Fabrizio Guidi – Country Chair & General Manager Rx, Sanofi Turkey (Jan 2015 – Nov 2018)



The challenge remains: how can we nourish medical innovation for the future?

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Dr Fabrizio Guidi has left his role as country chair & general manager Rx of Sanofi Turkey and is currently Sanofi's general manager of diabetics and cardiovascular for Germany, Switzerland and Austria. From January 2019 Dr Guidi will become Sanofi's general manager primary care GBU Germany, Switzerland and Austria and country chair Germany.

Dr Fabrizio Guidi outlines recent developments in the Turkish pharmaceutical industry and delivers his message to all stakeholders by calling for ambitious and sustainable collaboration. Guidi also discusses how despite challenges in the healthcare environment and economy, Sanofi remains dedicated to bringing life-changing products and expertise to the Turkish ecosystem and committed to developing skilled, energetic, and driven talent through innovative management approaches.

After having been in the market for four years, what would you highlight as the main specificities of the Turkish ecosystem?

The past four years have been a very notable period for Turkey, characterized by several challenges in the country. Despite these challenges, the pharmaceutical industry has been a driver of the economy and Turkey's healthcare system has continued to flourish in line with the successful implementation of the Health Transformation Program [2003-2013]. To give you an idea, from 2003 to 2016 the infant mortality rate has decreased from 31.5 to 7.6 per 1,000 births, while vaccination of infants has increased from 76 percent to 96 percent. In the meantime, public satisfaction with healthcare services rose to 75.4 percent in 2016 from 39.5 percent in 2002.

Since the announcement of the 10th Development Plan in 2014, the Turkish government has also established the pharmaceutical industry as a priority sector of the economy, although we are in a period where the price of medicine in Turkey is the lowest it has ever been. On average, drugs prices in Turkey are about 60 percent cheaper than the country with the lowest prices in Europe. Although this may seem advantageous to some stakeholders in the healthcare ecosystem, this pricing policy creates a complex economic condition where – from a company perspective – drastically low prices generate issues of sustainability.

This is a crucial factor because since pharmaceutical expenditure consists of less than one percent of national GDP – the challenge remains: how can we nourish medical innovation for the future?

What kind of environment has the highly regulated pricing policy of Turkey created for the pharmaceutical industry?

The government did well in implementing a reconstructed healthcare system while managing costs; however, looking at the total spending, only five percent of Turkey's GDP is allocated to healthcare, although the level of public coverage is quite impressive despite the relatively conservative expenditure. Moving forward, the policymakers must consider how they will ensure that Turkey does not become a second rate destination for innovation. It becomes difficult for pharmaceutical companies to invest in Turkey because they cannot afford to sell new, life-changing products at the current price points. Industry concerns must be addressed to maintain access to innovation and the government should be selective to decide where they can allocate a greater budget.

In the meantime, Turkey is experimenting with the concept of granting access to biosimilar products in an attempt to find cheaper alternatives, but first we need to distinguish what innovation is. Industry growth essentially comes from mature products; however, innovative companies' sustainability is sourced from new molecules. In order to reach sustainable progress

and promote innovation in the pharmaceutical industry, the prices of the products have to be reasonable for both parties.

In this context, what is Sanofi’s approach?

Sanofi’s approach is to remain committed to and invest in Turkey. We believe in the market and it is also our duty to bring the best medicines to all patients. We are communicating with the government to convey our willingness to enter into joint investment projects. Going forward, a sustainable agreement needs to be reached, on terms with which we can work for long periods of time. We aim to establish a partnership that stimulates corporate sustainability while still bringing unrivalled benefits to the country.

Aside from pricing, many multinationals are concerned about the government’s push for pharmaceutical localization. How might this impact Sanofi’s operations in Turkey?

Although we are a multinational company, Sanofi Turkey is deeply embedded in the Turkish ecosystem and can – in many ways – be considered a local entity, whether it concerns local manufacturing, talent acquisition and development, as well as R&D activities, an area where we invested over 220 million TL over the last five years.

With regards to the generic localization, this was not a problem for Sanofi as it was already part of the affiliate’s strategy. Today, there are only one or two products in our generics portfolio which we have not yet managed to manufacture in Turkey. However, we did not stop here – we have also localized some non-generic products – and our priority localization projects are in the area of insulin.

We have invested €613M in our Lüleburgaz manufacturing plant in 2009. Today it is the largest pharmaceutical manufacturing site with an annual production capacity of 445 million boxes and an annual production of 268 million boxes as of 2017 in Turkey. In terms of volume 86 percent of our product portfolio is locally produced in Lüleburgaz plant. 13 percent of the total manufacturing in the Turkish pharma industry, or in other words, one of every nine local boxes sold in pharmacies is manufactured in Lüleburgaz. Lüleburgaz manufacturing site is the leader in capacity, as well as a model with its technological infrastructure, quality standards and human resources in Turkey and is one of the top three among Sanofi’s around 80 manufacturing sites worldwide.

