Interview: Christian Deleuze – President, Sanofi Genzyme France

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Christian Deleuze reveals the impact of the acquisition by Sanofi in 2011; explains the profitability and global reach of the bio manufacturing facility in Lyon; and tells us that the current system does not capture the benefits that the next generation of gene therapy products deliver over time, transforming chronic diseases into cured diseases.

Dr Deleuze, you joined Genzyme in 2010 when it was still an independent biotech company. A year later you were acquired by Sanofi. In addition to financial support, what has this acquisition brought?

When we were acquired in 2011 by Sanofi, it was after four years of difficulties supplying our patients with Fabrazyme and Cerezyme. When you look at our culture, focused on patient-centricity, and where sustainability is a key value, every employee at Genzyme was affected by not being able to provide patients with products that would help them in their daily lives. By ourselves, we had not been able to solve the problem. Sanofi has brought a level of professionalism and investment to our production systems and facilities that has proved invaluable. We have built new facilities in Framingham and developed Genzyme's state-of-the-art cell culture production facility for therapeutic proteins in Geel, Belgium, one of the largest bio-manufacturing sites in Europe. We have built a back-up system with stock capabilities, where previously we were working through tenders...

Our vision is to change patients' lives. We are proud to not only discover new products, but also to solve medical needs. This means you have to be sustainable, something that the Sanofi acquisition has made possible again. Instead of being under scrutiny by JP Morgan every three months, as Genzyme, we have become a small part of something much bigger, which has helped to build a long-term investment plan. On the other hand, as Genzyme, we have brought to Sanofi our patient centric business model. Our Sanofi colleagues are now totally focused on patient-centricity, where five years ago their model was in transition from product centricity. I believe that we have helped in this transition.

As President of Genzyme France for five years now, what have you brought to the business?

I had actually worked for Genzyme a few years ago (in 2002-03) before I re-joined as President. What happened in 2010 is that I was "invited" by our then French GM, Frédéric Turner, because I had both the Genzyme as well as the Big Pharma culture. At that moment when people were discussing the possibility of Genzyme being bought out, I was hired to help people understand the benefits that can come with an acquisition. Previously I had worked for Searle, which was acquired by Pharmacia, which was in turn acquired by Pfizer. Being bought out does not mean you have to forget who you are. One has to understand what being acquired by a new company implies; the team will be transformed to be part of a bigger structure; this however does not mean you have to give up what you believe in. Sanofi is a collection of what was once 180 companies, with one additional one, Genzyme. Everybody has a past, everyone has values and together we are building the Sanofi of the future. The most important part of our job – to innovate and deliver patients with game-changing treatments – has not changed. Ensuring that all our employees were conscious of this fact (which means admitting it) was my first priority. As Genzyme, we want to ensure that what we think is right, will remain, and become a key part of the new Sanofi´s DNA. We have to be courageous enough to say what we believe, keeping our entrepreneurial spirit.

Genzyme is composed of two business units – rare diseases and multiple sclerosis. In particular, there is a lot of attention on your Aubagio product for multiple sclerosis. How has this treatment revolutionized the lives of patients in France?

We started by talking with patients, who were treated daily or bi-weekly by anti TNF therapy. According to medical studies, Aubagio is as efficient as products that were already on the market, but what has changed is the way the treatment is administered. With current therapies, while the first few injections may not be problematic, after months of daily or even weekly injections, there is a moment that you can no longer continue. What we offer is the same efficacy, but delivered by a

pill. The success we have had in France has been tremendous. France has been one of our most successful markets for the launch of the Aubagio product, and with Biogen, which is also offering an oral alternative to injectable treatments, we are working to deliver the most convenient solutions to patients suffering from multiple sclerosis and are changing the treatment paradigm.

We have heard from many general managers that France is a particularly difficult market in which to launch products. I take it that this has not been your experience?

It is a question of how you see your clients, the community you interact with, and how you manage your teams. I do not believe that France is a particularly difficult market to launch new products in. We do however have a lack of creativity in the way we look at markets. You do not solve a problem by doing more of what you have already been doing. At Genzyme, we try to do things in a different way. On the other hand, Market Access is the challenge in France….

