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Olivier Laureau, global president of Servier Group, outlines the impact of recent acquisitions, the significance of Servier's recently-opened commercial subsidiary in the US, the ongoing importance of France to the global group, and Servier's unique value proposition as a privately-owned R&D-focused company.

How important was Servier's 2018 acquisition of Shire's oncology arm within the framework of your global strategy?

The Shire deal was a very important milestone within our strategy as it allowed us to accomplish two key objectives at once by fast-tracking both our US presence and reinforcement into the oncology market. Growing our oncology franchise has been a point of focus in the strategy we outlined four years ago. Oncology is one of our main therapeutic areas, along with cardiovascular – which still represents over 50 percent of our sales – chronic venous diseases, neuropsychiatric diseases, internal medicine diseases such as diabetes and immune-inflammatory disease. We are hopeful that in the future our oncology revenues will be on par with those from our cardiovascular treatments. Within each of these therapeutic areas, we have chosen to be extremely specialized in either a therapeutic mechanism of action or in specific diseases to make better use of our limited resources.

The acquisition of Shire products also allowed us to enter the US market, a key point in our ambition to increase our global presence. With these acquisitions, we now have commercial operations in 149 countries around the world and are planning to quickly add Japan to that list. We already have a presence in Japan but not yet commercially. With regards to our geographic presence, we believe in a differentiated approach to each market, to reflect local needs, specificities, and realities.

You opened Servier's US commercial subsidiary in 2018. How can you transform the US adventure into a success story?

We have just finished the integration of teams and now completely handle all US operations, teams, assets, and processes we acquired from Shire. Our US team is made up of around 100 employees. We are, in that sense, well within our expected growth. We already had market authorization for ONCASPAR[®] to treat acute lymphoblastic leukemia (ALL)[1]. In December 2018, The FDA approved calaspargase pegol-mknl (ASPARLAS[®]), an asparagine specific enzyme, as a component of a multiagent chemotherapeutic regimen for ALL in pediatric and young adult patients.

The next critical step is to find another product, whether in oncology or immuno-oncology, for the US. Inorganically, this could also be a US-only or global acquisition or license, and we are looking for a product either in late-stage development or even already on the market. We are focusing on a drug with an indication for small targeted populations.

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You have set the goal of having 'a high performing organization.' How do you define performance?

For the Servier Group, this "high performing organization" can be understood through the prism of our vocation: being committed to therapeutic progress to serve patient needs, and embodied in our four key values: care, dare to innovate, grow by sharing, and commit to succeed.

From the human point of view, it is defined by our capacity to attract and retain talented individuals, empower them, and implement efficient and new ways of working, to ensure that we

foster the best results. We want to have passionate and responsible teams working in project mode.

The second aspect is therapeutic performance and quickly developing extremely innovative projects. We strongly believe in the potential of open innovation and we have entered into more than 50 active research partnerships around the world. We now have 33 research projects and 33 drug candidates in development in our pipeline. In today's world, developing innovative projects goes beyond the scientific content of the project, as it includes the approach and management of the project, the capacity to harness artificial intelligence, management of data.

Last but not least, an organization needs to perform economically- growing in terms of sales and operational results - even more so for an independent company like Servier, which is governed by a foundation. Thanks to this unique status, we reinvest every penny we generate in our development. Each year, 25% of Servier's revenue from our brand name drugs is invested in R&D. This is all in line with our ultimate goal, which is the discovery of innovative products for patients. As we do not have shareholders, the ultimate beneficiaries of our actions are the patients. Every single employee of Servier is driven by this mission.

Another important point is our capacity to make our generics business (through Biogaran and Egis) much more synergistic within the wider group and between each other.

What would you say is the company's value offer to new employees?

One of Servier's key points of attractiveness is the mix between the quality of our existing and upcoming projects and the fact that we offer an exceptional working environment when it comes to access to the latest and most advanced technologies. The clarity of the strategy we laid out four years ago and our consistency in delivering it are important factors in retaining and attracting quality talents.

Another key aspect that should make our organization better performing is empowerment and new and more collaborative ways of working. It is important for us that our teams are passionate about their work itself, but also about *how* they work! To this end, we have implemented a 'New Way of Working' program, which aims to increase our level of empowerment, delegation, and digitalization, and to implement project-based processes in order to better manage the life of those projects, knowing when we should accelerate them or stop them altogether. Our goal with this is to increase our capacity to arbitrate and increase the agility of our organization.

