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23.01.2019

Tags: China, Association, French Healthcare Alliance, Sanofi, Healthcare

Pierre Faury, co-President of the French Healthcare Alliance in China as well as vice-President of Sanofi China in charge of Commercial Excellence, shares the mandate of the French Healthcare Alliance and its objective to bring together French companies in China, in collaboration with the French Embassy, to support the development of the healthcare ecosystem and foster opportunities for French companies.

Pierre, having been in China for over a year could you share your first impressions of the country?

My first impressions are very positive. I have been to a variety of countries – France, Canada, Eastern Europe (Hungary) – before coming to China. What is striking is that China is a completely different planet in terms of scale, speed and complexity. China is not one but several very different markets, whether you look at it geographically between key cities and remote areas or in terms of channels between large hospitals and emerging internet hospitals and so on. I am learning new things every day, which is very exciting.

China offers a lot of opportunities, which the members of the French Healthcare Alliance do seize, allowing them to contribute to the development of China’s Healthcare.

What is the mandate of the French Healthcare Alliance in China?

The French Healthcare Alliance was formed in 2013 as an alliance of French companies with the services of the French Embassy, to federate all French players across a diversity of healthcare segments and to further showcase the excellence of French healthcare solutions as well as contribute to the development of the healthcare systems in a number of countries. Today, the French Healthcare Alliance is present in 12 countries, most notably China. Our definition of Healthcare is wide, covering pharmaceuticals, biotechnology, medical technology, healthcare services, eHealth companies as well as hospitals, healthcare financing players and public research institutions.

In China, we have over 100 members. I am co-presiding the Alliance with Business France. Together we embody the public-private partnership approach of the Alliance very well.

What makes the Alliance so unique is our diversity. France has a very long legacy in healthcare and medical innovation. We are really proud of what France has to offer in this area with innovations being led by both public institutions like INSERM (*Institut national de la santé et de la recherche médicale*), and French companies. We also have an advanced and efficient healthcare system that we believe could be a source of reference for China. As a result, today, France has a booming and diversified healthcare industry that represents the third-largest export industry for the country.

As for our members, we include both mid- and large-sized pharmaceutical companies like Sanofi, Servier and Ipsen; diagnostic and research players like Institut Pasteur and bioMérieux; medical devices companies like Urgo; elderly care players (an area where France is quite advanced) like Colisée or Orpea; healthcare financing players (yet another area rather specific to the French healthcare model, which operates on a dual financing model involving both public and private financing) like VYV Group; as well as innovative start-ups in the areas of e-health and connected health like HiNounou.

Our purpose is to federate all these different institutions of varying sizes, sectors and operations in order to be stronger together.

Across the diversity of your members, what is their overall assessment of the Chinese market?

China is really a key market for most, if not all of our members. For many companies including Sanofi, China represents the second-largest market globally, as well as a fast-growing market with lots of opportunities. China is receiving a lot of attention. That said, China is not an easy market. You cannot come to China with the expectation that you will copy and paste what you have done in other markets. You really need to understand the country, the healthcare ecosystem here and the needs of Chinese patients – and then customize your solutions based on those aspects. This is where the sharing of experience that we provide can bring a lot of value to our members.

On the other hand, because of France's long tradition of excellence in healthcare provision and innovation, there has always been a strong interest from Chinese players to understand what France can bring, either in terms of solutions offered directly by companies or in terms of being a reference for the development and evolution of the Chinese healthcare system. We have conducted many bilateral discussions with Chinese authorities and entities. In fact, many influential Chinese doctors, KOLs and officials have been educated in the French system, including most notably former Minister of Health Chen Zhu.

Looking at the healthcare system, for instance, there are commonalities between the French and the Chinese systems, most notably the same aspiration of providing universal coverage. China has been doing an impressive job in this area with close to 95 percent of the population today with access to healthcare. In France, the spirit of our universal coverage is that wherever they are in France and whatever their source of revenue, French people should have access to an equal quality of healthcare. Then looking at how we can deliver quality and efficiency, the French model is interesting as well because of how we have managed the dual use of public and private institutions in both the delivery of healthcare and the financing. The result is, we believe, a system based on the spirit of universal access that is at the same time of high quality and cost-efficient.

You mentioned elderly care and connected health being areas of special interest for French healthcare companies and the French Healthcare Alliance as well. Could you share more on developments here?

Regarding elderly care, we know firstly that there is an immense need for it in China. By 2030, it is estimated that there will be 300 million Chinese people over the age of 65 in China! The existing infrastructure is insufficient for that level of projected need. France is a country leading in the development of the 'silver economy' and particularly when it comes to offering support to elderly people, France has a number of leading companies from specialist companies like Colisée as

mentioned as well as more diversified service providers that have healthcare services as part of their offerings like Sodexo. Connected health also offers opportunities relating to the provision of elderly care, particularly in the development of connected devices to provide remote monitoring, which helps the elderly live more independent as well as safer lives at home.

