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Stéphane Mathieu CEO for SIGVARIS GROUP’s Europe, South & West operations, discusses taking on a unique challenge as the company pivots towards becoming a fully-fledged health technology provider, and what ‘patient-centricity’ means to him.

What have been your first impressions since taking on the position of GM South & West Europe in March last year? And how have you been finding the transition from pharma and agri-food into medtech?

It has been thoroughly refreshing to move to an iconic mid-size, family-owned business like SIGVARIS GROUP that has a historical legacy of more than 150 years and is in the unique position of straddling both the textiles and medical technology sectors. This is, of course, a firm that has distinguished itself by managing to create an entirely new industry that previously didn’t exist, when it pioneered the concept of compression stockings as a complete alternative to treating venous insufficiency with medicines.

Interestingly, I find that there are a lot of commonalities and parallels between my previous career at Cadbury-Schweppes and the pressing task at hand at Sigvaris in France today: namely the importance of focusing on the preferences, behaviours and needs of the consumer. The entire life sciences industry is now moving in a direction in which choices are increasingly vested in patients

who are becoming much more empowered in the management of their illnesses. As such, the onus is firmly upon medtech players to become much more “patient-centric” in both their operations and the end solutions that they provide. I, therefore, believe that my previous career experiences will serve me very well for the program that we are intent on accomplishing here at Sigvaris.

How, then, would you describe your initial priorities?

My priorities are threefold. Firstly, Sigvaris is in the midst of transitioning from an industrial entity to a fully-fledged health technology provider, which is no small feat for a company of our limited size and resources. This means developing the capabilities to act much more akin to a pharma company in navigating stringent regulatory frameworks and subjecting our products to clinical trials and rigorous testing. Sigvaris globally is already well engaged on this journey, and it is my duty to ensure that this shift is fully reflected at the local affiliate level as well. For example, in terms of talent acquisition, we need to step beyond the traditional hiring of engineers and production managers and simultaneously start bringing in market access and regulatory affairs specialists. We already have taken the step of employing a doctor as part of our medical team.

Secondly, we need to move the dial towards being much more patient- and customer-aware. Given our industrial roots, the company’s DNA is naturally and logically very geared towards product design and technical detail. My objective is to shift our emphasis so that everything is orientated towards the patient experience. This goes hand in hand with my third goal, which is to change the mentality within the company so that we don’t think so much about delivering a “product,” but rather a set of “solutions” to unmet needs. Ultimately the product is just the tool and mechanism for getting to the solution and everyone within Sigvaris needs to understand this.

The term “patient-centricity” is increasingly deployed as a buzzword in the life sciences sector to the point where it now risks becoming emptied of meaning. What exactly does being patient-centric signify for Sigvaris? And can you perhaps give some concrete examples of how the company is adopting this approach?

Well, for Sigvaris, this means going right back to square one in understanding consumer perceptions of what compression is all about. Our market intelligence informs us that the first thing that many women think of when you say the word “compression stocking” is of ugly, unflattering, conspicuous garments of the type their grandmother might have worn. These negative default

associations are important because they have a huge impact on patient compliance. Of the 18 million French people affected by venous insufficiency, a mere 15 percent end up receiving treatment and sadly a full 1 in 3 of those have subsequently been found to interrupt the treatment along the way.

By listening intently to patient concerns about the aesthetics of the products, we have come up with a series of solutions from introducing appealing colours and designs to recently launching our “Divin Eclat” stocking range, which to the naked eye actually do not differ from conventional tights and are almost invisible when correctly matched to the skin tone of the wearer. User feedback was very consistent in the sense that many women reported not wearing their stockings because they considered them unsightly and covering up too much flesh. What they were essentially asking us for was a product that you don’t see, that is fitted for day-to-day use and actually enables the patient to forget that they have vein condition in the first place. Based on an in-depth study of the skin of French women across a significant sample we were able to successfully come up with a technical and colour perspective that achieves an 87 percent match and is simultaneously lightweight, discreet and minimalist.

Another example of being patient-centric was listening to concerns of customers who brought to our attention the fact that they required different thicknesses, weights and styles of stockings for different occasions. Warmer stockings, for instance, are logically more appropriate for the winter and when the weather is bad. Although we offered a huge variety of some 3,000+ different types of products to match all manner of patient types and preference, the lack of consistency in sizing and fit between different product lines were making it cumbersome and difficult for users to switch from one line to another. In response, we revamped our production apparatus to introduce much more sizing uniformity across all products. We now also have tools in place to closely match the morphology of some 95 percent of the French population.

So, by adopting a consumer goods perspective, Sigvaris believes it can raise adherence rates?

Medical products are unique because of the sensitivity around them and the duty we have in providing the correct specification and standard to counteract the illness. Equally the relationship of the patient towards the product is different from that of a normal good. Unlike with ordinary textiles and garments, the pharmacist plays an important role in overseeing the fitting of compression stockings and ensuring that patients are receiving an appropriate size and

specification for their body morphology and vein disorder.

