Marcos Gerassopoulos – Country Chair Greece, Head of MCO Greece and Cyprus, General Manager BU GEM, Sanofi



"Sanofi's path for transforming innovations into healthcare solutions fits well in the context of Greece and its circumstances today."

23.02.2017

Tags: Greece, Sanofi, Pharma, R&D, Innovation, Market Access, Pricing

Spearheading one of the top-ranked multinational pharmaceutical companies in Greece, Marcos Gerassopoulos, Country Chair of Sanofi, shares his views on how global Sanofi transformations are translated in Greece, the challenges in the pharmaceutical landscape in the country, and Greek resiliency in the midst of a crisis.

Mr. Gerassopoulos, you have been the General Manager of Sanofi Greece for 12.5 years, assuming the position in the same year that the company merged with Aventis, essentially being responsible for spearheading a newly-formed company. Given this background, how would you describe the evolution of Sanofi's presence in the Greek market?

Sanofi is very well-positioned in Greece – both in regards to its business performance and its standing among stakeholders. Sanofi Greece is in an ongoing dynamic alignment between the Greek environment and global mandates. A recent example is the transformation that Sanofi has undergone during the last year at the global level which has been translated well to the Greek environment. The local particularities alter the strategic priorities for the affiliate. While other affiliates may aim to have 80 percent biotech products, in Greece, established products still play a dominant role, comprising 60 percent of the portfolio here. Our diabetic products are our

forerunners, with insulin glargine being by far number one in our repertoire. Moreover, the portfolio of new products brought about by our specialty care BU, Sanofi Genzyme, has been a great expansion to our portfolio; an added benefit considering the fact that these new products are all reimbursed. Finally, there are growing opportunities in CHC, with the business swap with Boehringer Ingelheim, Sanofi Greece is building a strong CHC Business Unit. Overall, Sanofi is and has been performing well in the local market, both in terms of numbers and in making a difference to patients' lives. However, the problem lies with the challenges in the Greek market itself.

Global CEO Olivier Brandicourt has recently implemented a three-way turnaround strategy focused on: [1] capital investments in biologics, [2] competitiveness, and [3] evolution of the manufacturing network. How has this vision translated in the Greek market?

[Featured_in]

Sanofi's path for transforming innovations into healthcare solutions fits well in the context of Greece and its circumstances today. This corporate strategy is analogous to the structural reforms that are being done in Greece in that they are focused on long term factors such as investments, competitiveness and network creation. This is a model that could be emulated by Greece in its long-term vision. The approach used thus far has been a cycle of short-term initiatives that only catered to immediate necessities, as opposed to implementing holistic solutions. With this transformation promoted by Olivier Brandicourt to move towards solutions, it instills a philosophy that is well-rounded and is also transferrable to my role as Country Chair: to look at the contribution of a collective work towards a unified target.

How is the global portfolio represented in Greece?

Our portfolio is balanced as we offer both innovative and cost-efficient solutions, with our established products. It has also been advantageous that all of our innovative products are reimbursed under current conditions. We offer innovative therapies for diabetes, multiple sclerosis, rare diseases, oncology as well as consumer healthcare, all of which are currently reimbursed. Sanofi Greece represents four of the five global business units, with the sole exception of vaccines. We hold a leadership position in every business unit, as well as every sector – especially in areas such as diabetes, cardiovascular and rare diseases.

Sanofi makes a difference in people's daily lives. From prevention to treatment, we transform scientific innovation into healthcare solutions. We concentrate our research efforts where the most pressing medical needs and public health issues are, bringing solutions to patients and contributing

to a healthier society worldwide.

In our interview with Dimitris Anagnostakis, he spoke about how the recent “swap deal” between Boehringer Ingelheim’s consumer health (CHC) business and Sanofi’s animal health division in order enabled both companies to strengthen their portfolios and positioning in these respective areas. Has this deal been fruitful for Sanofi?

[related_story]

It was a successful transition because prior to the swap, our portfolio did not have any consumer health products in Greece. CHC products add value to our portfolio as a whole and provide a better positioning for us in these categories. For our animal health business, it had been done through an agent and therefore we had minimal interference. For our CHC products, we did not have a set of staff solely dedicated to this business unit and therefore we inherited all of Boehringer’s employees who brought with them the set of knowledge and expertise in this area, creating a very peaceful merger.

A highly-contested topic in the Greek pharmaceutical landscape today is the hindered access to innovation as it is increasingly becoming more expensive and bureaucratic. As a top pharmaceutical company anchored on innovation, how are you mitigating this challenge?

A unique perspective in Greece is that on one hand, we have products that are reimbursed. On the other hand, we have the crisis. This duality profoundly hinders the access to innovation. It is becoming financially unfeasible to continue the flow of innovation into Greece without burdening the system. The most disheartening aspect is that many in the industry are finding it hard to see the light at the end of the tunnel in the foreseeable future. In 2016, the industry shouldered the burden of the clawbacks, yet for 2017 – and even 2018 – this situation is not due to change, even though they were designed to be temporary short-term measures. In this scenario, it is unlikely that the budget will stabilise.

At the onset of the crisis, growth for Greece was predicted to be 2.8 percent for 2017. However, extra measures are in place in the case that growth is stunted at 1.8 percent, although growth is foreseen to be 3.5 percent again by 2018. Yet nothing has changed in the period of eight years of recession, which will stand as the longest recession in history if it lasts one more year. Currently, Greece serves as a case study for many countries around the world given the length of the crisis. Measures in place are completely paradoxical in that rampant over-taxation is the primary means to propel growth.

