Interview: Niven Al-Khoury – President, Sanofi Canada



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Niven Al-Khoury, President of Sanofi Canada, highlights the strong presence that Sanofi has established in the country over the past 100 years, some of the notable historical achievements from collaboration between Sanofi and Canadian science, as well as the value that Sanofi is committed to bringing to the Canadian healthcare system.

Niven, you were appointed in September 2015, the same year that global CEO Olivier Brandicourt implemented his global transformation strategy for Sanofi. What did that mean for the Canadian affiliate?

In Canada as is the case globally, we now operate across five Global Business Units (GBUs): Diabetes and Cardiovascular disease, General Medicines and Established Products, rare disease and specialty care (Sanofi Genzyme), and vaccines (Sanofi Pasteur). Sanofi's heritage in Canada dates back over a century and we have maintained a very comprehensive footprint in the country, operating from four different locations. Our Montreal site here in Laval is the country headquarters for the first three GBUs; Genzyme and Sanofi Pasteur are in Toronto; and we have a distribution center in Kirkland serving the entire Canadian business.

This means we are present throughout the entire continuum of care from prevention to treatment across different therapeutic areas, as well as a wide range of functions, from manufacturing to R&D to sales and marketing to market access, and so on. Our diversified portfolio is testament to Sanofi's longstanding commitment to the Canadian market.

Coming back to the transformation, it made full sense for these five GBUs to work closely together to unleash the full power of 'One Sanofi' within Canada. There is a coordinating body, the Country Council, which I chair, that acts to coordinate and bring these units together, both acting as a strong internal voice within the Sanofi organization and establishing a strong external image and presence. In the context of uniting all the Sanofi teams across the country – as each business unit has employees across the country – the transformation also helps in consolidating all these areas of expertise to contribute to the Canadian healthcare system.

As healthcare is constitutionally under the jurisdiction of the 13 provinces and territories, Canada's healthcare ecosystem is often described as fragmented. How does this impact market access?

To put things in perspective, Canada is not the only country with a federal-provincial healthcare system. With this system comes challenges but also opportunities to adapt and tailor our strategy based on patient and customer needs. The beauty of this fragmentation is that each province has its own system and way of doing things, so there are best practices and learning points to be shared across the 13 provinces and territories.

Admittedly, despite efforts made by all stakeholders, there is a significant market access delay in the Canadian market, with drugs taking around 1.5 to 2 years to reach patients, which is behind Europe. This is rather lengthy and it does not benefit anyone if Canadian patients are kept waiting for innovations. There is a debate occurring today regarding the need for harmonization across these different systems. While simplification is important, we must not forget that the ultimate objective is to deliver a more sustainable system that better serves Canadian patients' needs. There are many discrepancies between the fourteen systems so overnight harmonization is neither desirable nor possible. I hope that we keep our sights on the ultimate goal, build on best practices, and fill healthcare gaps, rather than choosing to come in and start from scratch overnight.

Part of Sanofi's global transformation has included a renewed emphasis on developing a highly innovative pipeline and Sanofi launched three new molecules in 2015, with another three slated to launch by 2020. What value does this bring to the Canadian market?

First and foremost, Sanofi has historically had an extremely robust cardiovascular portfolio and we bring a great innovative portfolio of products to Canada. What is even more notable is the role Canadian science has played within Sanofi's history. I am very proud to share that one of our 2015 launches, PRALUENT™, is a Canadian innovation, having been developed by a clinical research

team at the University of Montreal.

Multiple sclerosis (MS) is another important area for us as Canada has the highest incidence of MS in the world, with 1 in every 340 Canadians diagnosed with MS. Furthermore, MS tends to strike patients between the ages of 15 to 40, which spans some of the most transformative periods of an individual's life. As a company, we pay special attention to understanding the realities of living with this disease so that we can find and provide the right solutions above and beyond just providing a drug.

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As a company, we really aim to support patients along the entire continuum of care. This means looking beyond our product portfolio to build win-win partnerships with various healthcare stakeholder groups to provide truly valuable solutions. For instance, in diabetes – another strong focus area for Sanofi – we launched the Diabetes Awareness Campaign, which looks towards engaging patients and their caregivers to understand how they can manage the disease and live a better life. We launched this campaign first in Quebec and subsequently rolled it out across the country. The idea actually came from a patient group that we had been working with; we are very receptive to incorporating innovative ideas in our business practices.

The Sanofi organization in Canada seeks to be proactive, so that we can adapt our strategy and activities to where we see the most need. We would like to go beyond just our product portfolio to look at what additional value we can bring to the system.

In terms of the value that the pharma industry brings to the healthcare system, often the debate revolves around cost. In the past few years, there have been a number of regulatory changes and agreements centered on the reduction of drug prices. Is there too much emphasis on prices in today's debate?

