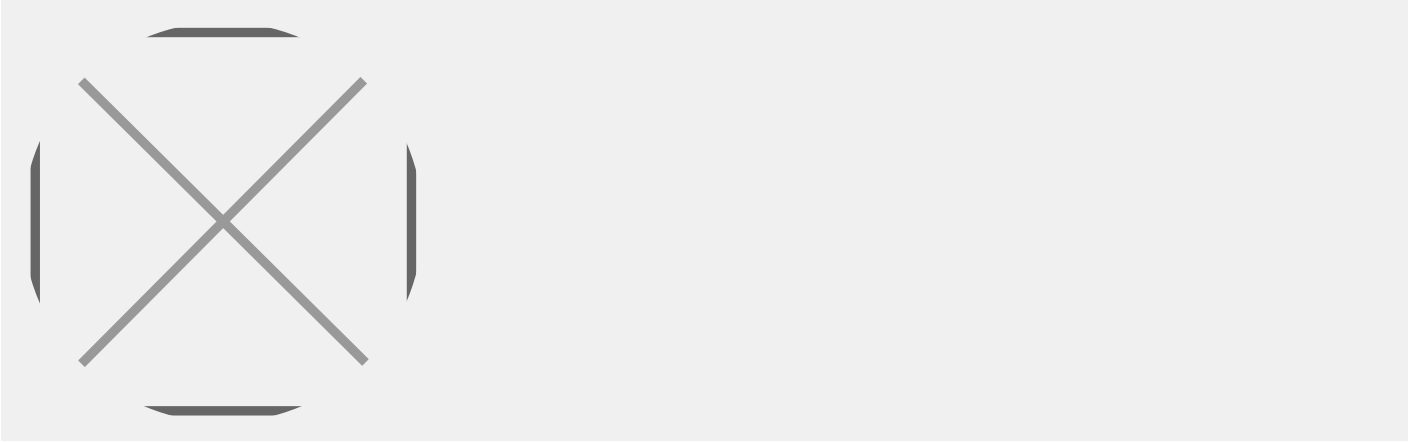
Interview with Sabrina Suetens, General Manager at Cegedim CRM, Cegedim Belgium



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October marks the completion of your first full year as general manager of Cegedim's Belgian affiliate. To what extent do you feel that the skills you've acquired in your career at Therabel and B Braun – both pharmaceutical and medical devices companies, apply to Cegedim? What were some of main lessons that you look forward to carrying into next year?

Sabrina Suetens: Due to my previous experience I have been on the other side of the table for 18 years and am therefore well aware of the needs and challenges that our life sciences customers are facing today. Moreover, as a CRM provider and industry partner we learned that customers expect more value for money.

The pharmaceutical industry has been aware for a long time that they would face many challenges among others caused by the looming expiration of a number of blockbuster patents. Hence, continuing to position ourselves as a pure CRM provider would prohibit Cegedim from maintaining its growth – i.e. our business model should change accordingly. We aim to offer total cost of ownership concepts in Sales Force Effectiveness and Marketing Intelligence, evolving from product-selling to solution-selling.

Cegedim firmly believes that this is the future direction to follow in order to create added value for our customers. Moreover, already today with the current product portfolio of CRM, CCI and CSD we can offer total solutions regardless of the product's lifecycle stage.

Johan Spincemaille: This approach is in line with what we previously did for HDMP—6 years ago we were a software business but now we have evolved into a service oriented company, delivering services to general practitioners (GP's).

Cegedim has become a very strong partner for pharmaceutical companies around the world, and certainly in Belgium. Nevertheless, with respect to healthcare, each system is as unique as the country it is in. From your perspective, what is unique about Belgium's pharmaceutical & healthcare industry and how has Cegedim adapted to this reality?

SS: Belgium is often considered by large pharmaceutical countries as the perfect test country to educate high potentials. Generally speaking, we tend to say if you have a proven track record in the Belgian market, you can succeed everywhere. This has mainly to do with the abundance of exceptions that need to be managed: bilingual country, challenging market access procedures, a time consuming price and reimbursement system, repeated price decreases for reimbursed medicinal products, taxes, etc…

On the other hand Belgium has become a country with a richness of expertise, offering the highest-quality medical care regarded as among the best healthcare systems in Europe, a strong leadership position in clinical trials and a compulsory healthcare insurance available to all Belgian citizens through the National Institute for Sickness and Invalidity.

Nevertheless, local environment faces a number of major challenges. Maintaining a sustainable healthcare system will imperatively need a long term strategy. Reflecting back on 2012 occurrences, the medicines market is stagnating and growth is slowing down in a significant way.

The market presented by Leo Neels of pharma.be, the Belgian Pharmaceutical Industry Association, indicates that the registered medicines market has an estimated value of €4.5 billion. According to pharma.be the market experienced a 2.2% growth in 2011, however subsequently in 2012 growth is expected to slow to 0% or less. Unsurprisingly, expansion is slowing down in all segments including the OTC market.

