Luciano Conde – CEO & José Luis Fumanal – VP of Sales and Marketing, Noventure, Spain



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Luciano Conde, CEO, and Jose Luis Fumanal, VP of Sales and Marketing at Noventure, discuss how they set up the company in 2015 and their secret to achieving success in such a short period of time. Furthermore, they highlight what they look for in potential partners and their aspirations for the company, especially in the international landscape.

Luciano Conde (LC): I am a pharmacist but basically, I am a businessman. I have been in the industry for 38 years with most of my career spent in big and midsize pharma companies such as Roche, Farmitalia and Pharmacia. My previous position was at Almirall where I worked for 20 years. I was the COO from 2002 till 2015. After my departure from Almirall, I was contacted mainly for roles which entailed the restructuring of companies in Europe, but in all frankness, I was more attracted towards the positives of constructing a business, that was why, even though economics were less favourable I took up the CEO helm at Noventure.

Since then, we have reinforced the company's focus in medical devices and our technology based around an innovative mode of action "the barrier effect", which mechanically protects the function of the epithelial mucosa. Since 2015, we have evolved from selling a little more than a million packs per year, towards our expected sales of 5 million in 2019, mainly in Europe, though also in territories outside the EU.

To do that we have built up the company story by creating deep expertise in the products and regulatory processes, reinforcing and making easy the partnering with other companies to sell our products. We are looking for partners who understand their local markets while having a strategic interest in the therapeutic areas in which we have products to offer. For example, we sell our uro-gynaecology UTI product in Italy to a company with a strong Italian footprint in that field.

Jose Luis Fumanal (JL): I am a trained pharmacist and have been in the healthcare industry for 40 years, working across companies like Ferrer, BMS, Almirall, Novartis, ICN and back to Ferrer in 2003 to act as GM of the Spanish Pharma Division. In 2015 I got a call from the CEO of Ferrer to join a new team for developing the new acquired unit of Noventure. Thus far, we have seen great results, with the aim of selling 5 million packs in 2019.

Why do you go through partner and not go into the market alone?

LC: We focus in our areas of strength, that's why we are putting our efforts on the innovative part of the business and using our technology in developing products in areas such as gastroenterology, urology, gynaecology, allergy, paediatrics and dermatology. Our products are in general not reimbursed and therefore within the self-medication world. We are addressing minor syndromes with innovation and with an option that offers a solution without enduring a pharmacological action.

How did the company originate?

LC: The technology of Noventure was developed by an entrepreneur, Ferrer saw the potential and decided to partner the innovation. An entrepreneur is not always the best option to expand the business towards a fully-fledged commercial company. Start-up leaders are generally involved in every aspect of the business, and it is not easy for them to take the step back to set up a strong foundation for the organization and empower the right people. Besides, these entrepreneurs are more opportunistic, which reduces the company's efficiency and may thwart the opportunities for the business in the long run.

JL: We realized when working in our past positions that the business development model in the sector is inefficient and is being done poorly by the players in the market. At Noventure, we wanted to change this. We knew that differentiating technically your product with the hundreds on the market will go unnoticed. On average, business development people will see your product one day,

and ten more the next. Your product will remain in the pile of opportunities to review. We wanted to stand out, therefore, we went to a prospective partner with a different model; we show them they could make a concrete healthy profit without increasing their fixed costs, enhancing their profitability at very little cost. This simple approach changes the perspective of the discussion as we are not just selling them what our product offers technically, but how it may benefit them by fitting in their portfolio and promotional strategies with minimal effort.

Other parts of the discussions such as regulatory and manufacturing are less of a concern as once you have European certification for a medical device, it makes market entry possible in many countries.

Our talks are mostly focused around the commercial side of things. For example, we have an agreement with Zambon in Italy. We offer them our product in urology to complement their leading product lines, and by sharing with them the commercial fit of our product in their strategy, the agreement was fast to set up. Similar examples of a synergistic agreement have been set in Austria, Scandinavian countries and other territories.

