

Interview: Eric Goupil - CEO, Unither Pharmaceuticals, France



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Eric Goupil reveals how the global CMO market has expanded considerably over recent years, with a move towards a more strategic mind-set in the pharmaceutical industry. Unither's business model is to focus on unit-dose products and in particular, sterile unit-dose using Blow-Fill-Seal (BFS) technology and today they are competing on a world-wide basis fueled by local operations in the US after the acquisition of a UCB plant and the recent take-over of Mariol Industrial, a leading CMO in Brazil.

In 1993, Unither had just 17 employees; 22 years later, you have over 1000 employees. What has been the key to your development over more recent years?

Globally the CMO market has expanded and we have taken advantage of this growth. When I joined Unither in 2000, our sector was considered to be "tactical", but I was certain that it would soon become strategic. In the early 2000s CMOs manufactured products that were primarily at the end of their lifecycle, alongside small non-strategic products. I was convinced that what had materialized in other sectors, such as the electronic, telecommunication and automotive industries, would soon occur in the pharmaceutical industry. Back then, most Big Pharma companies were conducting the full spectrum of activities, from development to manufacturing, and were not necessarily at their most efficient. Today Big Pharma is increasingly sub-contracting the manufacturing of their flagship products to CMOs and generally speaking, there has been a move

towards a more strategic mind-set in the pharmaceutical industry.

What has been fuelling the growth of CMOs and in particular Unither?

The growth of CMOs, particularly in the case of France, has been fuelled by the sale of manufacturing plants. We inherited sites from the pharmaceutical companies cost-free, on the condition that we committed ourselves to retaining all the employees. In other words, we exchanged liabilities, the personnel as well as the assets, namely the equipment and the products. Unither has taken advantage of this trend, with one key differentiating factor. The overwhelming majority of CMOs have a one-stop-strategy, they are not selective when it comes to the products they manufacture. In our case, we focus almost exclusively on unit dose products and our flagship technology, sterile unit dose using Blow-Fill-Seal (BFS) technology. BFS demand has been growing globally. We have capitalized on this trend to further develop our business.

Today we are active in three markets: saline solutions, respiratory products and lastly ophthalmology, our most promising niche. Our growth in eye drops has been fuelled by two developments. First, with an increasingly aging population, the need for eye treatment only grows. Second, we have seen a move towards preservative-free formulations. By using unit dose formulations, you receive the full benefits of the product, without the side-effects and risks associated with preservative treatments.

Aurelien Chaufour, managing director of ANJAC, was explaining to us that for a CMO to be successful today, innovation is key. Mr Goupil, what does innovation mean to Unither?

Innovation is in our DNA. Most of the products that we manufacture today were not previously on the market. We have had to create a rapport with our customers, and we have come to the conclusion that the best way to launch new products is actually to come directly with the product, rather than merely an idea. We have developed the unit dose market by offering innovative treatments directly to our customers. We have not followed the general evolution of the market; we have led it.

The offer that we make to our customers is very simple; you take care of your sales and we will take care of the manufacturing. We are permanently building new capacity in our plants, so as to be able to attract new customers. We would rather pre-emptively invest in further capacity, knowing that the market is growing, rather than invest too late. In 2013 we acquired UCB's pharmaceutical plant in Rochester, US. While continuing to manufacture UCB products, we intend to introduce our BFS and stick-pack technologies in order to offer our US customers local manufacturing. We have also continued to invest in our French facilities in Amiens, Coutances and

Colomiers.

What did the acquisition of UCB's pharmaceutical plant in Rochester say about the importance of your international expansion strategy?

In 2011 we obtained the necessary FDA accreditation, and began our expansion into the American continent. Two years later, we acquired a UCB plant in Rochester, and began producing locally in the US.

Unither is competing on a world-wise basis. Our products have been commercialized in 75 countries, including the likes of the US, Canada, Brazil, Australia and Turkey. In 2014 Unither achieved a turnover of 220 million euros (USD 238 million), 70 percent of which was derived from our international business. From France we can serve the entire world. Now that we have local operations in the US, we can cement our position in this market. We have opened in 2011 a sales and marketing affiliate in Brazil and have now a local manufacturing footprint thanks to the acquisition of the CMO Mariol Industrial. Likewise, we are also analysing the Chinese market.

When we met with Jean-Frederic Chibret, President of Laboratoires Théa, he revealed to us how the majority of their manufacturing is out-sourced, and in this regards, Unither has become a significant partner. How important is it for Unither to open up to partnerships?

It is essential for us. Laboratoires Théa is the perfect example of a good fit between our two businesses. They focus on development, sales and marketing; we focus on production. In terms of an international development strategy, we both have the same ambition. Laboratoires Théa is continuing to expand in Europe and beyond, and Unither is looking to do likewise. Remaining focused on our customers is key. The bigger you become, the greater the risk of focusing on your own internal organization, rather than on the customer. With over one thousand employees today, this is more of a challenge than it was when I first joined the company, where we had 140 employees.

Today Unither is 22 years old. What do you hope to achieve in the next 20 years?

It may sound ambitious, but our number one goal is to simplify the patient's life. If you look at patient adherence, you see considerable misuse of products. For a patient using three products a day, the average compliance rate will be no more than 50 percent. By developing unit dose technology, we provide solutions that help to save lives.

My other main objective is to render such products accessible to all. A part of our job is to produce affordable medicines. Previously unit dose technology, primarily in BFS, were seen as providing quality products, which were rather expensive. Our role is to ensure highly productive facilities, offering competitive prices. We want to be rewarded more on volume than on value.

We will always be dedicated to serving our customers. Unither differs from many CMOs in that we pay attention to the end result. We do not just look to sell products to our customers; we want the product to be a success on the market.

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