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We created, nearly two years ago, a Corporate Strategic Team, whose responsibility is to streamline how the group strategy unfolds, assess if new projects blend into that strategy or if they need adjustments or arbitrations. More importantly, the head of this team sits with us in the Executive Committee, so that we have a real-time view of how projects unfold.

In order to get everyone's adherence to the important transformation momentum of the Group, moving together towards the clear goals we have set for 2021, we rolled out an intense transformation process. Starting in December 2017, we gathered small groups of three to four hundred, that altogether encompassed all 22,000 employees. Every single employee of Servier, whatever their function or position, received a thorough explanation of our transformation plan, vocation, values, and vision. We finished this huge but crucial project in December 2018. Very few companies have embarked on something of this scale.

Where are your biggest human resources needs today?

We are going to need talents in the oncology field, specifically in CAR-T cells, one of the areas where we are now heavily engaged and committed. We will also need scientific talents with strong knowledge of immuno-oncology to reinforce our research and development, manufacturing and medical teams.

With the global evolution of the regulatory, pricing, and reimbursement environment, we will also be looking to reinforce our market access teams with people who have strong pharmacoeconomic backgrounds. Competitive intelligence is key.

And we are obviously looking for talents in artificial intelligence and the data fields.

How does Servier's pipeline look today?

First of all, let me remind you that we invest 25% of Servier's revenue (excluding generic drugs) in R&D every year. Within the next two years, oncology will account for 50% of this budget.

We have progressed rapidly over the past few years. We now have 33 projects in research and 33 drug candidates that are in the clinical phase.

The number of oncology projects within this portfolio, be it in research or in drug candidates, reflects our ambition in this field: we now have 16 drug candidates, 19 strategic research alliances, and 700 employees in 50 countries working each day to develop innovative therapeutic solutions in oncology.

This pipeline reflects not only our five strategic orientations but also our commitment to research.

Before anything, Servier has always been a research-driven company, and the investments we have made in our upcoming new R&D centre in Saclay (south of Paris) of approximately EUR 280 million (USD 214 million) confirms this. Six hundred Servier Research employees will be grouped together on the same site to truly unleash the power of collaboration to produce innovation.

Why did you pick France for this new centre?

Sharing the highest levels of knowledge and of know-how is a central point in our way of working and reflects our willingness to open up

The new centre will be located in Saclay and should open its doors by the end of 2021. Saclay offered many advantages for such a centre including a great ecosystem environment. In this new centre, we will be able to fully implement our open innovation policy and multidisciplinary approaches. We will be surrounded by the best France has to offer in terms of academic research and technology science universities: the French National Centre for Scientific Research (CNRS), the French Alternative Energies, and Atomic Energy Commission (CEA), and world-class engineering schools like École Polytechnique, Centrale Paris, and École Normale Supérieure, to name a few.

Sharing the highest levels of knowledge and of know-how is a central point in our way of working and reflects our willingness to open up. There will also be an incubator in Saclay, where start-ups will have the possibility to both develop their projects but also share their expertise with our teams to create additional cross-fertilization.

With this new research centre in this fantastic environment, we are giving ourselves the means to have ever more innovative research, to develop our projects more quickly and efficiently and thus ensure our vocation. We also enable France to be attractive in terms of talents and partnerships and to expand its international presence in an increasingly competitive healthcare sector.

Having embarked on so many projects, how are you able to create a sense of urgency, even though you are under no pressure from shareholders to deliver results?

If you look at the speed with which we implemented our 'WeHealth program' and how quickly we have digitalized Servier (a recent article on the perception of the "digital company" ranked us as the seventh best pharma company globally for that), there is no doubt there is a sense of urgency in-house. One of the main drivers of this is remembering that the ultimate beneficiary is the patient. When our employees relate this to whatever they are working on, a sense of urgency comes naturally.

What are the four concepts that define Servier today?

Care, Grow by Sharing, Dare to Innovate, and Commit to Succeed.

As an independent company with no shareholders, we have only to discover innovative drugs for patients.

[1] ONCASPAR[®] is available for patients in more than 45 countries worldwide and is the leading therapy for ALL. ONIVYDE[®], the other drug from Shire's portfolio (indicated for the treatment of patients with pancreatic cancer) is marketed by Servier in more than 30 countries worldwide, except for the US and Taiwan where it is marketed by Ipsen.

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