Interview: Luis Fernando Lenski – Head of South Cone and General Manager Brazil, Galderma

"Our country has made huge progress, and I see the recent economic turmoil as an evidence that Brazil is finally tackling long-lasting corruption problems."

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Luis Fernando Lenski, head of South Cone and general manager of Galderma Brazil, provides insights into the affiliate's heightened and tireless efforts in terms of medical education and his focus on improving the organization's efficiency. Brazil is a Top Three market within Galderma's global operations and holds a myriad of growth opportunities in the aesthetic and dermocosmetic segments.

You took over as head of Galderma Brazil after having notably worked for over 16 years at all three divisions of Johnson & Johnson (J&J), where you were Janssen Brazil's commercial director prior to moving to Galderma. What motivated you to embark on this new adventure?

Although I initially had no plan to leave J&J, Galderma's offering really convinced me that it was the right time to take on a new challenge and leverage the skills honed throughout my career.

First and foremost, one of my fundamental missions when taking over was to further bolstering the integration of Galderma Brazil into Nestlé after it was fully acquired by the Swiss powerhouse in 2014 *[while Galderma was initially set up as a joint-venture between Nestlé and L'Oréal in 1981 – Ed].* Furthermore, Galderma and its threefold business structure *(including prescription medicines, aesthetics and correctives products, and consumer care brands*) actually display some interesting similarities with J&J's operational divisions (medical devices & diagnostic, OTC, and

pharmaceuticals). On another note, Galderma Brazil does not follow a matrix organizational structure (like most Big Pharma companies nowadays), which entitles me with the opportunity – and the responsibility – to manage the full P&L of the affiliate.

[Featured_in]

Almost three years into the job, I am very happy with my decision. Without any doubt, it has been a rather intense journey, as Brazil recently experienced an unprecedented economic crisis *[2017 is indeed set to mark Brazil's exit from a two-year recession period where the country's GDP contracted by 3.8 percent in 2015 and by 3.6 percent in 2016 – Ed]* and is still suffering from on-going political turmoil. In this regard, I am particularly proud to see that our teams' enduring efforts have enabled Galderma Brazil to further developing itself despite a challenging external context.

What have been your key priorities since taking over the helm of Galderma Brazil?

When I took over in 2015, I got impressed by the growth rates displayed over the preceding years. More importantly, Galderma Brazil had truly managed to build itself a great reputation among the country's dermatology field and within the physician community.

In this context, my objective was to leverage on these great assets in order to bring the company to the next level and – for example – further strengthening our relationship with physicians and dermatologists through heightened efforts in terms of medical education. To fulfill this overarching goal, I put a lot of emphasis on our Medical Science Liaison (MSL) teams, which also received a significant share of our affiliate's investments. We also set up a cutting edge medical education program to ensure our new teams could fully support Brazil's physicians in all scientific and medical aspects, whether it relates to our products' clinical results or enriching the local ecosystem with the world's best practices.

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In this regard, I do believe that medical education stands as the best way at hand for multinational companies to contribute to the enhancement of Brazil's healthcare capacity. Our country holds more than 8.000 dermatologists – and this number keeps on increasing year after year. However, Brazil has not yet been able to develop a way to ensure that these physicians are continuously updated on the world's latest medical innovation, once they have graduated. This is where the industry enters the picture and holds a game-changing role to play.

At the end of the day, Galderma's main objective is to ensure that Brazilian patients get the best service possible, and, in the grand scheme of things, we aim to change the way both patients and

physicians perceive skin health. In this context, we also refused to limit our educational efforts to the physician community, based on the fact that employees working at the point of sales also take on a crucial importance throughout the patient's journey (for prescription medicines and OTC products).

Brazil's being the fifth largest country in the world and the world's sixth most populous nation, we however cannot physically engage all stakeholders, so we have been leveraging all channels available to reach out to doctors, pharmacists, and points of sales' dermoconsultants. In 2016 alone, we trained more than 8.000 HCPs through both physical and digital approaches. To give you a more precise idea, our latest education-oriented event gathered together more than 500 Brazilian physicians, while over 1.000 professionals attended a recent aesthetic and corrective webinar we set up.

How do you ensure that these medical efforts translate into tangible results for the organization?