In Chengdu city, a number of French companies have actually launched pilot projects in these areas. We are very keen to develop integrated solutions across these areas to help meet the needs of Chinese patients and their families and caregivers.

At the same time, are French companies also taking their learnings from the China market back home to France or other markets around the world?

Without a doubt! For companies like Sanofi, we are of course in China to serve first and foremost Chinese patients. But by doing so, we also want to to develop innovative solutions – leveraging what our solutions and local partnerships as well – to shape solutions that can then be used beyond China.

At Sanofi, we really see China as the laboratory of the world, especially in terms of e-Health. Look at how digitalized the Chinese society is. Digitalization is everywhere and healthcare is no exception. For instance, in 2018 400 million medical consultations in China will happen online, most of it being powered by Artificial Intelligence. More recently, we have observed the development of telephone booth-sized, AI-powered, unmanned clinics. Set up like photo booths, there is a screen that connects patients to real doctors with the use of AI technology. Once in the booth, patients are able to not only benefit from a remote consultation but are also offered a diagnosis and can get their prescription drugs directly from the vending machine attached to the booth! To my knowledge, it is something unique in the world.

Digital innovation has become a reality in the healthcare industry in China. China is undoubtedly leading the world in this area and is a major source of inspiration both for large companies like Sanofi and also for French entrepreneurs who create innovative solutions in China and then look at internationalizing. Companies like HiNounou or the The CareVoice founded in China by French entrepreneurs are now looking at expanding outside of China. HiNounou, for example, recently opened a branch in Singapore and signed a partnership with one of Poland’ largest pharma distribution group. They are planning on further expanding in the APAC region.

Speaking a little from your role with Sanofi, how should companies like Sanofi think strategically about these new developments and channels, which of course represent new opportunities but also require adjustments in business models as well as carry implications for the ways different stakeholders interact with each other?

It is true that we come from a more traditional model. We recognize that the healthcare system is changing very fast. For instance, the regulatory framework is favoring the digitalization of healthcare that I just described. We see new entrants coming into the healthcare space as well – for instance, those 'clinic booths' I mentioned are being developed by a leading insurance provider in China, Ping'An, who is very actively placing healthcare technology at the center of their offerings. We are partnering with them to develop innovative healthcare solutions.

Therefore, we see healthcare as an area that is undergoing tremendous evolution – and even revolution. There is no doubt that we want to play a major part in it. Sanofi is actively bringing in our own innovations, firstly, in terms of medicines, because we are very active in the development of new innovative medicines, spending close to EUR 6 billion (USD 6.8 billion) annually in R&D; and secondly, in terms of more connected and integrated solutions that go 'beyond the pill'.

Diabetes is a really good example. Diabetes is a 24-hour burden for patients: patients have to take care of their blood glucose levels through measurements with one device, pay attention to their nutrition and physical activity and inject insulin with another separate device, adjusting the dose based on the factors mentioned earlier. We want to help patients by connecting these elements; we are working on this in China and have done important steps in the US through a joint venture with Verily (formerly known as Google Life Sciences) called Onduo.

We also have innovative approaches in chronic disease management model. In Meishan city in Sichuan province, we have developed a partnership with the municipal government as well as the Chinese Diabetes Innovation Alliance, to pilot innovative chronic disease management model, which includes the digital education and some other digital-based intervention tools helping the physician to manage their patients. Through the rolling out such innovative disease management model, the real world data will also be generated, which will help us to better understand the needs of diabetic patients, their diagnosis, their comorbidities, the effectiveness of the innovative model and so on, and we will draw all these learnings to drive the development of better diagnosis and treatment of Chinese patients.

In all these areas, we believe innovation must be fueled through partnerships with relevant players, public and private.

Do you have a final message for our readers?

Overall, it is clear there are lots of opportunities for companies here because the healthcare needs are huge in China; because the Chinese market is opening to innovation; because there is this need to take the healthcare system to the next level in terms of quality and efficiency; because R&D and digital innovations are really booming in China. This is why we believe that China is not only a significant market to market existing solutions but also a great opportunity to shape and create solutions for the future.

The uniqueness of the French healthcare offering is that we have a diversity of players and industries, as well as strong private and public efforts and initiatives. The French spirit of healthcare provision has a lot of commonalities with the Chinese one, and we are quite mobilized to bring these solutions and integrated offerings to China. This is how we believe French players can further contribute to the development of healthcare in China and in particular, to serve the objectives of the ‘Healthy China 2030’ national strategy.

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