Interview: Pat O’Sullivan, General Manager, Genzyme Waterford

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Mr. O’Sullivan, can you please begin with a brief introduction to the Genzyme Waterford site?

Genzyme Waterford was set up in 2001, to support the manufacture of drug products for Genzyme’s growing patient needs. Over the last ten years, we have very successfully fulfilled that mandate, and we have grown significantly since our foundation.

In April of 2011, Genzyme was acquired by Sanofi, and as part of that acquisition, Sanofi also gained ownership of this plant. Sanofi now has plans to invest 44Mn EUR into the facility, with the aim of manufacturing Lantus, a Sanofi insulin product.

This investment clearly demonstrates the confidence that Sanofi has developed in Genzyme’s Irish operations in just a short period of time. They are willing to not only continue making Genzyme products in Ireland, but also to manufacture products for Sanofi’s own future.

Why Ireland?

The first factor is the excellence of the workforce, which is highly qualified thanks to the superb third-level and post-third-level education offered in this country.

The second factor is that Ireland Inc. is a highly attractive place to do business. Companies operating here receive a great deal of support from the state, channeled through a network of government agencies and tax incentives.

Ireland also has a very unique business culture. We have the ability to work cross-functionally, and to interact with individuals on a global level, in a way that makes partners, investors, and colleagues very comfortable. The 'Irish way of doing business' is exceptionally collaborative, dynamic, and relationship-based.

The fourth factor is our excellent regulatory track record. Ireland has not received a warning letter from the FDA in the last decade.

A final element that comes to mind is the availability of outstanding design houses and construction contractors that are able to design and build state-of-the-art pharmaceutical manufacturing plants in Ireland.

You mentioned the collaborative nature of the Irish environment. Novartis Ringaskiddy's David Mitchell remarked that he was particularly struck by this cooperative spirit when he came to head Novartis' operation in Cork less than one year ago. Meanwhile, MSD Carlow's Brian Meehan noted that if he were short of materials, he would be quite comfortable calling Pfizer for a loan!

Exactly. Ireland is a relatively small country, and relationships and networks are very important here. I think everyone realizes that a phone call they make today may be a call they take tomorrow. We have a very neighborly environment in Ireland, even amongst competitors.

Obviously, we are all guided by our own intellectual property and by our own confidentiality, but within those boundaries, there are opportunities to collaborate in a way that allows the development both of our individual businesses and the industry as a whole.

During an event organized by Great Place to Work, you were quoted as saying, "It's about people. How they are going to remember you, why they remember you, and their experiences—it's about legacy." What did you mean?

The risk, sometimes, inherent in leadership is that people may misconstrue the fact that not everything is about you. In reality, it is about the organization that you lead.

I believe it is truly a privilege to lead an organization. With that privilege comes a responsibility to support that organization and facilitate its operations. Turning that into a reality, day after day, is my passion.

On a practical level, I must ensure that my team has the skillsets, training, and tools to meet their goals. Creating that environment for my organization allows my organization to be successful—and

if we are successful today, we will be afforded the opportunity to be successful in the future.

Besides an influx of new products, how did the Sanofi merger change this operation? Or perhaps it is better to ask how Sanofi was changed when it acquired this operation?

Over the last 18 months, I have seen that the acquisition allowed us to do two things: to lead, and to learn. On occasion, we have done the former, and on other occasions we have done the latter.

When we have led, we have shared our experiences in a way that enabled other sites in the Sanofi network to improve their capabilities. We have shared our accomplishments in leading the business, in enabling people, and in building a high-performing culture.

It is always important to not only lead but also give yourself the space to learn. Several members of my team and I have been privileged in the last months to learn from other Sanofi divisions, and discern how we can leverage the capabilities that exist within the broader network—be it technical expertise, a software system, or some other element that helps us to improve our performance.

Genzyme UK/Ireland's Brendan Martin told us that this facility shone in a new light for the company when Genzyme experienced its manufacturing difficulties in the U.S.—the quality of the Irish operation became very apparent. Can you comment on that?

Indeed, when Genzyme decided to exit drug product manufacturing from one of our plants in Boston, the company decided to transfer the capacity to Ireland. We became the solution to the problem.

