Roman Dusil – General Manager, Pierre Fabre Laboratories Czech Republic & Slovakia



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Roman Dusil, GM of Pierre Fabre Laboratories in the Czech Republic and Slovakia, shares how the Czech affiliate is ahead of Pierre Fabre's global transformation of the convergence between the dermo-cosmetic and pharmaceutical verticals.

In dermo-cosmetics, Dusil explains the dynamics of the Czech pharmacy market and emphasizes the company's efforts to catch up with its competitors in the digital space. In pharmaceuticals, the affiliate is gearing up for the launch of Pierre Fabre's new combo cancer therapy in multiple indications.

When we met with Eric Ducourneau, he explained how Pierre Fabre has changed its global slogan: "from Health to Beauty" becomes "Taking Care, Living Better" to better reflect its focus on patients' health and well-being alike. In line with this new vision, the two business divisions of the Group are becoming increasingly close to each other. How is this change reflected in the Czech Republic?

To begin with, I would like to emphasize that I completely share the new vision of the company. Our brand-new motto, "Taking Care, Living Better," better portrays the company's aim to help individuals live longer while improving their quality of life, thus making the world a better place. At the local level, we need to continuously reinforce Pierre Fabre's mission and translate it from an

abstract to the real world by showcasing concrete examples.

Before this transformation, Pierre Fabre used to have two separate General Managers overseeing our two different divisions (pharmaceuticals and dermo-cosmetics) in most affiliates worldwide. The Czech Republic is slightly ahead in implementing the new organizational model, as I have been managing both divisions for the last three years already. In addition, the structure of the Czech affiliate already reflects the new global structure – a single company divided into business units according to product portfolio.

How good of a year was 2019 for Pierre Fabre in the Czech Republic, and where do you see the growth coming from in the future?

We exceeded ourselves in the pharmaceutical area, now called the medical care business unit. We grew by 18 percent, mainly driven by oncology and mature products in other treatment areas. However, we expect a flat growth in 2020 as the patent of our main oncology drug is expiring, and the decrease will not be immediately compensated by the launch of our new cancer treatment.

In dermo-cosmetics, we are growing at a slower rate, slightly below our expectations, but we did see an increase of nine percent compared to last year. The development of the cosmetics industry is being carried by the growing Czech economy leading to higher consumption levels. In 2020, we expect revenues to increase by eight percent as the economy is slowing down.

What are your priorities for the coming years?

Our first priority is to grow our presence in oncology through the launch of our combo therapy in multiple indications. The therapy is approved by the EMA for BRAF-mutant metastatic melanoma and is now being reviewed for metastatic colorectal cancer. Melanoma is a rather small indication in the Czech Republic and Slovakia. In Slovakia, the treatment is already reimbursed, and we have started treating our first patient. In the Czech Republic, we are completing final negotiations with payers and authorities for pricing and reimbursement. We hope to start treating the first patient in April, as our best-case scenario, and July at the latest.

Colorectal, on the other hand, is the second most predominant cancer in the Czech Republic, and an area with a high unmet medical need. Our combo therapy represents a ray of hope for patients. Last month, Pierre Fabre released very encouraging Phase III data showing a marked improvement

in median survival compared to the current standards of care.

In medical dermatology, next year we hope to launch a treatment for actinic keratosis, a skin disease with increasing prevalence worldwide due to the combined effect of sun damage and population ageing.

Finally, in dermo-cosmetics, we focus on developing our leading brand Eau Thermale Avène, as well as other brands with good potential such as A-Derma, Ducray and Korane.

In dermo-cosmetics, you stated in a 2015 interview your ambition to become the number one or two player in the Czech market in the next five years. Have you reached your goal?

Not yet, but it remains our goal. While we are slowly gaining market share, we are not moving fast enough to become number one.

The main hurdle preventing us from becoming the market leader is the increasing power of distribution chains. The market in the Czech Republic is dominated by pharmacy chains, namely Dr.Max and BENU. Dr.Max, the market leader, is developing and pushing its own private label brands, making it difficult for Pierre Fabre and other companies to compete.

The second challenge is the behavioural shift of final consumers who are moving online. Pierre Fabre was late to enter the digital space as it was not in the company’s DNA and, as a result, we have underperformed in e-commerce and other digital platforms in the past. However, digitalization is now fully integrated in our business transformation. We aim to accelerate the development of all digitals tools to catch up with our competitors. This is crucial as online cosmetic sales are much more developed in the Czech Republic than in the rest of Europe, and even the rest of the world, excepting some countries such as the US or South Korea. In the Czech Republic, e-commerce is estimated to represent 20 percent of total dermo-cosmetics sales.

In order to bridge the gap, we recruited a Digital Manager focused on defining and implementing a digital strategy, as well as educating other employees. Moreover, while in the past we used to craft digital content independently, nowadays we are working tightly with our headquarters to communicate the same content and messaging globally at the same time. We also collaborate with HQ to understand and share best practices.

Pierre Fabre’s focus in dermo-cosmetics is on medicalizing its brands and, as a result, the company mainly distributes its products in pharmacies. However, as you mentioned, the Czech retail environment is dominated by vertically integrated pharmacy chains, unlike France where most pharmacies are independent. How do you position yourself as a medical brand in this environment?

We will continue to medicalize our brands through dermatologists who are the most trustworthy source of information in the eyes of patients. The aim is for dermatologists to recommend our dermo-cosmetic products in synergy with prescription drugs or when the condition is not severe enough to receive a prescription.

Moving forward, our strategy will remain unchanged: our products will only be available in pharmacies because our brands are medical. However, we need to increase our presence on e-pharmacy platforms. In the digital space, reinforcing our medical branding to consumers is more complicated. In this regard, we have launched a new initiative focused on precision marketing. We need to understand the behaviour of the consumer prior to defining the most appropriate marketing strategy via our website, social networks and other platforms.

As we have heard from other consumer healthcare players such as Bayer and Sanofi, on the Czech market, it is very difficult to succeed in a specific category without having the best brand awareness. What has been your strategy to increase awareness of your key brands?

Our strategy is two-pronged. The first goal is to communicate the DNA of our leading brands, including the core ingredients of the products. In the case of Eau Thermale Avène for instance, the DNA of the brand lies in the thermal spring water shaped by its unique mineral content. The second goal is to explain the benefits of our products, for instance for acne or allergy-prone skin, through B2B (physicians and pharmacies) and B2C (website, social media influencers) channels.

On a more personal note, you have been with the company for over a decade, what keeps you so dedicated to Pierre Fabre?

Firstly, though the Pierre Fabre Foundation, the group is dedicated to helping the less fortunate and, through my professional activities, I can contribute to improving the lives of people around the world.

I also love the internal culture of the company. Even after Mr Pierre Fabre’s death a few years ago, the company continues to act as a family-owned business.

Finally, I find it very interesting from a professional point of view to manage both the pharmaceutical and cosmetics businesses. In both areas, we provide high-quality products that deliver on their promises and benefit people.

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