As it is across the world, there is always a huge focus on drug pricing, because it represents the easiest target as the most tangible item within healthcare expenditures. Looking at statistics, however, in 2004, total prescription drug expenditures represented 8.4 percent of the overall healthcare budget. Over a ten-year period, this fell to 6.5 percent in 2014. Firstly, the value has fallen by around 2 percent in that decade. More importantly, looking at the absolute value itself, it is a tiny fraction of the healthcare budget. Even if the entire industry decided to offset that amount, the healthcare system would still be burdened by the remaining 93.5 percent! This is the broader context when it comes to the issue of healthcare spending sustainability.

The big question for all stakeholders is how we can build a stronger, performance-based healthcare value proposition rather than fixating on pricing issues. Responsibility is on all stakeholders: to diagnose the real underlying issues, to find real solutions, and to collaborate to implement these solutions.

What should the role of industry be when it comes to advocating for solutions pertaining to that 93.5 percent that does not relate to drug prices?

I think we can bring in a lot of expertise, new ideas and talent. There are so many potential areas, from digital platforms, data management tools, global expertise and best practices, education and training, etc. to which we can contribute solutions; what is critical is that there is an open spirit of collaboration with and trust in industry as a valuable partner.

For instance, this year marks the 20th anniversary of The Sanofi Canada Healthcare Survey, an annual survey on Canadian health benefit plans. This is a huge source of pride for us because it is a reliable and highly sought after source of information on the private insurance sector for both employers and employees. It also reflects our commitment to improving the health, productivity and economic development of the Canadian workforce, which obviously contributes ultimately to maintaining the sustainability of the healthcare system, and we have invested around CAD 7 million across the two decades on this initiative. This is an example of how the pharma industry can act as a valuable and committed partner to come up with innovative initiatives that add value to the entire system and Canadian society outside of the immediate realm of pharma products and prices.

Sanofi as a group also has a huge R&D footprint here. What advantages does the Canadian R&D landscape offer?

Sanofi is very much embedded in the history of Canadian science; there is a picture of a vial of insulin on the Canadian hundred-dollar bill! The mass-production process for that product was devised here in our Canadian manufacturing facility in 1929, an incredible milestone for the affiliate and also Canada’s national history.

Over the past century, we have consistently invested in R&D in Canada; in 2016 alone, we invested CAD 130 million – 19.2 percent of our revenues – locally, which is significantly above industry average. In addition, we have a North American Center of Excellence for Analytics and Bioprocesses in R&D based here so the entire global organization looks towards us on these aspects. In terms of clinical research, we have around 90 ongoing global studies across a number of specialty areas being conducted here.

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Talent development is another important factor in this equation. We are proud to have exported Canadian talent to the global organization through training and expertise development in the local affiliate. This is important because Canada's value proposition in R&D really stems from the full package it can offer, from infrastructure to patient population to human resource talent.

With such a huge footprint in Canada, Sanofi is a very committed actor to the Canadian life sciences ecosystem. How are you promoting the potential within the sector?

For 25 years, we have run a flagship program called the Sanofi Biogenius Canada National Competition, which is a scientific competition where we pair high-school students with real scientists to experience the conduct of scientific research in laboratories. Students are given the opportunity to test their hypotheses and create new products, providing them with exposure to how scientific research is conducted and supporting the next generation of young talent. Even more excitingly, some of these students have managed to advance therapies in areas like HIV/Aids and oncology.

I absolutely believe Canada has the potential to be a significant life sciences innovation player in the global arena. We have the expertise, the talent, the infrastructure – all the competitive advantages. But I am not sure we are currently realizing that potential; more can definitely be done. Part of the issue is that Canadians can be rather modest and sometimes do not communicate the value of their accomplishments very strongly!

Honestly speaking, this is an area where I think we – as Sanofi and as Canadians – could improve. We have a duty to communicate the value of what we are doing.

To begin wrapping up, as President and CEO of Sanofi Canada, how do you advocate internally for the local affiliate, given the intense competition there is for investment and resources globally?

Certainly, I am very competitive when it comes to promoting the value of Canada to the global Sanofi organization. We are ultimately global ambassadors for the country. At the same time, it takes two to tango, so I need to have positive signals from the environment in order to show my HQ that Canada is a worthwhile long-term investment. A great positive signal is the fact that the Federal government's 2017 Budget places innovation at the top of the agenda. The fact that the federal government is ready to award and adopt innovation adds to Canada's credibility as an investment destination.

Looking forward, I hope to firstly, continue to tailor our solutions and listen proactively to Canadian patients and stakeholders to serve their needs better; secondly, to continue to develop, reward and export Canadian talents; and lastly, to continue to act as a true partner to contribute to the sustainability of the Canadian healthcare system.

My professional career – from my initial background as a pharmacist, 14 years in medical devices and now with Sanofi – has taught me the value of patient-centricity. Sanofi as a company is well-aligned on this priority as well, which is why I believe I can bring a lot of value to the organization. As long as you focus sincerely on the goal of serving patient needs, you will always find the path to success.

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