Nonetheless, by approaching the issue from a “consumer goods” standpoint we can better understand how the product interacts with lifestyle habits and, by familiarizing ourselves with the patient experience, we can remove some of the barriers to adherence. That is why we have been conducting detailed surveys around people’s emotional behaviour towards compression stockings. At the end of the day, comfort and aesthetics rank very highly on the wearer’s list of priorities and by rendering the products user-friendly we can have a big impact on ensuring their proper and intended use. Already, with Divine Eclat, we are noticing a sharp rise in customers renewing their purchases.

We understand that, under the leadership of Andreas Schönenberger, SIGVARIS GROUP has, for a while, been pursuing a strategy of expanding its product assortment by adding “wellbeing” and “sports” lines to its core medical focus. What is the rationale behind this?

At the same time as materially responding to user concerns, we are also endeavouring to reach potential customers earlier and influence their initial perceptions of compression stockings by diversifying out into various “wellness” market segments such as sports and travel. The idea is to encourage the customer to re-conceptualize what compression stockings are all about, to eradicate outdated misconceptions as well as to associate our brand with constructs like “prevention” and “healthiness.” These particular products, which are not reimbursed, are a completely new axis for the company, with items sold exclusively in pharmacies.

In much the same manner, we are also reaching soon-to-be mothers with products designed to combat heavy legs which is a common ailment during pregnancy. That’s often a woman’s very first encounter with compression stockings and if Sigvaris can engage with them positively at this moment, then there is a good chance that we will be able to bring them back later to the brand in older age when conditions such as venous insufficiency start to manifest themselves.

This dynamic becomes even more important in markets outside of Europe such as in Brazil or Asia where none of our products are reimbursed and don’t tend to pass solely through pharmacies as conduits. In these places we, therefore, find ourselves dealing directly with the patient-user.

So you have to really adapt and vary your “go-to-market” strategies to match the local ecosystem?

Absolutely. If you take a condition like lymphedema, then the channels and route for getting the product to the user and vary. In the UK, it is important to reach out to the nurses because they are empowered to prescribe our stockings, but in France, only a doctor can fulfil that function. Meanwhile, France always generates good sales for us because of the maturity of the market in the sense that customers are increasingly aware of our brand, partly because of the efforts we have taken in educating practitioners and patient communities. France does, however, present its own logistical challenges with some 22,000 pharmacies to deliver to under conditions of next-day delivery.

Tell us about your local manufacturing and R&D footprint and why it makes sense to maintain that level of infrastructure in France.

Sigvaris has long maintained a strong manufacturing and R&D footprint in France by seeking to leverage historical textile know-how in the Loire and Alsace. The French market, therefore, is hugely important to our company not just in the generation of sales – our turnover exceeds EUR 110 million and we sell more than 5 million pairs of stockings per annum – but also as a production and innovation hub that groups almost 750 employees of which 450 are directly involved in manufacturing.

We possess three in-country production sites – one in Saint-Just-Saint-Rambert and one in Andrezieux-Boutheon on the outskirts of Saint-Etienne and the other at Huningue in Eastern France – and we continue to invest heavily in their upgrade. Last year, alone the decision was taken to consolidate some of our facilities in the Alsatian site of Huningue to the tune of EUR one million bringing together nearly 160 personnel. This gathering of teams on the same site allows for a better efficiency and a strengthened implantation in Alsace that now anchors three trades: a production business, a logistics business and a customer service quality business, with our call centre. This call centre is especially impressive as it now holds the capacity to respond to 300,000 calls per year from practitioners seeking to find the right stocking sizes and shapes for their patients.

Initially, the great attraction of places like the Loire was the pool of textile expertise and that is precisely why some of our biggest competitors like Thuasne and Innothera have their initial factories based out of the same region. Nowadays, however, we are fighting for the survival of that

know-how: there are only 3 schools left in the country that teach traditional sewing and textile skills as part of the syllabus and it is increasingly difficult to source the professionals that we need. Despite having invested heavily in automation, which has enabled us to significantly improve our competitiveness, there are still many complex tasks where we have to rely on manual operations and where traditional sewing coexists alongside the machines. The difficulties in finding the experts to perform these functions partly explains why we have established a dedicated working group within the SNITEM alongside Innothera and Thuasne with a view to identifying common solutions to shared problems like this.

What, if any, has been the impact of the new Macron Presidency, in the light of the current administration's enthusiasm for reinvigorating France's industrial base?

Macron has spoken extensively about the time being ripe to restore momentum to the national industry and to scale the manufacturing value chain. Consequently, the government has indeed launched an initiative called "La French Fab" to promote a home-grown industrial base made up of medium-sized exporting firms. Sigvaris has joined this "French Fab" movement out of a desire to become a flag bearer of the "Made in France" brand and because we are actively doing a lot to restore confidence in the national industrial ecosystem and to create jobs. We have still yet to see any real day-to-day concrete impact trickling down from reforms such as the Loi PACTE however. We still face a daily struggle to maintain our competitive edge.

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