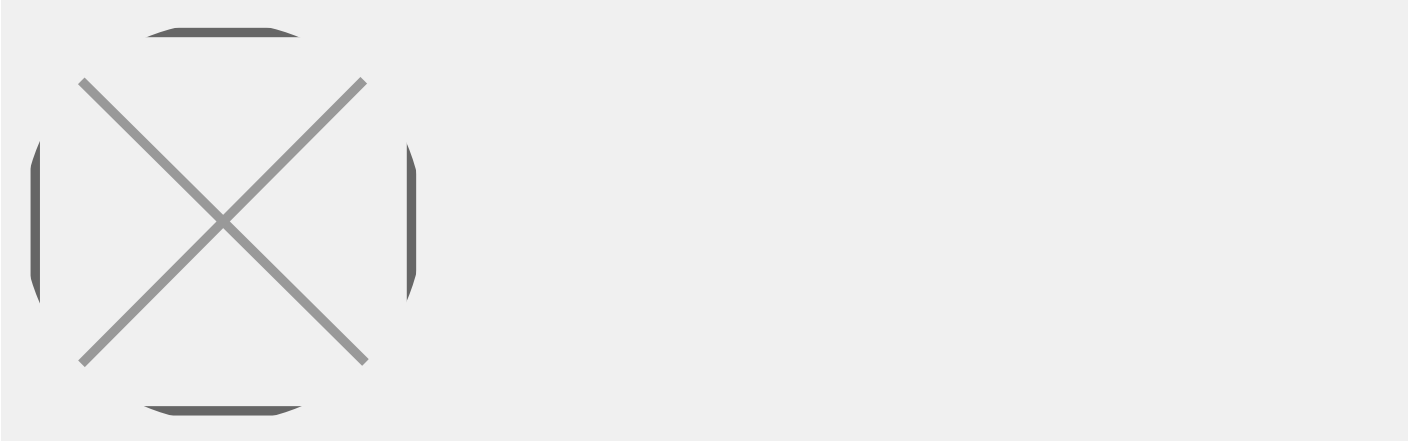
Interview with Emiliano Gummati, General Manager, Cegedim Dentrite Italy



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Ten years of experience in the Dendrite group enabled you to cover a number of international positions, before its acquisition by Cegedim in May 2007. How has the integration progressed at the time, and what has this strategic acquisition meant for Dendrite in Italy?

Entering the Italian team coming from an international background, and building on the 15 years legacy of the previous General Manager has surely been a personal challenge- but thanks to the collaborators' responsiveness, the integration has been remarkably smooth in Italy, where the customer focus has been maintained whilst merging the respective capabilities of both entities. Indeed, such customer orientation is now combined with Dendrite?s structural approach, and Cegedim's ability to find flexible solutions.

As a result of such a successful process, the new organization is fully operative since mid-2008. Its footprint in the Italian market is much larger than it used to be, as Cegedim Dendrite now covers half of the country?s sales representatives; 50% of the local field force relies on at least one of our services, the most widely used being the 'One Key' database.

Such coverage enables to enhance the quality of the information provided by 'One Key' indeed, even the most important customer contributes for less than 10% to the database's accuracy, and therefore gets the remaining 90% updates thanks to Cegedim Dendrite?s wide coverage. In addition, benefiting from the contribution of one out of two Italian representatives allows high levels of reliability of our syndicated indicators, such as accessibility of physicians.

Overall, Cegedim Dendrite developed the most valid contribution to segmentation and targeting processes in the Italian market.

Surely, having built on the strengths of Cegedim and Dendrite, the new organization has a broader portfolio of products and services to offer the market, and is able to reach all kinds of pharmaceutical players. Taking into account such impact, what is your assessment of 2008's performance in terms of growth and revenues in Italy?

Having experienced healthy growth, Cegedim Dendrite Italy reached the second position amongst the group's European ranking. It is in reality the best performing affiliate, directly following the French headquarters, generating Euros 20 million in 2008, serving 51 customers and more than 12000 pharmaceutical representatives.

Last year's performance relied to a certain extent on the expansion of the One Key customer base, but was mainly fuelled by the success of our Mobile Intelligence flagship CRM solution.
Indeed, Italy used to be one of the few European countries lacking a local implementations of Mobile Intelligence. It has been commercially boosted in the Italian affiliate in January 2008, when I took the reins of the operations- and closed the year with three customers, accounting for 1,000 users. Such a quick success represents an important achievement and demonstrates the strength of the solution.

As you have previously been the promoter of Mobile Intelligence throughout Europe, could you introduce to our readers this innovative approach towards CRM solutions, and the main assets that make it the preferred CRM solution for 200,000 sales representatives worldwide?

Mobile Intelligence is probably the most technologically advanced CRM solution currently on the market. Fully based on the latest multimedia technologies, it can be used either locally or through the internet with the same range of functionalities.

But beyond this technological advantage, Mobile Intelligence's level of flexibility really puts it out of the crowd of CRM solutions. It is able to implement any kind of business processes requested by customers not only belonging to the traditional pharmaceutical world, but also generic producers, OTC players, or companies focused on animal health, amongst others. It can provide excellent key account management capabilities- a crucial asset in the current Italian context in which Key Account Management is the name of the game. Indeed, a specific 'One Key' database for market access has been developed exclusively in Italy, to better respond to the country's peculiarities.

Mobile Intelligence's other key asset is its Closed Loop Marketing (or multimedia) capability, providing representatives with electronic sales aids in addition to the usual commercial supports. Statistics demonstrated that the very first customer using this tool pushed the length of its average scientific calls from three to 15 minutes and actually improved sales revenue. The impact on the

physicians is therefore greatly enhanced and it is worth mentioning that, unlike most other available softwares, Mobile Intelligence automatically generates the call reports while the information is transmitted to the physician- which is extremely appreciated by both the users themselves and their sales directors.

