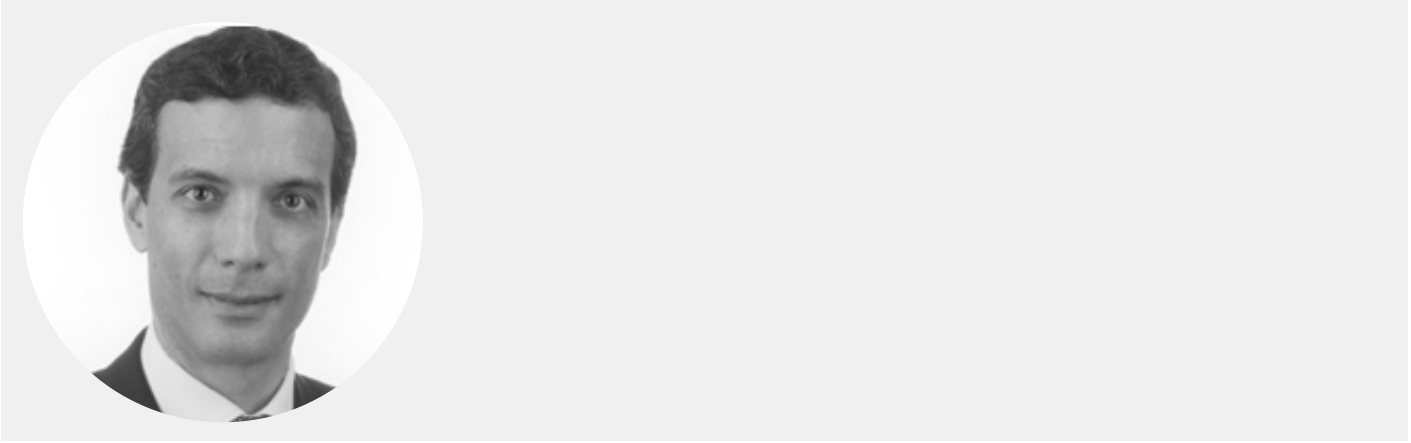
Interview: Bernat Albinyana – Managing Director, Galderma Italy



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Galderma Italy was a founding European affiliate for the company and has seen incredible growth in the past two decades. Managing Director Bernat Albinyana discusses the affiliate's performance, its business organization and commitment to R&D, as well as its grand ambitions for the next few years.

In 1986, Italy was chosen as Galderma's second affiliate after France, becoming a founding member of the company's international success story. Today, it is one of 34 other affiliates in a 2 billion dollar company. How do you see Italy's strategic importance to the group's operations today?

Italy is one of the top five biggest markets in Europe. For instance, in the past three to four years, we have nearly trebled our company size from 50 employees to almost 150. In terms of sales, we have grown the business threefold. We also have best practices and talent developed here that are being shared across Europe.

Galderma has an amazing track record in Italy across all metrics and it has shown larger growth than some other markets. Traditionally for pharma companies, growth drivers in Europe have been more northern countries like Germany but recently, it has been the southern countries like Italy and Spain. This is applicable to Galderma as well.

Galderma is still relatively unknown as a consumer brand in Italy but we are very pleased with our progress so far. For instance, we have developed a number of key brands like Cetaphil, which are not quite household names yet but nonetheless have significant presence. These products are a key step to helping us grow our customer base, increase distribution and develop a productive pipeline of products. Unequivocally, for Galderma, it is a growing market and remains a key investment market for us.

Galderma, although part of Nestlé Skin Health, is a highly specialized company focusing exclusively on dermatology. In your perspective, how has this been an advantage to Galderma within the Italian dermatological market?

Very few companies specialize to the extent that Galderma does. It gives us a tremendous amount of credibility. Dermatologists know that we are committed to the business in the long-term and they know that our priorities are genuinely patient welfare. This means that they are reassured that they can rely on us as a partner of choice.

The Italian dermatological market is very intense and competitive – there is a lot of investment and a myriad of companies struggling to be heard and visible in this sector. It is a very crowded and difficult market. With Galderma, our core advantages are a good history and an excellent track record in this field.

Our business model is to provide reliable and innovative medical solutions to people through healthcare professionals. In such a field, cultivating close and productive relationships with key opinion-leaders, pharmacists and other decision-makers like dermatologists and plastic surgeons, as well as hospitals, is crucial. Being on the right side of healthcare professionals with dermatologists and plastic surgeons on one side and pharmacists on the other side is very important.

Globally, Galderma’s innovative dermatological solutions are divided into three divisions: prescription medicines, OTC medication, and Aesthetic and corrective. How are you finding synergies between them in Italy?

Finding synergies between them is absolutely key to our success. We make every effort to encourage interaction and capitalize on these synergies.

Although we are divided into different business units, the people working in the same territories know each other and communicate frequently to all stakeholders. For instance, at our sales meeting in January, I intentionally sat the sales reps by region so they could interact and learn from

each other. I personally speak to the area managers every week to get a good picture of what is happening on the ground. The idea is to maximize these synergies and make use of them as much as possible. We would like to break the barriers between what have traditionally been different silos.

With prescription medicines providing the majority of Galderma's revenues in Italy, how have you set up the company to navigate the complex regulatory environment?