Inevitably, there are consequences to this. We estimate in the last 3 years that 700 GP sales representatives were cut down in classical pharmaceutical companies. Even though this loss was partly offset by the increased numbers of outsourced and generics sales reps, our data indicates that from 2009 until today, 500 medical representatives have been dismissed.

As mentioned earlier, many blockbuster patents are expiring. In 2012 alone, €200 million worth drugs went off patent. Consequently, pharmaceutical companies restructure their business. In addition to this, it's my personal belief that important associations such as pharma.be, BACHI (association of over-the-counter drugs) and FeBelGen (association of generic companies),…who historically became maybe dispersed due to conflicting interests, should strive for a common goal.

Today growth perspectives are under severe pressure for everyone. If the innovative industry does not launch new innovative medicines then the generic industry will eventually experience the consequences as well.

Therefore we should aggregate our efforts in order to prioritize a long term healthcare strategy on the politicians' agenda in order to maintain the attractiveness of the Belgian healthcare system.

Mr Emilano Gummati, your Italian counterpart told us that Cegedim's OneKey database's international structure represented a key competitive advantage that allows your clients to improve and expand their businesses. Given the capacity of Cegedim's solutions to increase commercial and medical effectiveness and efficiency, would you say that there has been a clear increase in the demand of your services in the last couple of years in Belgium?

SS: Cegedim Belgium is currently the market leader in CRM systems for the pharmaceutical industry. More than 1300 users, or almost 1 out of 2 representatives, are managing their sector with a Cegedim CRM tool. In total, more than 120 pharmaceutical companies are renting a health care professionals database managed by Cegedim.

As my counterpart in Italy I can confirm that the OneKey database is becoming the strategic pillar of the company, which differentiates us amongst other things from other CRM providers. Creating sales force effectiveness requires you to know your potential customers—exactly the information you can expect to find in our HCP database.

Besides the OneKey database with more than 100.000 HCP's, we have concluded a unique partnership in Belgium with the Central Medical File (CMF). Historically, this database was created and developed through the pharmaceutical industry, but they were facing difficulties in properly updating it. In exchange of keeping the database updated by means of our DBO team, Cegedim has the marketing rights.

Since we are well aware of the importance of up to date and reliable data, Cegedim has currently nine database operators who constantly validate updates (requests from customers and proactively) by means of a telephonic contact with the health care professional. Only after oral confirmation of the HCP changes are accepted and made available to all our database customers. This syndicated database concept together with the efforts of the DBO team ensures a fantastically high quality and accurate database.

With less field force, good targeting becomes even more important and key in sales force effectiveness. On top the shift from Primary Care pyramidal model towards "relationship-based" model is of great impact for pharmaceutical companies. Key Opinion Leaders and their network must be identified. Cegedim Customer Information produces targeting studies in order to support pharmaceutical companies to fine-tune and optimize their targeting. Besides the classical volume

based targeting and segmentation models we offer digital studies (Digital GP, Digital SPC) and “influence network understanding” studies (Physician Connect).

Our OneKey database is not only relevant for integration into the CRM system but also Cegedim Strategic Data uses it to conduct market and message recall studies, among others.

Finally we have new born OneKey derivatives that meet the changing needs. We observe that marketers are going online for instance. by creating company & product websites. This is where OneKey Web Authentication (OWA) comes into play. It guarantees a high security level to managers who are looking for a solution that limits the access to healthcare professionals only. A HCP will only be granted access after validation in the OneKey database and/or by means of the database operator. Furthermore, we are about to launch OneKey Digital to empower social media within the enterprise.

JS: The biggest difference between CRM business and market is the number of competitors—in our business we have 17 competitors with around 9000 active GP’s in Belgium. Changing from a software company to a service company has been a huge but necessary transition. We noticed that there was demand from the GP’s for a helpdesk type of service and I am happy to announce that we have become market leaders in that niche.

On top of that, synergies between Cegedim’s business units are with Cegedim Statistic Data (CSD). That software is used for collecting the data with the GPs. Together with CSD we created a panel consisting of 350 GP’s that are using our system. On a daily basis they will send data—aluminized with the necessary security measures—and from there on, we are able to make studies to improve our clients sales force effectiveness.

SS: Indeed Cegedim Strategic Data is collecting patient data. From a marketing perspective this could be interesting to track brand performance, to provide answers to patient segmentation and market sizing questions and with regard to the drug use. A recent trend that we observe is the use of patient data to reinforce files to obtain market access.

Let us examine in more detail Cegedim’s local offerings portfolio. What are among your best performing services between your 2 areas of focus (CRM & strategic data and HC professionals) and how would you classify the performance in each of those sectors? Do you foresee a potential of growth within each of these sectors of activity?

SS: Despite the current crisis in the pharmaceutical industry Cegedim Belgium maintains its leadership position. Nevertheless, we need to face the new economic reality and we’ll need to change our business model to enhance future growth prospects.