On the side of direct marketing, new solutions are increasingly important in times when most pharmaceutical players have to optimize their resources. How does Cegedim Dendrite manage to drastically increase the efficiency of direct drugs promotions to GPs and pharmacists?

Cegedim Dendrite starts cooperating with customers in their planning phase, with both the One Key database and more targeted information- such as nominative data on physician's prescription potential- which are extremely valuable for customers when defining their segmentation and their target groups. The field force is involved in the targeting process, enabling to verify the information provided.

A call plan is then built. This is a crucial step in the process of changing the Italian tradition of building strategies on mass calls more than accurate planning; which cannot be successful anymore in a context when field force reductions have to be conducted without affecting the impact on GPs.

When its comes to loading the targeting information into the CRM system and elaborate plans with customers, Cegedim Dendrite can also help to cover targets that are not directly reachable, through its interactive marketing arm able to provide tailored campaigns. Such marketing initiatives can have several types of objectives; for instance raising the awareness of a mature product, well established in the past but lacking prescriptions after a few years. In such case, the brand's value can be exploited through mailing campaigns.

Cegedim Dendrite's main focus is to build sophisticated campaigns- sending less material to more targeted audiences, building a team and engaging customers in the communication processes in order to create some communities around each therapeutic area, therefore increasing the promotions' efficiency.

Overall, all these steps are now integrated into an 'hand-in-hand' project with our customers- and this alternative approach to promotion granted Cegedim Dendrite with considerable successes, easily measures by its campaigns' level of replication.

How does the particular Italian environment provide business challenges or opportunities for CRM companies and what particularities does the local market possess which affect the way Cegedim Dendrite carries out its business in the country?

Italy is currently following trends that have been noticed in other countries a couple of years ago; such as the reduction of the number of scientific calls and the focus on more efficiency.
The increasing importance of key account management also has to be highlighted. The recent constitutional reform enhanced the power of the regions related to market access, and the local authorities are now fully responsible for their healthcare spendings- either through directive or liberal interpretations of AIFA's central directives.

In this context, traditional drug promotion addressed to GPs is less effective. It has been statistically proved that out of 100 products prescribed by a doctor, 46 are the direct consequence of specialist's prescriptions, and 12 are dictated by the influence of the local health authority- this 12% rate being currently growing at a 40% pace per year. Therefore, GPs are not completely following their own initiative, and are less influenced by promotions. Laboratories have to take this trend into account, trying to enhance their drugs' access to the local Health Authorities reimbursement formulary.

Looking at future partnerships to continuously expand the client's portfolio, which targets do you see offering more opportunities? Will Cegedim Dendrite open to APIs companies, OTC players, or the smaller biotech space?

Cegedim Dendrite is constantly looking at expanding its customer base, and recently started opening to the OTC segment.

Activities in the biotech segment have already been developed, but it is certainly an area of remaining growth potential.

Other future developments will address the market of Italian players. Cegedim Dendrite has a strong foot in the multinational's world, but there is room for improvement in the domestic environment. The company would therefore like to expand with new offers, more tailored to the needs of local laboratories willing to expand internationally and professionalize their customer's relations. Indeed, Italian companies have traditionally put manufacturing as a priority, therefore investing less on tools aiming at enhancing the productivity of sales processes. By outsourcing these services to Cegedim Dendrite, they can get the best tools for their internal IT focused on manufacturing needs, but also complementing it with an outsourcer able to take care of sales support.

In this process of finding new customers, the database's international structure is a main competitive advantage, which allowed developing international CRM solutions- such as Mobile Intelligence, a multi-country tool covering every language and all types of business needs. This makes Cegedim Dendrite an ideal partner for companies willing to expand abroad.

On the other hand, being the only provider offering a database for market access in order to map precisely the territory, Cegedim Dendrite is also the reference for both local and international players aiming at staying focused on the Italian market.

Last, but not least, by understanding and adapting to the cost-consciousness of most small and medium-sized laboratories, we proved to be different than typical expensive service providers mainly targeting the biggest multinationals. Cegedim Dendrite's solution offer high value for money and lower the barriers to enter in the 21st century.

Aside from these competitive advantages, do you see remaining room for improvement in terms of image and brand recognition for Cegedim Dendrite in Italy?

There is always room for improvement, even for very well-established brands.

I personally believe that the main rule in marketing of services is to continuously work towards improvement. For this reason, whilst going through a merger in 2008, the Italian subsidiary's major focus was to keep enhancing its services, which has been successfully achieved so far.

This ongoing process will be pursued in the next years, but will soon be combined with an increased focus on communication to the market- through sponsorship activities, institutional investments, and marketing campaigns.

As Cegedim Dendrite Italy seems to be at a turning point of its development, what are your personal ambitions for the company over the next five years?

I would like Cegedim Dendrite to be recognized as the partner of choice for sales strategy's planning and execution. Customers shall have us in mind already months before the launch of a new product, and consider our teams as success enablers defining a strategy together with the laboratories, and leaving the necessary executive power in their hands.

In this process of taking a company to success and recognition, how would you characterize your personal management stile?

I am enthusiastic about Cegedim Dendrite?s mission and I like to share this enthusiasm with the teams.

There is no doubt that, at the end of the day, the main value of the company relies on the workforce itself- softwares are tangible products, but they are only the translation of the human competence behind them. For this reason, beyond elaborating strategies, part of my job is also to remove any obstacles that might come on my teams' way for them to deliver the best results.

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