The prescription market in Italy is flat, if not declining, mainly due to the strong impact of generics this year. This is a new phenomenon in Italy, which has traditionally seen fairly low generics penetration. Brands in Italy have typically been very strong and they had held their own for quite a long time. But this year, the landscape has changed, and I would say every player has been hit.

Nonetheless, the good news is that Galderma has managed to actually gain market share and we have seen some growth, which is very encouraging. We are defending and improving our leadership position.

Dermatology in Italy is mostly non-reimbursed, so the main consideration is to find the right level of pricing. If a product is priced too high, its full potential is undermined but if you price it too low, the revenues cannot support re-investment and development. Price positioning is therefore of particular importance in Italy. We take it very seriously. At Galderma, we have seen both good and bad examples of this and we are learning from everything.

To facilitate pricing and reimbursement, we also have a strong local regulatory affairs team. We have focused not only on registering the innovative brands but on our Rx-OTC switches as well, and we have done both quite successfully. By working on both of these dimensions, we are growing both our prescription and OTC businesses simultaneously.

Reaffirming its role as an innovative company, Galderma conducted 78 clinical studies involving almost 5,000 subjects in 2014 and annually invests around 19% of its turnover into R&D. How has this been reflected in Galderma's operations in Italy?

Italy is a very science-driven market. Specifically, in dermatology, the Italian market is among the best in the world and we have had fantastic experiences working with dermatologists and researchers here. It has put us in a very good position, as evidenced in our research output.

For instance, we have an ongoing study in psoriasis, where we are working closely with our corporate colleagues, who keep us abreast of developments, while we facilitate their communication with key opinion leaders and assist their identification of the top clinics and

researchers in the country.

One of our greatest R&D achievements is our approval of Metvix® for use in daylight in Italy. Traditionally, this therapy has required a red lamp, which has the potential to produce pain, and this is a known side effect that was thought of as a necessary evil. Feedback from patients and customers have consistently highlighted that this is an issue to be addressed. With this new approach, we have eliminated this side effect and Metvix® can now be used without pain. Metvix® is one of the few drugs that truly work against actinic keratosis in the field of oncology and it also has preventive effects. This is a tremendous development that we achieved by being continuously receptive to our customers' feedback and the result is something from which both Italian dermatologists and patients can benefit.

Finally, the fact that we have launched an innovative product in the prescription market every year for the past few years is testament to our R&D success, with Soolantra® this year and Mirvaso® last year as just some of the key examples. We also have other innovative medicines in the pipeline for the upcoming years.

In the OTC segment, Italy still has a lower penetration of OTC medication in the market when compared to other European countries (15-20 percent in the market). Do you see this segment expanding in the future?

Our OTC segment actually has the potential to become our fastest growing business. The Italian crisis has been a huge negative factor and so far, some of our investments have done better than others, it is still a learning process and the more we communicate with our customers, the more we are able to connect with them, offer more value and serve them better.

With our Rx-OTC switches, it is the matter of getting the right communication and inertia behind the brand and we are doing our best with this.

It is clear that Galderma has achieved success across its various operations, from the prescription segment in terms of sales and market share, and also in terms of R&D output. How do you explain these accomplishments?

We have an excellent team – this is the first thing that comes to mind and it is very important. Our team consists of very competent and determined people and this is crucial to our success.

We also focus our investments strategically: we have limited investment but we maximize their potential and performance as much as possible.

Finally, we are very committed to our customers and responsive to their needs; fundamentally, we grow by helping them grow and by investing in their education and further development. For instance, we provide continuous medical education, which is where a big part of our marketing budget in our prescription business goes.

As you mentioned, talented staff are crucial to communicating the value of any product. How do you retain your most promising employees in a crowded pharmaceutical market full of opportunities?

At the end of the day, our employees have freedom of action. What Galderma offers is a clear vision of where we want to go: we want to be number one in dermatology worldwide. We know that we have the people and resources to get there. Talented people are normally also ambitious and they wish to develop both professionally and personally. We offer precisely that: a fulfilling job environment and challenging opportunities to facilitate continuous growth, be it within your field, cross-functionally or internationally, as well as courses on personal and professional development. Galderma is not a huge company but it is big enough to accommodate that.

Where would you like to see the Italian affiliate in three to five years?

Firstly, we would like to occupy an even stronger position in prescription pharmaceuticals. Our core business should have strengthened and developed in the categories in which we currently lead; we have a major market share in rosacea, a strong and growing market share in acne and we are also investing heavily in non-melanoma skin cancer. We intend to grow those businesses further and to establish more important positions in those markets.

With regard to self-medication, we would hope to have helped to expand the market in Italy and to generate more public awareness, as it is still an underdeveloped market. We would also want to enter new categories as well as expand our presence in terms of points of sale, both numbers and sales volume, in order to better reach the end consumers.

Finally, we see huge potential in the aesthetics market. This is definitely a growing market, and with our belief in value creation and clinical evidence, we think we can maintain and extend our positioning by being clinically rigorous and developing truly innovative solutions. This is complicated by the effects of increasing generic penetration in Italy as well as increased competition from the Far East, which has a different business model, but we are taking them into account.

Overall, we do not simply focus on ‘patients’; we prefer to talk about people, as we take a holistic view of skin health. We do not only wish to treat skin diseases but to emphasize the importance of restoring and maintaining healthy skin. That is our true goal.

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