In parallel to a renewed focus on medical education, another pillar of my strategy has been to tirelessly and comprehensively overhaul our sales force effectiveness. This aspect has gained an ever-greater importance during the years of economic recession that we just experienced. As a matter of fact, most primary care focused companies in the country decided to reduce their sales force and aimed to gain in effectiveness – including both local and multinational companies. In this regard, I decided to put a stronger attention on our sales force deployment, which implies ensuring that our organization's KPIs are strictly connected with our needs.

Furthermore, there is no company that holds the resources to visit or call 8.000 dermatologists a year, so a strategic priority is to ensure that our targeted efforts fully deliver in terms of productivity. Although we are exclusively focus on primary care, Galderma's heightened focus in terms of commercial targeting and effectiveness is quite similar to the strategies implemented in the specialty care area.

What is the importance of Brazil within the global operations of Galderma?

Whether it relates to dermocosmetic or aesthetic products, Brazil proudly stands as a Top Three market in the world. In this regard, the significance of Galderma Brazil within the international operations of the group is perfectly aligned with the overall significance of the Brazilian market globally.

However, it makes no doubt that some specificities of the Brazilian dermatology market make it a particularly strategic country for Galderma. For example, Brazil is characterized by a remarkable demand for innovative, premium brands, both at physicians and patients' levels. This aspect has not lost in importance over the past years, although market competition was getting fiercer, especially in the sun care category.

In the meantime, dedicated dermocosmetic corners at the point of sales are extremely sophisticated and offer to customers and patients a high number of premium brands and products. As a matter of fact, despite the strong foothold of both leading international and national companies in Brazil's dermocosmetic segment, the Brazilian market has been extremely dynamic over the past years and has continued to grow at a rapid pace.

What are the main drivers behind the remarkable strength of the Brazilian dermatology market?

Brazil is a country where aesthetic consciousness is extremely high. Furthermore, Brazilians like to take care of themselves, from both healthcare and cosmetic standpoints. This approach moreover applies to all aspects of Brazilians' daily lives – for example, Brazilians are famous for taking two showers a day – and also encompasses more sophisticated needs, which drive up the demand for innovative dermocosmetic products.

Year over year, the Brazilian dermocosmetic market has been experiencing eye-catching double-digit growth rates, while our pharmaceutical market's growth slowed down from double to single-digit growth rates since Brazil's economic crisis broke out. Looking forward, this remarkable strength of the dermocosmetic market – whereas our country was facing its worst recession ever – points to a very promising future, for Galderma and the entire dermocosmetic industry.

As the country's economy is now back to growth, what do you see as the key success factors to further differentiate Galderma moving forward?

Without any doubt, the first success factor will relate to our ability to swiftly bring our innovative products onto the market. In the meantime, maintaining a high level of efficiency in our operations will be a key parameter to watch too. When you look at the complexity of our tax environment and the level of bureaucracy that still hinders the development of the Brazilian market, the slightest lost of efficiency can have a huge impact on our bottom-line results.

The third aspect relates to our affiliate's focus. Brazil is a fast growing market holding a myriad of opportunities – and we cannot pursue all of them without taking the risk to dilute our competitive

advantage. In this context, we will have to be extremely precise when it comes to prioritizing development avenues for our affiliate.

What would your final message to our international readers?

Our country has made huge progress, and I see the recent economic turmoil as an evidence that Brazil is finally tackling long-lasting corruption problems. In my views, Brazil is now going through a transition phase, and I am convinced we are about to embrace a brighter future on both political and economic sides.

As an emerging market, Brazil still displays the instability that also characterizes other BRICS markets. This variability expresses itself in various ways, which could be either negative or positive. For example, very few countries in the world would be able to renew with strong economic growth rates only a few months after having experienced such an abrupt recession – but it is what is currently happening in Brazil.

From both pharmaceutical and dermatology standpoints, Brazil stands as a strategic market globally. Despite its size, our country moreover displays strong cultural and social idiosyncrasies that are shared across the entire territory, and this unity renders market penetration easier for foreign organizations. In the meantime, Brazil is a rapidly aging country, where life expectancy is about to reach 76 years. While over 30 million Brazilians will be over 65 years old by 2025, healthcare and cosmetic needs have been soaring accordingly and will continue to grow in the coming years.

Finally, I want to point out that most international companies have had a long-standing presence in the country and never considered living it. As a matter of fact, Nestlé has been operating in Brazil for more than 95 years. Once you are familiar with the specificities and dynamics of a huge, emerging market like Brazil, you definitely understand that it is the right place to be.

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