Interview: Gregory Sudrow – CEO, Pierre Fabre South Africa

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The CEO of Pierre Fabre for South Africa reveals how his focus has been on marketing the company brand locally, why the goal of the company is to develop business in English speaking Africa, with South Africa acting as the hub, and talks about the Pierre Fabre Foundation, a government-recognized public-interest organization whose mission is to improve access to quality medication and care in the least developed and developing countries.

You have been the CEO of Pierre Fabre South Africa for over two years. What have been the key achievements for the affiliate over this period?

Pierre Fabre first established a presence in South Africa in 1994 under the name of Tema Medical; a joint-venture, whose goal was to introduce our new oncology drug at that time, called Navelbine. In South Africa our background is very much in oncology while we have also established a strong presence in the area of haematology. In 2013 when I took over the position as the head of Pierre Fabre South Africa, the goal was to expand our activities. The focus has been on marketing the company brands and originator products, leading us to change the name of the company to Pierre Fabre South Africa. We also looked to reinforce our position as a leader of specialized drugs in oncology/haematology, as well as some specific disease areas in dermatology, where we have very strong credentials, in CNS and orphan diseases. Likewise, we have been increasing our presence in OTC and dermo-cosmetics, the latter a term which we invented, where the emphasis is on the

efficacy and the safety of our cosmetic products.

What is the strategic importance of South Africa to Pierre Fabre, in terms of expanding your African footprint?

Pierre Fabre, being a French group, meant it was easier to develop our business in the French speaking African countries where we are ranked the 4th pharmaceutical company. The goal of the company is now to develop our business in English speaking Africa, with South Africa acting as the hub. Currently we are reinforcing our presence in the country, ensuring that we have a strong base, while we will gradually develop our sales in the rest of the region.

What are the main characteristics of the South African market?

South Africa provides us with stability and a strong financial system. The main drawback is the regulatory hurdles. The country is rather late in implementing optimized regulatory services and other countries in the region are already making it easier to launch new drugs. When it comes to increasing access to drugs, regulatory issues play a major role. The private sector in South Africa is the largest market in terms of turnover, but in terms of volumes it comes a distant second. The private market is well managed, medical aids are well organized, but there remains a lot of development to be done in the public sector.

What is it that differentiates Pierre Fabre from its competitors in South Africa?

Pierre Fabre is one of the few pharmaceutical companies that remains independent, allowing us to take a more long-term perspective when it comes to investments. Pierre Fabre belongs primarily to the Pierre Fabre foundation that owns 86% of the shares and secondarily to the employees. The Pierre Fabre Foundation is a government-recognized public-interest organization whose mission is to improve access to quality medication and healthcare systems in the least developed and developing countries, mainly in Africa and Asia. However, this foundation is completely independent and is not linked to the business.

I do think we have the right DNA to access the South African and more globally the English-speaking African market.

Globally, we are a unique company with regards to the way with which we manage our activities, with all our products having the same common requirements. Our OTC and dermo-cosmetics products are produced with the same stringent quality requirements as our drugs. While we have a diverse portfolio of products, from health to beauty, everything we do we will rely on clinical studies and pharmaceutical manufacturing standards on prescription drugs of course but also on

OTC and dermo-cosmetics. We endeavour to provide a global response to the therapeutic needs and well-being of patients.

We have seen the company launch the “Trajectoire 2018”, a project aimed in particular at providing the pharmaceuticals division with renewed strategic direction internationally. What implications will this project have on the South African operations?

The goal is to expand our business in emerging markets. The company is very strong in Europe, notably France, and as part of this initiative we are going to allocate more investment to develop our business internationally. In South Africa we are particularly specialised. Our goal is to be a leading specialist in oncology, oral care and dermatology, bringing solutions to oncologists/haematologists, dentists, dermatologists and paediatricians. We take the best from our global therapeutic areas, in drugs, OTC and cosmetics, while understanding that each country is different and deserves targeted local needs.

As the CEO of Pierre Fabre South Africa, what are your key priorities for the next three years?

My priority is to establish and develop our OTC and dermo-cosmetics businesses in South Africa while continuing to develop our oncology/haematology, dermatology and CNS activities, with new exciting originator drugs to come. We want to develop the “Pierre Fabre brand” locally. Pierre Fabre South Africa is like a start-up within a large company and what excites me most is the opportunity to build a new story with my team. In order to succeed you require three elements; you need to have a good business plan, a certain amount of money and talented people. If you have very good products, plenty of money but are lacking talented employees, you will not succeed. At Pierre Fabre South Africa we have very good products, enough money to invest and a lot of good people. We have all the ingredients to succeed.

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