

# Eric Del Cotto - General Manager, Owen Mumford

## Southern Europe and Northern Africa, France

---



---

17.12.2018

Tags: [France](#), [Medtech](#), [Owen Mumford](#)

---

*Eric Del Cotto, general manager of Owen Mumford Southern Europe and Northern Africa, explains the challenges in market access for SMEs in France. He also gives an overview of Owen Mumford's history and future strategy in the country, including consideration of the impact of Brexit.*

### **How would you describe the legacy of Owen Mumford in France to date?**

Owen Mumford is a company that was originally founded in the UK over 60 years ago and up to today remains in the hands of its two founders. It has around 850 employees currently, mainly in Europe and the US as well as in Asia, where, 18 months ago, we opened up a production, assembly and logistics site in Malaysia for our customer base throughout these regions. We have two strands to our business activities: one being licensing collaborations with leading pharmaceuticals and diagnostics innovators and the other being the management of our branded products. While we are globally active, we have concluded distribution agreements with partners in certain countries, as it is always difficult to start out from scratch in a new country. Resorting to local distributors can be an efficient way of accelerating the geographic expansion process.

The French affiliate was created back in 1991 with its headquarters in Vernon, 75km outside of Paris. This location was a personal decision by the first country manager. I assessed the location when I started at Owen Mumford five years ago and decided to remain, as the competencies were there. In France, Owen Mumford has traditionally been focused on the hospital segment with only limited activities in pharmacies. My first priority when I assumed my position was to start targeting private hospitals, which has ended up as quite a successful strategy, especially with one of our flagship products, Unistik®.

More recently, we have also approached the retail sector, which remains a tough environment as it is dominated by a single heavyweight actor. Our strategy to mitigate this has been to conclude a partnership in 2014 with a pharmaceutical and cosmetics company called [Tradiphar](#), which is now introducing our products at pharmacy level as well. It is very much in the DNA of our company to work with patented products and the corporate structure is based on producing and distributing this type of innovation. While we currently maintain a respectable and varied portfolio, we nonetheless continue to push to extend our product palette by introducing new innovations. This strategy encompasses both our own and licensed products, as we always look to incorporate products which fit with our brand image.

### **What are the main challenges you have been facing in France?**

The challenge in France today is the new process of tendering with national tenders or groups of regional tenders (GHT). While in the UK you can have multiple suppliers for the same device, this is not the case in France. Here, we have one lot for one device for one supplier for three or four years. This makes it very difficult, as companies are essentially locked out the market if they do not win the tender, especially as the government has connected this tendering rule to geographic areas. It means that in Paris for instance, all hospitals follow have the same tender. For a company of the size of ours, this has an immense impact on planning and we always have to take into consideration the prospect of losing out on core activities, as there is a limited offer.

The same goes for the private hospital sector, which is dominated by two big groups, Ramsey and Elsan. Naturally, these giant groups prefer to conclude agreements with suppliers that offer a bigger portfolio than SMEs. This is essentially a second barrier, which makes it tough for a relatively small-size player like us.

**Are these difficulties related to market access a reason why there is no French medtech company within the world's Top 30?**

20 years ago, France sold most of its medtech knowhow to the US or other European countries. In Germany, the ecosystem is completely different as the national authorities try to protect their companies from foreign takeovers. It is also tough in France to secure funding for developing products and driving innovation. Gaining reimbursement can take three to five years in this country, which makes it really difficult to meet raising capital objectives, as you do not see any return on investment during this period. This is fundamentally different to some other countries in Europe. In some countries, you can go to different regional offices to apply for reimbursement, while in France there is a single centralized authority so you only get one bite at the cherry and are in trouble if you miss. Without a doubt, there are still many structural barriers which need to be addressed by the government.

**In view of all of that, how strategically important is the French market for Owen Mumford?**

The French market is a shop window for many companies and this is no different for Owen Mumford. It was like that 20 years ago and continues to be the case as the country enjoys excellent health care environment with highly qualified surgeons, physicians and researchers. We know that if we can succeed in a market like France, it will be easier in other parts of the world. Nevertheless, the French affiliate is frankly not a big player in terms of revenue generation for Owen Mumford. We would like it to be more influential than it is.

**Why would a British company choose to direct its SEMEA activities out of an adjacent market as it is the case with you?**

A strategic decision was made by our global management board five years ago to reorganize the reporting structures of the different regions. While the UK is now covering the Nordic countries and Germany along with the central European states, France has been chosen to oversee the entirety of Southern Europe as well as North Africa. It has helped us to better understand each potential country as it allowed us to be in these countries directly and not merely through a distributor. We have learned which products can be sold well in each basket of countries and also how to sell them in the most efficient way.

**You mentioned the breadth of your product portfolio earlier. Which are your star performing products right now in France?**

One of our star products is the Unistik® device, which has been developed to help patients and health care professionals obtain the right amount of blood first time, across a large range of point of care tests, including blood glucose, blood coagulation and infectious diseases. Additionally, we have launched a series of new products based on detectable technology. Our strategy is built on a concept called lateral flow, which consists of rapid tests for different diseases. Here we are collaborating with Atomo, an Australian company, to sell and distribute the rapid diagnostic HIV test, Simplitude™ Pro HIV. It is the first rapid diagnostic test with a built-in safety lancet, blood collection unit, and strip test.

**Owen Mumford is renowned for its patient-centric delivery systems and the way that the company applies “human factors engineering” to make it as easy as possible for the end-user to adhere to a treatment regime. Please tell us more about this.**

Owen Mumford’s whole R&D department and the global marketing and key manufacturing facilities are located in the UK. Hence, in this country, we have always been very engaged in communicating with healthcare professionals and universities. Many studies, which have been conducted by us, are utilized to meet the customer needs. Our attentiveness to these needs and to custom-made manufacturing makes us a highly valued partner of patients. Nevertheless, we have very strong worldwide competitors in front of us as well as many distributors, which introduce cheaper products from China and Korea into the market. The price is very important in France, however, there are other factors as you can also be successful in this country with the right foundation and the right service level. We distinguish ourselves through the superior user-friendliness of our devices and naturally, this creates greater traction with patients and enhances adherence.

**Brexit threatens to be quite disruptive for Owen Mumford. Conversely, however, could this translate into an increased role for your affiliate?**

We do not foresee many big problems as we are currently planning for different scenarios and have the necessary agility to move between the UK and Europe. It is without a doubt a very difficult topic, but we as a company just need to prepare to adapt to the new realities of the situation. At

the end of the day, we will all do what the business logic dictates.

**With a history of world firsts in device solutions and strong internal R&D capabilities, Owen Mumford seems to always have one eye on the future. To what extent is the company embracing digital disruption, automation and the new world of healthcare?**

We have two axes that govern the direction of our future planning. We want to continue to work with pharmaceutical companies, so we need to anticipate their needs regarding new developments. We want to deepen our existing partnerships, but also identify new collaborations with new innovative companies. This will help us to grow our portfolio with value-added technologies, which is our long-term vision.

The second axis involves seeking out suitable partners that can help to distribute our own products, as we did for breaking into the retail sector in France. We are also actively building a platform for test rapid medical devices, including HIV products, as we are preparing to delve into this therapeutic field as part of our long-term goals.

[See more interviews](#)