

# Patrick Tete - Managing Director, Servier Egypt

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*Patrick Tete, managing director of Servier Egypt, highlights the cornerstones of his plan to transform the French company's Egyptian affiliate, discussing its strengths and its place in Servier's global operations. He also emphasises the need for more education and awareness amongst the population to reduce the prevalence of cardiovascular diseases and diabetes in the country.*

## **What priorities did you establish when taking over the Egyptian affiliate?**

I came to Egypt in 2017 with a clear mandate: prepare Servier Egypt and the team for its future transformation in the context of both volatile economic and complex pharmaceutical environments as well as technological innovation, all being forces causing disruption. A transformation program is being launched to position us in line with our 2022 ambition to hit one billion Egyptian pounds sales mark, empower every employee to achieve more, change our mindset, interact and cooperate more efficiently, be more proactive and finally, to take control of our own future in the context of the increasing importance of corporate compliance.

Such a transformation program is even more critical to go through in an organization which had previously experienced glory days. We are now reshaping the business environment. It is time to forget past accomplishments – they are over and done with – and put in the work again to create the future. To meet our performance goals or to stay ahead of the competition, we need to

reinvent ourselves. The critical message is that what was relevant, efficient and successful yesterday may not be so tomorrow.

As the eagle is the national emblem of Egypt, I often make reference to the story of the bald eagles going through a transformation of their lives at 40, breaking off their beak and ripping off their feathers and then waiting for them to grow back. This painful process takes a good five months, but it extends an eagle's life to an amazing 70 years.

A transformation effort is not for the faint of heart. Winning to defend our spot at the top takes pain, dedication, agility, focus, passion and finesse. The top management must be absolutely unified and committed before embarking on such a program. We have therefore established a transformation committee to pull together toward a common end and the role of such management group is to turn separate initiatives into a balanced, integrated program of change that yields rapid and sustainable business improvement.

**Servier has built extremely strong footprints in emerging countries. What is the importance of Egypt within the global operations of Servier?**

For most of the last decade, Egypt has been squeezed between turbulence and uncertainty, and a deteriorating economy. It is fair to say that Egypt is probably not any more top of mind on global radars with the recent economic crisis and the subsequent floatation of the currency. However economic experts view Egypt's economy with cautious optimism. Egypt's brave fiscal and monetary reforms might have ushered a period of short-term hardship but secured a safer medium-term economic future.

Being ranked fifth of the group in units (about 20 million packs are produced each year in Egypt) and about twentieth in value with a turnover of €40 million, Servier Egypt is very much on the Servier map, a fortiori at the MENA scale. Egypt benefits from the region's most populous nation, also boasts a pharma market now on the up, growing at a growth rate of 25 percent in 2018 to reach a total market valuation of EGP 65 billion (€3.3 billion).

A cornerstone of the strategic presence of Servier Egypt in the region is the proximity to the African market. Beyond the strategic importance of providing high quality medicines at affordable prices to Egyptian patients in an out of pocket context, our state-of-the-art manufacturing site in Cairo exports its medicines in Africa and the Middle East. Servier continues to invest around EGP 40 million each year (€2 million) in state-of-the-art manufacturing equipment and facilities to produce

world-class quality products here in Egypt.

In terms of performance, Servier has an outstanding track record of success and continues to excel despite a difficult economic environment. Halfway through our financial year, Servier Egypt is seventh in terms of absolute growth in euro value. We are ranked fifteenth out of all pharmaceutical companies in Egypt and eighth amongst multinational companies.

**What are the main strengths behind this strong position in the Egyptian market and how they can help achieve your vision for Servier in Egypt?**

Servier's competitive advantage in Egypt is a long-standing presence – as early as the 1970's – which has enabled us to forge a strong relationship with both health care professionals and patients. Our commitment to this country was confirmed in 1994 by the opening of a state-of-the-art manufacturing site in Cairo in order to provide high-quality medicines at prices accessible to Egyptian patients.

Our 465 employees can be proud of our history in the country. What stands out for me is that the team has made Servier Egypt the third-biggest Servier subsidiary in MENA and one of its top 20 worldwide. These achievements are all the more impressive in such a challenging socio-economic environment. Indeed, although Egypt has a population of 100 million, still it is considered a “small” market as only the most affluent ten percent can afford innovative medicines due to a lack of any form of the reimbursement system. And this is not the only challenge: the market is currently increasingly saturated by local firms which have monopolized a significant share of the market and have already launched generics of many Servier products.

Yet we have done more than simply survive in this challenging environment. Most of our products remain market leaders. Servier ranks at the forefront of cardiovascular diseases and diabetes, which are the main causes of death in the country. Our success is due to a strategy focusing all our promotional and educational activities solely on specialists as patients who can afford to see these doctors can afford to take their medications as prescribed to optimize health outcomes.