How do you ensure you are innovators in this business development game, or can others simply copy and paste such a model?

LC: It does not matter if we are copied if we refine our ways constantly. We act as snipers in the market and target our partners with a business proposition. This is the key and shows in our high business development success rate – last year we signed products in 41 territories. Furthermore, we are completing our offering attaching services for our partners, such as a forum to interact with other customers and marketing help as well as ensuring we have an efficient supply chain of products. I would say that we have engraved the mentality of efficiency in Noventure, and we have created a lean and streamlined business. We have developed and set up processes and procedures, while ensuring if a problem arises, we are able to be agile and adapt.

In which regions are you currently active?

JL: We are in Europe and abroad. Europe is faster to market the products as once the notified body certifies your product, you can then sell in the EU and to other nations utilizing these regulations, such as Switzerland, Norway and Turkey. Other markets we are in, such as Mexico, Canada, Russia, Vietnam, South Africa and Morocco, require us to talk and discuss with the local regulatory

authorities to seek approval and adapt our product to the specifics in each market. This takes time and resources, though we are also up for the challenge as growing our footprint is a priority for us.

LC: As Jose Luis mentioned, the processes within these countries may take a long time, while in Europe once we get central authorization it is generally a smoother and faster process.

The reason why our products are a good alternative is because in the world of pharmaceuticals, the indications are becoming more niche and costlier to develop and to sell, while traditional open care markets are genericized and more unpredictable making it difficult for many mid-size companies to thrive. That is why many companies are shifting towards self-medication, an area where they control their destiny and are not dependent on bureaucratic decisions around pricing or reimbursement.

A sign of what is guiding us there is if you look at how digital technology is being used, healthcare is being taken into the homes, into the hands of the patient, look at the Apple Watch, now approved for electrocardiograms, Devicare urinary ph-meter to prevent lithiasis colic, and other similar ideas, etc… Some medical diagnosis can be more reliable when done by machines with the use of AI, where the machine can compare thousands of readings and images and find out the alterations in an automatic mode. All this is pointing in the direction of empowering the patient.

Your ability to strike winning partnerships is key to your business model. What do you look for in potential partners?

JL: We act like a radar and are constantly looking into the markets we want to access, and which potential partner will benefit from our products. This is not dependent on the size of the partner, but more about the fit. Furthermore, we want the potential partner to be specific for that country, rather than looking for regional or global deals where our impact could be diminished.

In the end, we are looking to help patients and we believe providing our partners with support will help them and is key to maintaining a strong relationship. Our marketing tools are based around collaborating with key opinion leaders in our therapeutic fields of care and having our experiments published as soon as possible. We aim to have nearly 50 published using our technology by the end of 2019. This is a new relevant body of science we have developed. Furthermore, we attend European congresses to build our brand and our connection with doctors and partners.

LC: We prefer to set up contracts market to market, rather than larger deals. For example, if a company has a footprint in say 10 countries, but its market presence within gastrointestinal is clear

in Germany, we set up a deal for Germany, rather than a deal for all 10 nations where their presence in GI may be smaller or negligible. This triggers a commercial mindset to create win-win synergies. It is a fact of business that the know-how and skills of mid-size companies vary from country to country and it is wrong to assume that their capabilities and priorities are the same in each one of them.

Besides, both Jose Luis and I benefit from our long experience in the sector. Throughout both our careers we have built up a strong network of colleagues we keep in touch with, and these human relationships are key in helping us in the understanding of the markets and getting in front of potential partners.

How do you envision the future of Noventure?

LC: We are starting to investigate it and we need to ensure that the constant influx of products to partner remains steady. This will probably mean that we will need to look for additional sources of products out of our technology.

JL: This is an important matter and in fact we have received, and we are open to receive, proposals from entrepreneurs that want to concentrate in the research part of the lifecycle but do not want to enter the regulatory process, the marketing and medical development, the manufacturing and the partnering and follow up of the business afterwards. If you are in that situation Noventure is a company to meet and talk with. We are flexible and creative, and we will certainly find a way to cooperate successfully.

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