Part of the reason why hindrances are in place for innovation is the skewed financial burden that has been placed on the industry since the crisis. In 2015, even the uninsured population were able to access innovation, even though the budget did not increase – essentially passing the financial burden to the industry. On one hand, we are cognizant of the necessity of medicines as a social good so we are tolerant. On the other hand, this is not a sustainable measure. Some companies resorted to lay-offs and corporate restructuring, which is contradictory to the trajectory of growth.

Innovation is life: it promotes longer and better lives. If a company has found a medicine that cures and makes a difference to people's daily lives, we have an obligation as an industry to be able to offer this to the patients.

Another issue is clawbacks and rebates, which put the majority of the financial burden of the healthcare system on the industry. Currently there is a goal to reduce rates by 30 percent each year. How can Sanofi Greece contribute to pushing for this agenda?

Greece requires a holistic solution wherein there is a connectivity between the beginning and the end. A non-predictable environment can bring about unpredictable solutions. In the MoU, it is stated that the clawbacks need to be 30 percent less; although this is a rather unrealistic goal. Even though clawback as seen as a "safety net", they nonetheless need to be part of the policy. Another measure that has been done recently is to increase the rebates, which essentially shifts the financial burden through a different source, and at the end leads to the same amount of monetary value.

Furthermore, current discussions regarding reimbursement surround the idea of necessitating products be approved in six countries, with HTAs (Health and Technology Assesments), which begs the question: Why can't Greece have its own HTA? It seems as though six is an arbitrary number. It would make far more sense to create our own Greek HTA body which fits to our own localized needs. It does not make sense to wait for the HTA systems of Portugal, France, Italy, for example, to be able to meet local approval. This proposal delays the entry of medicines for about five years on average, which corresponds to half of the lifecycle of the medicine.

Overall, the lack of a medium- to long-term strategy has been one of the main hindrances in moving structural reforms forward.

Having held several functions and roles in the Greek pharmaceutical industry, what do you believe is the ideal model of collaboration between government, industry and patients?

In a time of crisis, the actions and reactions of people are harsh, as evidenced by the radical changes in our government from a socialist party to a conservative one to the radical left, with a technocrat government in the interim, representing the entire spectrum of political standpoints. Exacerbating this environment is the hesitation in Greece in implementing structural changes and bringing different parties together in a coherent discussion. The issue today is not the necessity of moving the discussion from cost to value, but there should be a holistic discussion on both. The cycle needs to be closed. I believe that there is a win-win situation for innovation, the Greek industry and the government.

In an ideal world, innovation enters the market evaluated by the adequate tools of a HTA and the right patient has early and barrier-free access to innovative medicine. This means that through transparent procedures and the use of proper registries, therapeutic protocols, risk-sharing agreements and managed entry solutions, an experienced committee will decide on price and reimbursement. Thereafter, the framework will be known, fair and transparent and it will promote collaboration between all the stakeholders. The Greek government needs to begin to unlock the huge potential of the pharmaceutical industry and upgrade its role as a key driver of growth.

Many of our interviewees have spoken about the tremendous potential for Greece to become a clinical trial hub. Do you agree and is this be an attractive prospect for Sanofi?

The ideal environment for clinical trials would be Greece, especially because of our strong scientific community. It also presents a very cost-efficient solution for many multinationals, but the main advantage would be the investment it attracts. I do believe there is strong untapped potential in this regard. Nonetheless, for the Greek government, this should be considered an attractive option for a medium- to long-term strategy. The focus should be switched to developing these initiatives, and other such similar projects, as opposed to prioritizing short-term clawback and rebate measures. Manufacturing is also an area of consideration, though it is more complex. However, the point remains that government should shift towards areas of development and growth such as these.

What is your overarching vision for Sanofi Greece for the next three to five years in both your roles as the Country Chair of Sanofi and member of the Hellenic Association of Pharmaceutical Companies (SFEE)?

I believe that the roadmap laid out for Greece points in the right direction, but what is missing is for Greece to follow it. At the crux of our mission is to provide healthcare solutions through innovation

as a company and contribute to creating a sustainable environment for the pharmaceutical industry and our health system. Firstly, Greece must be seen as a predictable landscape in order to create a successful environment for all the players in it.

Our resources are limited and so we have to use what we have in the most efficient way.

We have to stop simply adapting to the numbers. We have to start measuring patient needs and health care costs. We need to think for the future; focusing on prevention, early diagnosis and treatment.

The challenge is to change the country's healthcare policy. To shape tomorrow's health needs we must adopt a holistic approach today. The Ministry of Health, EOPYY, EOF, academia and pharmaceutical companies should together drive the NHS on a more sustainable path and develop value assessment frameworks for innovation.

The biggest beneficiary of a sustainable NHS will be patients, who will receive better care and have access to the best innovative medicine. Sanofi Greece is focusing to ensure access of patients to the appropriate therapeutic solution, make a difference on people daily life and enable them to enjoy a healthier life.

Finally, why should our global executive readership put their faith in Greece?

Greece implements and will stay on the path of the reforms that will unlock the country's significant potential. Greece has started to think for the future and hesitantly make steps to attract foreign partnerships and investments. Genuine talent needs to be supported, retained and attracted back to the country. The Greek economy has no choice but to be placed on a sustainable footing and the pharmaceutical industry has become a mandatory component of investment strategies.

I truly believe that Greece will recover – it is only a question of when. To date, Sanofi and the pharmaceutical industry as a whole have followed a policy that proves this belief.

See more interviews