

Interview: Marc-Antoine Lucchini - President-General Manager, Sanofi France



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Marc-Antoine Lucchini, the president-general manager of Sanofi France, talks about their unprecedented number of new molecules and innovations soon to be launched. He also explains the need to focus on the long-term impact of pricing and why the way Sanofi performs in France acts as a model for other affiliates across the world.

Globally Sanofi returned to growth in 2014, but this was not the case in France which was still encountering some difficulties. As 2015 is coming to an end, how would you characterize the last year for the affiliate?

There are multiple ways to analyze performance and rankings. Sales is one approach. But Sanofi is a fully diversified company, with varying performance and successes amongst our different divisions. Genzyme, our vaccines division and our animal health business Merial have all been performing relatively well. It is true that when it comes to our traditional ethical business, we have been facing the combination of a patent cliff that has impacted us these past five years, alongside strong pricing pressures that France is confronted with. A combination of both these factors has seen Sanofi France lose a part of its business over the last few years.

What is your strategy to overcome such issues?

To deal with such challenges, we have been transforming the bases of the company, centered on a number of key priorities. Our number one priority is the patient. This is much more than just a buzzword to be put on a mission statement. We have been successful in moving from what traditionally has been a very product-driven company, to a patient-driven company. Everything that we do must be of value to patients and this is embedded in the way we operate at every level. We focus extensively on integrated care in France.

Another focus area has been on preparing new product launches. We now have an unprecedented number of new molecules and innovations to launch, that will sustain the growth of the company. One of the main challenges we have had over the last few years is that, like many innovative pharmaceutical companies, our pipeline has not been sufficiently productive. We are now ready to launch new multiple sclerosis and rare disease products with Genzyme. From 2016, we are going to launch two products each year such as new insulin and hypercholesterolemia products, along with new therapies indicated for rheumatoid arthritis, atopic dermatitis and asthma. While these may be new therapeutic areas for the group, we believe they will provide sustainable opportunities to grow and develop the business. Innovation goes beyond the challenges we may face when it comes to R&D; at Sanofi, we believe innovation is part of everything that we do. This is another area where our patient focus is key. Part of our mission is not only to deliver therapeutic solutions but to develop technological solutions that will provide value to the patient beyond the pill. Another aspect which is key are our people. We must ensure that they are able to adapt to the evolution of our industry while becoming more entrepreneurial in the way they conduct business.

Overall, we believe that a combination of all these elements will see us on a successful path for the foreseeable future.

You have been president-general manager of Sanofi France for the past two years.

What have been the most important strategic decisions taken during this time?

Sanofi France is always looking to ensure that we are successful in bringing our innovations to market, in terms of access as well as excellence in the execution by our manufacturing plants. But more than that, we have been working to develop an organization that is both specialized and more focused on our launches, while at the same time ensuring that there remains a high level of collaboration between our various divisions. This involves trying to combine the strength of specialization with diversification. This will be one of the key challenges that this organization will continue to face.

Do you think that the value of delivering such innovations - from the pharmaceutical industry as a whole and Sanofi in particular - is properly understood by the general public?

There is a striking contrast between the pride that people have to work for Sanofi, and more broadly for the entire pharmaceutical industry, and what the media tend to reflect and focus on. Sanofi, being the French national champion, has a key role to play in resolving this contradiction. How can a sector that is bringing so much value to its citizens, and the wider economy, not be seen for what it is delivering? Sanofi has a crucial role to play in making sure people understand the value of our industry and its impact on the wider eco-system. Our significant industrial footprint, our extensive R&D activities and our collaboration with young start-up companies, are all of real value to the French economy. We see our role as being far more than just bringing our products to market and deriving revenues from them. We have to work with the administration to ensure that we keep the strengths of this country, in terms of its healthcare system and industrial and research footprint. Part of our approach is to ensure that there is a better alignment between what we are doing internally, and what we communicate externally, trying to better explain the value of what we do. I am convinced that we can better leverage the strength of Sanofi in the French territory.

We have heard from many CEOs that France is one of the toughest European environments to launch new products in. What do you see as the main challenges in this regard?

In terms of market access, I believe the main challenges we face in France are related to the process itself and the delays to receive authorization - which prevent innovations from reaching the market fast enough. Once a drug is on the market, our system is conducive to the adoption of innovation. It is important to make this distinction when analyzing the French pharmaceutical environment.

When it comes to the pricing of innovations, one of the key challenges we are facing is moving from a short-term pure pricing perspective to a more long-term view based on the overall value of a product. When looking at value, you must consider structural benefits that such innovations deliver. There is a deficit challenge, and our industry - and Sanofi in particular - does have a role to play in the overall sustainability of the system. The issue if you take only a short term perspective is that the real value of innovation is not captured in its overall efficiency. These include the long term complications that the drug will avoid, as well as the structural effects in the way that the patient will be managed within the system. If you allow a patient to be treated at home, rather than in hospital, you are making significant savings within the system, and this must be recognized

when assessing the price and the value of a product.

To make such savings happen, you also have to take the structural decisions that will change the way the patient is managed through its entire journey. This is an area where sometimes we are not in agreement with the authorities, with costs being looked at in silos and a budget that is only a drugs budget. Through continuing dialogue with the authorities, we need to ensure that pricing is not only looked at through its short term impact, but rather the long-term impact on the whole patient journey. The key is to measure the value of a product in terms of its effect on the system, rather than its direct cost on public spending.

What are your main priorities for the next few years?

We want to remain the leader in terms of the number of patients we treat, the number of units we sell in the market and finally, we will remain a leader in our ability to innovate. I want to be part of a healthcare system in which there will be fewer silos separating players within the industry, with Sanofi recognized as an intrinsic part of the ecosystem. My personal goal is to ensure that Sanofi can be the champion when it comes to reconciling the industry's reputation with the value that we are delivering and contributing to, when it comes to both public opinion as well as our regulators. We need to look less at the past and more to future collaborations and the need to work together for the benefit of the patient. In fine, we have the same mission and goal. Of course, private and public sectors might have a different perspective when it comes to the financial considerations, but ultimately, the intrinsic part remains the same.

Looking at your personal background, before being appointed to lead the French affiliate, you had managed the Spanish and Portuguese affiliates, as well as the Egyptian business of Sanofi. How different has it been to head the group's home affiliate?

That is the challenge that comes with managing the group's home affiliate! It has both advantages as well as the disadvantage of having a high level of visibility and pressure. This is why it is so crucial that Sanofi France succeeds. How can the home country - where we have one-third of our worldwide employees and where we invest half of our R&D spending - not be successful in providing innovation to the local market? This is the challenge of any general manager in their home affiliate. We have the means and the ambition to be the leading affiliate within the group, in terms of both results and innovations.

France has a fantastic health ecosystem, with a high level of education, a strong entrepreneurial spirit as well as a unique way to treat the patient. Generally speaking, we have a great basis in

France and now the question is to give a chance to all the young entrepreneurs to find success. A large company, such as Sanofi, has an important role to play in this process, and we have to ensure that the way the group performs in France acts as a model for our other affiliates across the world.

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