Interview: Philip Lewis Williams – Managing Director, Théa Pharmaceuticals, UK

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Philip Lews Williams, managing director of the UK affiliate of French ophthalmology specialist

Théa, describes the evolution of the company's engagement in the UK and his strategy for taking on the big players in eyecare.

Laboratoires Théa entered the UK for the first time back in 2007 via a joint venture with Macclesfield-based outfit, Spectrum. How would you describe the evolution of the company's engagement with the British market?

I oversaw the operations of Spectrum Théa from its origins through to Laboratoires Théa's full acquisition of the company in 2014, now in its fourth year as a fully owned affiliate. The rationale behind the initial joint venture was that Laboratoires Théa required a local partner so as to fully understand the dynamics of the British marketplace in eye care, which differs markedly from France in the sense that the functions of optometry and ophthalmology are split. Spectrum, a locally embedded independent ophthalmic distributor, was identified as a good match so as to bridge that understanding gap.

We started out from a zero base and grew the local operations rapidly to the point where we generated an annual turnover of around GBP 12 million at the point when the full buy-out was enacted. This fast growth trajectory has continued ever since, and we now register a turnover of more than GBP 20 million. Much of the early efforts were spent on familiarizing customers with our brand as we were regarded as something of an upstart. We found ourselves going head to head with big established actors such as Alcon, Allergan and Bausch + Lomb and some customers were quite wary of this much smaller newcomer from France.

Nowadays, our in-country portfolio closely resembles those of other western European markets. We offer a wide range of prescription products for conditions such as glaucoma as well as non-prescription products for maladies like blepharitis and Meibomian gland dysfunction. We are also very active in the eye nutritionals and, more recently, the surgery-related product segments.

Our management structures have also evolved substantially over time. We outgrew the joint venture, took full control of the local business and subsequently implemented a cluster-based system under which I am simultaneously responsible for similar-style markets around the world. These include the Netherlands, Nordics and English-speaking countries such as Australia, Canada, New Zealand and South Africa.

What was your initial strategy for taking on heavyweight rivals such as Alcon, Allergan and Bausch + Lomb?

We had to try to be superior in every task that we undertook. That started with our sales representatives and ensuring that they properly understood the subject matter of ophthalmology and that they were not overly pushy in terms of sales technique. We also placed a lot of early emphasis on getting ourselves known in local academic circles with some of the leading professors working in the field of the science of the eye.

As a mid-cap, family owned and run entity that is endowed with a very strong sense of company culture and mission, we found we were able to bring a certain style of etiquette more akin to the world of old pharma. This was actually highly appreciated in an era of massive outsourcing and contract teams where much of that original spirit and personal touch has been eroded. We would invite our clients, for example, to our company headquarters in Clermont-Ferrand in France where they could meet the Chibret family and understand, first hand, our firm’s rather unique philosophy and style.

Moreover, we embraced a rather disruptive business model in which we targeted high street opticians and independent optometry outlets in much the same way that cosmetic companies like Chanel sell their beauty products. The idea was to go for quality as opposed to discounts. We basically established dry eye education clinics so that the opticians and optometrists could offer new services and so that customers would instead turn to them for their eye drops rather than to the pharmacist. Our first GBP 2 million of revenues was created from this initiative. Then, later on, we broke into the prescription market as well which also handed us a big boost in terms of credibility and brand recognition.

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To what extent has being a smaller, family-run run entity conferred an advantage?

We are much more nimble, versatile and entrepreneurial than many of our rivals. Companies like Alcon are bureaucratic and slow to change course. It’s a game of oil tankers and speedboats. We run a much leaner, tighter, flatter outfit and have rapid reactions. Nor have we been afraid to take calculated risks, and this has tended to pay off.

One big entrepreneurial gamble we took was to enter the surgery segment offering post-cataract injections of cefuroxime for countering infective endocarditis. This is a product that originally belonged to Glaxo, but we acquired and commercialized it when we realized it’s true potential in preventing loss of the eye. This turned out to be a huge success with 2-3 sales representatives managing to draw in revenues of GBP 4-5 million and to conquer the lion’s share of the cataract surgery market. Moreover, the resulting reputational bounce we secured was invaluable to our brand recognition locally.

How strategically relevant is the UK market to Théa?

Our home market of France is obviously the jewel in the crown, but it is fair to say that the UK is strategically important to the overall group’s operations. Unlike Spain and Italy where price competition is fierce, we find the UK and Germany, to have realistic pricing. Moreover, market access in Britain has been acceptable to us with Théa boasting an enviable launch tempo of 27 products in less than 5 years. Our track record in pharmacy chains is also very good. Right now, we are the second largest eye care customer for Boots Pharmacies behind only Reckitt Benckiser.

We have also been investing heavily in the UK in building up our pharmaco-economic capabilities so as to be able to pass seamlessly through the NICE process and to be able to provide the requisite dossiers containing quality-adjusted life year data.

The big question now is how Brexit will disrupt this balance. Recently, the UK was selected as one of the first countries, alongside Italy, to launch our new range of mydriatic eye drops. I find it hard to imagine that we will be able to do this so speedily in the future. There is a real danger that the UK will hitherto have to wait to taste cutting edge innovations.

You mentioned that the UK eye care landscape is very different from on the continent. How would you characterize these differences?

Eye care is performed in a rather fragmented way in Britain and there are obvious structural gaps in provision. If you experience a minor problem with your eyes in France, such as dryness, you will likely visit your ophthalmologist because there are some 8,000 of them and it is relatively easy to secure an appointment. In Britain, however, there are far fewer ophthalmologists – a mere 1,250 to be precise – who will be busy dealing with more serious issues like cataracts and the queues and waiting times will be considerable. Instead you are more likely to self-medicate with OTC products or to visit your GP who, in turn, is unlikely to have the specialist equipment required to examine you properly. Because of these structural deficiencies, we have seen optometrists taking on increased responsibilities and services like checking the pressure of the eyeball. We noticed this emerging trend and decided to place a foot in both camps accordingly.

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When it comes to consumer behavior and understanding, the UK lags a long way behind markets like France. The British consumer is generally not aware of the dangers of using products like eye-drops that contain preservatives and how long-term usage can damage the ocular surface. Unlike the Swiss and the French, the British tend to opt for the cheapest category of product without fully realizing the implications of their actions. As a company, we therefore have a big task on our hands to educate patients and policy makers and to inform the medical community of the latest innovations.

How do you practically go about raising awareness about the importance of quality eye care?

On the one hand, we are working very closely with optometrists because the British patient tends to closely follow the advice given by his or her practitioner. On the other hand, we carry out a lot of PR initiatives and are attentive to communications channels that deliver the biggest impact. It’s worth remembering that the most powerful medical journal in the UK is actually the Daily Mail front page on a Tuesday! When they run a story on the horrors of preservative-based eye drops, people suddenly start to take note. The way you communicate doesn’t always have to be through the Lancet or British Medical Journal (BMJ). To give you an example, we usually sell around 100 dry eye goggles per month, but when we took out an advert in the Daily Mail we managed to sell 600 in only two days.

What are your projections for the future performance of the UK affiliate?

I foresee a couple of issues on the horizon to deal with. I am expecting the British government to blacklist reimbursement for dry eyes and preservative free drops as it chases cost savings. Secondly, it wouldn’t surprise me if we see some newcomers entering the ophthalmic segment and emulating Théa’s disruptive business strategy. I believe that the cornerstone of our local business offering will remain the prescription market and the surgery niche and that we will have to be entrepreneurially minded in spotting and seizing emerging opportunities.

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