Lüleburgaz is not just a manufacturing hub, but also a centre of excellence for exports and R&D. We manufacture for 35 local and international pharma companies with operations in Turkey. We have exports to 47 countries including Germany, France, UK, Australia and Japan with Good Manufacturing Practices (GMP) certificates from 21 countries. We are the first multinational company to receive an R&D Certificate from the Ministry of Industry and Trade for our R&D Center at our Lüleburgaz site. Our R&D Center was ranked third among 165 R&D centres in Turkey according to the performance rankings of the Ministry of Science, Industry and Technology; and first in the pharma industry.

Sanofi is also the first company to realize a technology transfer in Turkey in the area of vaccines with Sanofi Pasteur. We have produced more than 40 million doses of pediatric vaccines since 1989 with our local partner Mefar.

In the grand scheme of things, one should nonetheless keep in mind that many emerging markets are pushing for localization, and the Turkish affiliate is competing with Russia, Algeria, and others for corporate funding to cope with the trend.

Turkey is one of the high potential countries for further investments. The diverse demographics and growing population make Turkey an attractive market for the pharmaceutical industry. Of course, there are still challenges to be faced, but if we achieve collaboration with the government it can create an encouraging narrative for Turkey and for further investments.

Sanofi has a global reputation for placing a high value on CSR activities. What programs is the affiliate involved within Turkey?

We are working with several programs to enable for better diabetes management in Turkey. In the Diabetes at School Program, we aim to create awareness of the symptoms of Type 1 – childhood – diabetes and obesity. The program is conducted in partnership with the Ministry of Health, the Ministry of Education and the Turkish Pediatric Endocrinology and Diabetes Association. The initiative was started in 2010 and has since reached 7.5 million students in 25,000 schools across Turkey. We are also aiming to protect the healthy population by increasing the diabetes awareness while raising awareness for the symptoms among the diabetic patients and their relatives through the Support to Fight with Diabetes Program.

Sanofi is also leveraging its global leadership in rare diseases and we are covering 12 to 15 percent of rare disease patients in Turkey with treatment. Even still, a majority of patients are unaware of

their condition, particularly in rural areas. We are supporting our healthcare professionals with several programs. Because it is difficult to identify and diagnose rare diseases we are working on creating *ad hoc* programs to help doctors better treat these diseases.

Beyond addressing unmet healthcare needs, Sanofi's CSR model also aims to tackle crucial social issues. Through our Women Leaders of Future Project with Women Entrepreneurs Association of Turkey (KAGİDER), which we started in 2010, we have been offering complete training in the areas of personal development, industry knowledge, business life dynamics and career planning to over 600+ women.

What have been some of the personal achievements you have realized during your time with Sanofi in Turkey?

One of my main objectives was to make Sanofi more visible and increase the opportunities to collaborate with the government through the insulin localization project, with the ambition to bring this collaboration to the next level in the coming years.

As investments can only flourish in a sustainable business context, we also wanted to have a strong growth performance in the market, and we have been able to achieve double-digit growth in Sanofi Turkey here.

I am also proud to share that Sanofi's employee satisfaction is significantly high, while we put a special emphasis on internal communication feedback and innovation. Every quarter we also participate in a country council where we visit different regions throughout Turkey to meet our representatives and stakeholders, including doctors and pharmacies. To give you a few examples, we have a coffee program which gives to any employee the opportunity to discuss ideas and issues with me in my office over a coffee. From a personal standpoint, I also ensure I spend a few days per month on the field with our sales representatives, in order to get a better understanding of their needs and aspirations, and of those of our partners and customers.

Additionally, I wanted to establish Sanofi as the most attractive company for acquiring talent in the pharmaceutical industry. We started a "new generation" program to recruit young professionals to spend two years with us, rotating through different departments. After the two years, they have a possibility to stay with us or take the experience with them and transfer the knowledge and culture we have shared with them to new ventures.

As you are quickly approaching your 20-year anniversary with Sanofi, what has been so special about the company that has kept you in the organization for nearly two decades?

In Sanofi, I have changed my position every two or three years and had many opportunities to develop myself. In my heart, I have felt a connection with the company from the beginning. In this regard, one aspect that has always appealed to me is the ability to be an entrepreneur in Sanofi and – as a manager – to be innovative in the way we develop our activities and our people. There is a deeply rooted culture of empowerment in Sanofi. We encourage all employees to bring new ideas to the company and explore opportunities for development.

What final message would you like to share with our international readers about Turkey and the Sanofi affiliate?

In spite of the challenges that exist, Turkey is a unique place to be. There is skilled, energetic, and driven talent here, dedicated to moving the country forward. For Sanofi, my vision is to be the first multinational company operating under a full localization program. I want the affiliate to distinguish itself from our competitors as the most dedicated health partner of Turkey.

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