When it comes to rare diseases, could you please tell us about the innovative nature of your upcoming product pipeline in these areas?

Genetic diseases represent 95 percent of our activity in this area in France, and then we have Thyrogen in endocrinology. We are leaders in many aspects, not only in terms of market share, but in being supporters of our communities and the ways by which we improve the environment for rare diseases. France has long been a promoter of new ideas when it comes to rare diseases. In 2004, we had the first National Plan for Rare Diseases, setting the basis for a much better organization of the healthcare system, with expert centers for example. It also established Orphanet, a French creation, which is now a reference portal for information on rare diseases and orphan drugs, for all audiences. Today, Orphanet is led by a consortium of around 40 countries, coordinated by the French INSERM (French Institute of Health and Medical Research) team. It helps improve the diagnosis, care and treatment of patients. While France has achieved a lot, there remains around 7,500 rare diseases with no specific treatment; so there is still a lot to accomplish, and Genzyme have to work on it.

That’s why I am president of the “Rare Diseases Committee” within the LEEM (French Pharmaceutical Companies Association) and have recently become a member of France Biotech. Furthermore, one month ago I was co-president of the RARE congress in Montpellier, together with Didier Lacombe, President of the French Federation of Human Genetics. This is the only European congress dedicated to rare diseases, taking place every two years, where the whole community gets together to openly discuss what needs to be done to improve the lives of patients with rare diseases. There are 8,000 rare diseases, and only around 250 specific treatments. The real issue is

what needs to be done for patients with no available treatments. This means not only supporting research, but as a community doing more to help families when it comes to diagnosis. Even though there may be no treatments for a patient´s specific disease, their quality of life improves considerably once they have been diagnosed, with support then available as part of a community. We need to support that.

David Meeker, CEO of Genzyme, at The FT Global Pharma and Biotechnology Conference in London in November 2015, was highlighting how the development of gene therapies will force the development of new reimbursement systems. How do you see this issue?

The most challenging aspect with gene therapy, as well as increasingly in different areas such as hepatitis C, is with regard to opening a new generation of products. Previously, the usual attitude was to try to transform an acute disease into a chronic disease, helping people to age better. Today, we are transforming chronic diseases into cured diseases. The issue is that the healthcare system does not know how to capture the benefits that such products deliver over a five to 10-year period. Financing gene therapy innovations in the future means that we are able to capture the value we save, saving the lives of children for example. We are all assets to the community, & if you cure a child, you are providing value. The question is how can the system capture this value? What we are missing, particularly in rare diseases, is data. Does Big data will help? We will see.

Genzyme has a global production footprint including facilities in the US, Belgium and Ireland as well as a new bio-manufacturing facility which opened in Lyon in 2011, to produce therapeutic antibodies. What is special and unique about this particular site?

There is a long history between Genzyme and Pasteur. The first enzyme therapy, developed around 25 years ago, was from placenta extracts in Lyon. The first Genzyme facility was then built in Lyon 25 years ago, and the first patients were treated with products coming from this site. Concerning the Thymoglobulin facility, When Genzyme acquired the existing production plant located in Marcy l’Etoile, 15 years ago, the site was in need of an upgrade. Genzyme decided to invest 105 million euros (USD 115.47 million) in a new facility in Lyon, due to its history and the existing expertise. Today this facility is FDA-approved, exporting to 68 countries, providing more than 200 million euros (USD 220 million) in internal sales and employing 250 people. Genzyme developed the site using a High Environmental Quality (HEQ) approach by obtaining HEQ certification through meeting or exceeding standards set by the Center for Scientific and Technical Building. The plant is one of the first manufacturing sites in France to gain HEQ certification. The facility is spread over a total area of 140,000ft², allowing Sanofi to consider further expansion plans in the future.

A few words to conclude Dr Deleuze?

Genzyme has been part of Sanofi for almost five years now, and we have done well in terms of being successful during the integrating. Over the next five years, I would like to ensure that people of Genzyme, who became Sanofi Genzyme on January 1st 2016, continue to contribute an important part of Sanofi´s overall growth & goal of remaining a top three global pharmaceutical company.

In doing so, we will be providing value to patients, supporting investments for new transforming therapies, and changing lives of patients for the better, retaining our core values.

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