Consequently, our aim is to penetrate the existing markets with new innovative solutions and to develop new markets such as medical devices. From a tactical point of view, we need to improve

the communication with our customers. Historically our sales were mainly driven by the CRM business. Unfortunately, many of our customers today are not aware that we are able to deliver complete sales force effectiveness and marketing intelligence solutions. It is precisely in this respect that we intend to adapt our business model and to change our sales approach.

JS: For the software part there are two main issues—the aging of the GP population and the little amount of GP's entering the market. For those reasons it is not possible to acquire many new clients a year. However, I see growing possibilities in the accreditation process, as the required criteria to pass a product will become far more regulated as of 2013. On the other hand, we are developing new services for existing customers. For example SMS services that alert the patient for his upcoming appointment, online backup system, integration of medical devices such as ECG, spirometers, blood pressure devices, etc…

We know that Cegedim is a global software company specialized in CRM activities in the life sciences industry with an overall goal of finding, attracting, nurturing and retaining new and existing clients. However, how does Cegedim itself go about promoting its services? How do you ensure your clients of the accuracy and reliability of your systems?

SS: In the future I want to get closer to the customer to communicate better what we are doing and offering. I intend to steer away from the image of being known just as a CRM provider and strive towards becoming recognized as a partner of choice that guides its customers through the continuous transformation in the life sciences industry. Our mission is clearly to offer innovative solutions in sales, marketing and compliance processes for Life Sciences with state-of-the-art technology, comprehensive value added data & industry leading services.

One way in which we are realizing this is by organizing Customer Advisory Boards. For instance, this year we invited Ernst & Young to our customer conference in Amsterdam to present their latest report on business models transformation. Also in Belgium we evolved from the "Blockbuster Drugs" model towards the "Diversified Drugs Portfolio" after the patent expires. Ernst & Young expects a bright future for "Health Outcome" models in which new and different stakeholders (patient, payer, etc…) will play a dominant role.

These important transformations push companies and its managers to become more adaptive in the future. Currently we see companies experimenting with new models, for instance requests for the creation of new target groups in OneKey. Our challenge is to adapt our technologies and offerings to these new business models. However we are still in the "trial and error" phase and it is still unclear what final direction pharmaceutical companies will be taking.

While value in the future will be determined by data, data alone is not the answer. Instead, value will come from developing insightful technological solutions to make sense of the data and to execute actions derived from these analyses.

On a commercial level, pharma companies are coming to recognize that technology solutions can eliminate many of the routine barriers they encounter in attempting to get closer to their patients and the customers. Considering that technology is at the core of Cegedim's expertise, how are you leveraging new tools and technologies such as social media and iPad based interfaces to create better and more effective solutions to your clients?

JS: For HDMP technologies do not have a large impact yet. I do not see GP's using an iPad tomorrow for their daily operations. However, we are evolving to a system where data will be shared with other GP's, hospitals and other healthcare providers. This is where the E-Health platform plays a major role. The position they choose was decentralization of the data—this means that data remains in the place where it has been produced. A central repository will link all data with references to each other. This is the future model of healthcare with respect to software.

SS: The iPad will revolutionize the life sciences industry interactions with their stakeholders inevitably. In 2011 Cegedim corporate made a 6 Million € investment in the development of MI Touch. The intuitive design and the range of off-line functionalities, giving end-users the necessary information when and where they need, is leading to an immediate buy-in of the sales representatives when we show the application. This is great because a field force that is not convinced of the added value of the CRM tool can kill the management's SFE strategy.

In the summer of 2012 we started promoting MI Touch and so far we have received many positive reactions, the first customers will be implemented in the next coming months. I personally believe that this application could function as a bridge between the sales and marketing department because aside from the CRM part the application also includes the Closed Loop Marketing (CLM) part. Clearly with MI Touch we evolve towards a combined CRM and CLM tool.

In order to help marketing and digital managers to include new communication channels and to address the digitized message to the right doctors in the marketing plan, we invested in Belgium in a digital CCI study for generalists and major specialist practitioners.

Moreover besides our OneKey traditional profiles we started a social media innovation project OneKey Digital to build high quality, validated data for doctors active in digital and social media in a professional context. Needless to say, these profiles will fully comply with the respective data privacy laws and we are very proud to say that this ambitious corporate project is led by a Belgian.

In conclusion, where would you like to take Cegedim in to following 1 to 2 years and what goals would you like to realize?

SS: In first instance I hope to guarantee a bright future for my collaborators by developing an inspiring vision, and helping my team understand and commit to it. Off course customer satisfaction

continues to be one of my highest priorities, on top of that, I intend to increase customer's awareness of the innovative solutions that Cegedim can offer in terms of sales force effectiveness and marketing intelligence.

Moreover, I hope to show the first evidence of a successful penetration in the medical devices sector and to be a trustable partner for healthcare authorities. With respect to the latter, I would like to point out that compliance solutions will play a bigger role in the future for which we consequently developed tools such as the Sample Management Solution and Aggregate Spend 360.

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