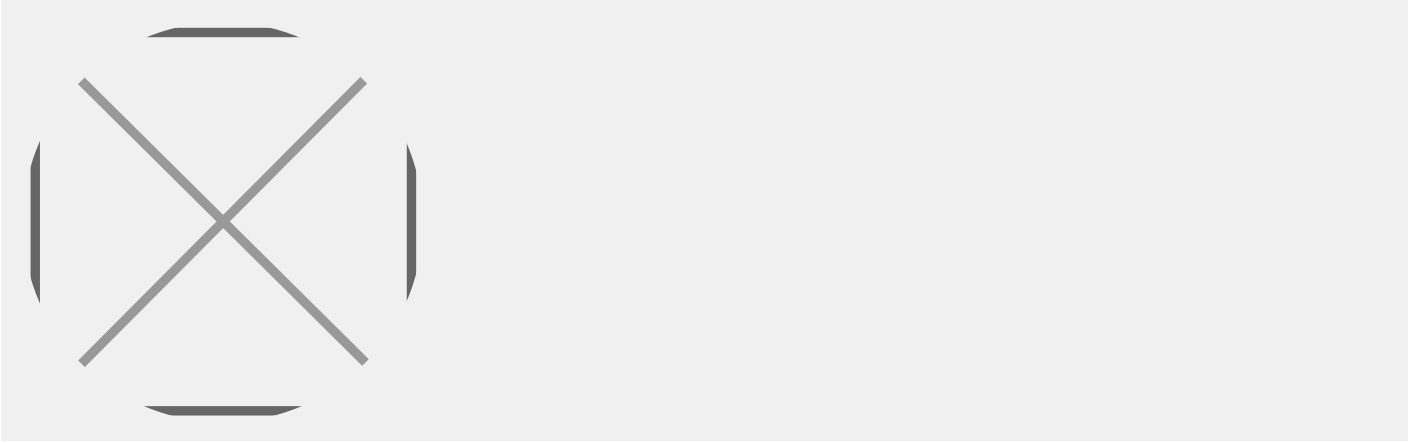
# Interview: Jacques Dessureault, President and General Manager, Valeant Canada



14.06.2013

Tags: government relations, Human Resources, investment, IP protection, Valeant,

*With a Master's Degree in Marketing Science from the University of Leicester and a Degree in Management Information Systems from Université du Québec à Montréal Jacques Dessurealt has had a fruitful career in the pharmaceutical industry with some of the biggest names like Bristol Myer-Squibb and Novartis. He talks with us today about IP protection, government investment and the steps Valeant are taking to attract new talent since being appointed President and General Manager of Valeant just seven months ago.*

**What were your inital objectives when you arrived at Valeant seven months ago?**

I was approached by Valeant last year, and was impressed with the company's growth strategy and the decision to have global headquarters in Montreal. At Valeant Canada, there are three pillars of focus which are optimizing operational efficiency of all acquired and integrated businesses, driving organic growth, and establishing a local business development strategy. Valeant's growth strategy is based on business development rather than a typical R&D pipeline that relies on drug development. Therefore, one of my first mandates was to assure continuous organic growth, through best in class execution. As an example, launching the Medicis aesthetic business, division of Valeant's was one of our top priorities. Also, we have launched over eight products in the last year across our different divisions. Therefore accelerating the uptake of new products that enter the market is also one of our areas of focus.

As a major contributor to Canadian economic wealth, it also makes sense that we establish partnerships with government and public decision-makers, leveraging our important investments that includes multiple manufacturing operations in three of the major Canadian provinces.

**What is the number one challenge for the Canadian pharmaceutical industry at the moment?**

The number one challenge is IP protection. This kind of protection could attract huge investment in Canada. I have personally experienced mega-brands that lost patent a year before expiry. Canada is the only G8 country with no restoration policy. Attracting investment in Canada when you have such short patent protection involves the risk of losing your patent ahead of time because of the way the federal court operates. I am eager to see the results of the Canada-EU Trade Agreement (CETA) negotiations and their impact once implemented. Since Health is a provincial jurisdiction, I suspect there will be interesting debates on the financial impact of longer patent life with respect to innovative drug reimbursement.

**To what extent might the industry be able to participate in dialogue with government to ensure issues like patent expiry can be more favorable for all stakeholders involved?**

Canada has the huge opportunity of an ageing population with a highly developed healthcare system. Furthermore, open access to healthcare to all of the Canadian population is an enormous lever. Simultaneously, these forces put huge pressure on the healthcare system in terms of cost containment initiatives. Regarding the provision of public access and drug approval, Canada ranks 26 out of 32 developed countries so, sadly, we are maintaining our position at the bottom of the ranking being in the fourth quartile. On average, only 20 percent of products get reimbursement. Clinical data repositories do not even provide a positive response to half of the brands seeking public reimbursement. It is a very tough environment to do business because of the opportunity of an ageing, socialized, and organized healthcare system combined with pressure on the system. Thus, reimbursement is a challenge and Canada does not seem to be improving in as many areas as hoped compared to the rest of the OECD.

The industry needs to partner with the government and with public payers. Rx&D has quantified the value of patent protection between CDN $9-16 billion in incremental investment that Canada could get. Additionally, it is tough to attract investment when many big pharmaceutical companies have shut down R&D and shrunk their sales and marketing operations, particularly given the fact that this happened before the BAP-15 was abolished in Quebec.

**In what ways is Valeant Canada leveraging the Canadian government's investment in science and technology?**

The first way we are doing this is by being a healthcare company with more than 1,000 employees. Canada has an outstanding talent pool from which to feed companies like Valeant. Sourcing talents from Canadian research centers is a fruitful endeavor. Secondly, Valeant is a business development-driven organization. Valeant has acquired local companies in Canada, such as Laboratoire Dr. Renaud, Swiss Natural, and Afexa. The company therefore provides an outstanding pipeline of start-ups that brings innovation to commercialization and expands the potential of these discoveries. Thirdly, Valeant is seeking the creation of a partnership with academia and the government.