The fact that the company puts enough trust into the Waterford facility to continually invest and ask us to take on new challenges is very exciting. We are offered the opportunity to experience a range of different dimensions of the business. At the same time, the responsibility is huge—because by taking on these challenges, we are saying that we have the capabilities to effectively execute.

It is important to match your growth rate to the rate at which you can improve. In other words, we must always drive continuous improvement in our business, so that as we grow and diversify our activities further, we make ourselves more, and not less, attractive as an investment choice relative to other locations in the network. Growth and improvement go hand in hand in ensuring that we create real value for the corporation that we serve.

Ultimately, what is the strategic importance of this site to Genzyme/Sanofi? Can you offer any quantifiers?

Sanofi and Genzyme leverage this facility a great deal because of the technologies and capabilities that we have. Within the Sanofi network, we are certainly at the forefront from a technical standpoint, and from a process knowledge standpoint, we are well advanced.

Moreover, within the Genzyme product portfolio—which consists mainly of products for rare genetic diseases—the majority of drugs are currently finished at this plant. We export to 75 different countries.

All of the manufacturing managers that we have spoken to in Ireland have noted that the industry has changed completely because of cost pressure. Is this especially true for a manufacturing operation that ultimately produces medicines that are expensive and reach only a small portion of the population?

Cost pressures are a continuous challenge for this industry, and we at Genzyme are definitely not immune. However, we need to look at more than cost pressure, and consider a holistic scenario.

I believe that the organizations and the sites of the future are the organizations and sites that can best predict where the industry is going, where product portfolios are going, and how best to adopt today's technologies relative to what will be needed in ten years' time, so that we can continue to be relevant in an industry that constantly changes. Cost pressure is a factor; quality pressure is another; technology pressure is another. I believe that the ability of leaders and businesses to think about how to position themselves for the future, is the best way to offset those challenges.

The world will continue to face cost pressures. The question is what we can do to innovate against those. What can sites do? What can we do at our site? How can we ensure that we are as relevant to the company in 2023 as we are in 2013?

Can you provide some examples of how you are maintaining your relevance?

The technology that we have today is the most advanced technology available to manufacture the range of products that we look to manufacture—but those decisions were made four or five years ago. We also introduced Lean five years ago in the organization, and that has helped us significantly in leveraging our people and our cost base. It has allowed us to be more efficient and productive than we have ever been. However, ambition never lies idle. We have to look forward another four or five years, and consider where the industry will go, and what we can do to adapt to those developments.

At Genzyme Waterford, we typically produce a forward-looking roadmap, taking into consideration what external requests will be placed on us from the corporation's perspective. We also look at the

opportunities out there, and try to understand where the company is going. We then try to match the challenges that will be put forward with the opportunities that we see, allowing us to solve problems for the organization based not just on what we are doing today, but what we will be able to do in five years' time.

I firmly believe that your relevance is definitively dictated by your ability to continue to solve problems for the corporation that you work for.

If we return to interview you in ten years time, what would we find?

You would find a fantastic culture, because culture is the heart of an organization. The people we have are our greatest asset and greatest advantage. I only recently headed a town hall meeting with about two hundred of our employees, and asked for a show of hands of how many people had changed their role at the site within the last four years. About 60% raised their hands. Genzyme offers people mobility, flexibility, and opportunities for progression, and that strengthens our culture. I remarked to our staff that I hoped that, in another four years, they would feel that they wanted to remain with Genzyme, because of their feeling that the company offers them room to grow.

I would hope that many more products will come through the site—with a greater share of Sanofi products—and you may well see a number of new buildings. We are very cognizant of the fact that the technology that gives us an advantage today may not give us an advantage in ten years' time.

Most importantly, you would see that our activities would have evolved in a way that we have remained constantly relevant to Sanofi.

What are you most proud of achieving in your time spent leading this facility?

We provide life-saving medicines to patients. I am very proud of the trust that we have developed with our patients over this last decade. It is the most purposeful thing we have done—and delivering those products to patients while satisfying all key indicators is extremely satisfying.

What is your final message to our readers?

I believe that we must constantly shape the future—shape it, rather than react to it.

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