Our success is also and above all a result of our unique approach focusing on attracting, developing and retaining talents, people who go above and beyond to use their expertise and passion to win over prescribers. Our training expertise is indeed recognized beyond the Egyptian borders as Egypt is a referent country in the region.

Servier Egypt's vision for 2022 builds on these foundations and capitalizes on such solid human asset and dynamics. Our main objectives: exceed €50 million sales, accelerate the growth of our core business (cardiovascular, diabetes and venous disease), maximize the global R&D efforts in oncology to become a significant market player and seize internal and external expansion opportunities. This is an ambitious program; however, I know we can always count on our people who have already contributed to make our "small" market such a big success.

**Globally, Servier has a comprehensive portfolio spanning five business units with treatment areas in oncology, cardiovascular, diabetes and immuno-inflammatory and neuro-psychiatric. How is this reflected at the local level?**

Diabetes and cardiovascular diseases remain the biggest therapeutic opportunities for Servier in Egypt. Despite their reasonably good market penetration and leading positions, most of our products have significant potential for further growth in their respective markets. We have a strong ambition to further strengthen our hypertension franchise. This will be through a comprehensive armamentarium of solutions reflected in our available and coming single pill combinations. The treatment of hypertension remains suboptimal. Single-pill combination therapy offers a number of potential advantages, is now supported by guidelines as initial treatment and, as a result, become increasingly popular in Egypt. It can combine different classes of drugs to increase efficacy while mitigating the risks of treatment-related adverse events, reduce pill burden, lower medical cost, and improve patient adherence making them an attractive option in such low-income country.

Oncology represents also a significant opportunity for growth. It represents the second largest budget within both the Ministry of Health and the Health Insurance Organization. We have seen significant progress to support patient access to novel treatments, and our innovative medicine for metastatic colorectal cancer, which has recently been approved will make no exception. We are indeed confident as we are seeing a willingness on the payers' side to find solutions to provide patients with innovative treatments, and Servier is also willing to facilitate patients' access to its innovative medicines – a win-win situation.

**When we have been attending CardioEgypt in February 2019, we heard that ischemic heart diseases are still the leading cause of death in 2017 at 35.7 percent in Egypt. How**

## **has the issue been addressed in the country by Servier?**

We are uniquely known in Egypt as an organization providing cutting-edge education and we intend to strengthen major cooperation with young hospital practitioners, especially cardiologists and vascular surgeons, through a simulation-based learning in cardio-vascular surgery in order to participate in improving the care of Egyptian patients. This learning model creates an environment for young specialists to acquire various surgical skills. The following aphorism could summarize the purpose of this program: “never the first time in the patient”, because the mastery of a technique is about how often you practice. Servier has now joined the simulation-based training program initiated by the Egyptian Cardiology Society and the Military Academy. Teaching by simulation in cardiology and vascular surgery is needed now and Servier is proud to contribute.

We are also reputed for raising the patients’ awareness of diabetes and hypertension. We are about to launch an initiative called “Know your number” aiming at encouraging patients suffering from diabetes to discuss and set, with their treating physicians, their target numbers in terms of blood sugar, and at the same time, how to modify their lifestyle to live well with diabetes. Egypt is the country with the largest number of diabetic patients in the MENA region estimated to have about 8.5 million patients and we have supported a recent and large audit showing that more than four out of five Egyptian patients suffering from diabetes were not at target blood sugar. This call to action to tackle the diabetes epidemic and reduce its economic impact will help to shape a better future for diabetic patients.

## **Servier is known globally for having a strong sense of social responsibility. How is this reflected in Egypt?**

A good company’s day job is “giving” back. Making fair profits year in, year out is “giving”. Without these, a company can’t be counted on to invest in innovation, supply its customers with the products they value and need, provide meaningful work, training and careers for its employees, be there to support its suppliers, pay taxes or be welcomed by local communities.

At Servier, we are “giving” every day. Our purpose is indeed focused on research, innovation, patients’ well-being and better health care. To excel in this undertaking, the Servier Foundation reinvests all profits generated worldwide into research and development. This is our DNA, what makes Servier unique!

For Servier Egypt, we do not end on just giving back because we can give more!

I would like to commend the contribution of the Servier Egypt Corporate Social Responsibility initiative called “Spreading Hope” led by a group of 100% volunteer assistants, who went above and beyond their call of duty for partnering with the Cairo University paediatric hospital. They were providing needed syringe infusion pumps for babies undergoing surgery through social fund-raising company events. With those passionate employees, Servier Egypt can only continue to thrive.

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