**What are the main sources of Valeant's organic growth?**

Organic growth is driven through execution excellence and product launches. This includes the discipline of bringing a product to market, focus on pre-launch activities, launch initiatives, partnerships with academia and the centers of influence in the different disease areas where Valeant operates. This links back to tapping into the Canadian talent pool, particularly in areas where Valeant is very active, such as dermatology. Valeant works with some of the top international key opinion leaders in dermatology, aesthetics, and cardiology. By partnering with these centers of excellence, Valeant is advancing science while helping the organization to develop organic growth. The company's business model is to go where others do not go, and to do what others have not tried. Dermatology is a niche disease area and therefore not overly exposed to public reimbursement. Valeant's business model was designed to build critical mass, and therefore it enjoys the widest dermatology portfolio worldwide. Not only are there unmet needs in this area, it also has a very tough reimbursement environment. Valeant's global strategy has been to acquire enough of a dermatology portfolio to be a market leader in skin care therapy, rather than focusing on individual brands. This allowed Valeant to acquire both brands and companies, which provides the mass and scope to have an outstanding value proposition that addresses every potential issue or unmet need related to skin care.

**What are the main challenges and opportunities that come about with being the only Canadian multinational pharmaceutical company?**

While many know that Valeant has a Canadian presence, not many know that the global headquarters are in Canada. Valeant Canada needs to commit to working with the general public and with the government to demonstrate its importance as an economic driver and health care solutions provider for the country. Given the affiliate's significant investment resources, this creates a challenge of raising awareness that Valeant is the only international organization with Canadian headquarters. From this arises the opportunity in the area of government relations and access, as well as stronger partnerships with payers and academia. Having headquarters in Montreal provides opportunities to enjoy mutual benefits with local institutions, as well as many world renowned research centers.

**What is the strategic importance of Valeant Canada in relation to the entire organization?**

Valeant Canada holds the organization's international headquarters, and therefore plays an important role as it relates to liaising with key Canadian stakeholders to represent these headquarters. Valeant Canada has a responsibility that goes beyond just driving the Canadian business; it is a responsibility to actually further develop these centres of influence to contribute to Valeant worldwide. Valeant has some of the best manufacturing facilities in the world right here in Laval, Quebec; in Richmond Hill, Ontario and in Steinbach, Manitoba. The company produces quality at a reasonable cost with speed and agility for products that then are sent everywhere on the planet. Valeant Canada also has R&D responsibilities for developing innovation; for example, the company has a center of excellence in skin care therapy at Laboratoire Dr. Renaud. All in all, Valeant Canada has a pivotal role in the overall success of the corporation.

**What is your vision for Valeant Canada as a flagship Canadian pharmaceutical company?**

My vision is to achieve the following; to be the most valued healthcare companies by its customers, because of the value proposition that it brings to market, which is all about product portfolio as opposed to just brands. We are also recognized as an outstanding partner who enhances the health of the Canadian population. Our employees would see Valeant as the place to work, develop themselves and as an area where creativity, innovation and customer focus is rewarded. We are also seen as the best partner for International organizations that are looking for a Canadian partner to market their brands. We have an outstanding regulatory affairs, medical, market access team that can bring brands to market. We also have an outstanding marketing operation as well as a sales force presence in every provinces enabling full coverage of our wide country.

**Attracting the best talent is always a challenge. How do you attract and retain the best in Canada?**

Valeant Canada is also striving to become the most valued companies in terms of attracting top talent in the industry. We are a company that people want to work with. When you join Valeant, you do not join a big pharmaceutical company; you join a leading healthcare organization that is active and present in eight business sectors, which spans from the typical prescription market to dermatology/aesthetics to OTC to skin care to oral care to ophthalmology, and manufacturing. Valeant employees have outstanding growth experience because they learn about healthcare in multiple fields beyond working in a typical big pharmaceutical framework of prescription drugs coping with the challenges to which I alluded to. Every brand has a competitor, but no one competes with Valeant. When you are present in eight business sectors with a product portfolio approach, then you are not competing with brands. Valeant's goal to market strategy is revolutionary compared to big pharmaceuticals. Valeant does have opposing strategies to big pharma.

**How does Valeant manage to maintain so many acquisitions?**

Typical company integrations can last up to two years and can be very disruptive, even if the acquisition is very small. Integration impacts every functional area, whether it is a big merger or small acquisition, and most organizations can only digest one every few years. In contrast, Valeant International has successfully completed 58 acquisitions of varying sizes in the last five years, and Valeant Canada has shown its ability to perform rapid integrations in a best-in-class fashion when our Canadian operations had to be involved. Valeant business model and core capabilities lie with its ability to: manage simultaneously, business development initiatives (buying, integrating companies, licensing in assets) as we are driving Organic growth while always striving to enhance its operational efficiency and driving excellence in execution.

**What is your final message to our readers?**

Canada is an outstanding place to do business. It is the eighth largest market worldwide and will remain in the top ten for many years to come. As this relates to Valeant, we are very proud that our global headquarters are here in Montreal. Our CEO, Mike Pearson, many of Valeant's leadership board members are Canadians. Canada has talent, brains, and the ability to be proactive, agile and leverage local business opportunities This Canadian presence enable us to bring partnership with health care providers, and customers to the next level, bringing outstanding solutions to enhance the health of the Canadian population. IP and access challenges are slowly improving but still bring

challenges to our operations. Canada will need to adapt and keep evolving, as a developed country. It will require catching up to the other top eight.

**See more interviews**