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Adlane Soudani, general manager of Ipsen's Algerian affiliate, lifts the lid on Ipsen's ambitions for the local market, and the company's parallel strategies to ramp up local production while simultaneously delivering tech transfer to local partners.

Ipsen has been present in Algeria for some 30 years. Could you please give us a brief overview of the company's legacy in the local market?

Algeria was actually one of the first export markets for Ipsen. Being a French company, the historic links between France and Algeria, along with the geographic proximity made exporting to the Algerian market an obvious choice. The next major milestone arose in 2008 when Ipsen decided to establish a representative office. This hugely reinforced our presence in the country. Not only did it enable better promotion of our products, but also it afforded us the potential to enlarge our capabilities in delivering medical education programs, and in public affairs thus delivering a proper face to the brand.

This direct presence simultaneously facilitated the opportunity to engage in constructive discussions with the authorities. Moreover, the rep office proved valuable in providing a better understanding of the market, the local dynamics, challenges, and regulations. In this regard, Ipsen benefited immensely from having boots on the ground in Algeria.

In 2014, we formed an agreement with AT Pharma (Hydra Pharm Group), a credible indigenous player that was responsible for the manufacturing of our flagship gastroenterology drug, Smecta®. This was the first stepping-stone in our ambition to localize production and marked the beginning of our journey in terms of tech transfer.

It is quite a common trend nowadays within the Algerian market for international drug developers to begin by teaming up with a local CMO, before seeking to build up the infrastructure for independent local production. Our rather distinctive approach, however, is to deploy parallel strategies: we will maintain our longstanding local partnerships, while, at the same time, expanding our footprint out into performing our own local production.

At the global executive level, your new CEO, David Meek, has an ambitious plan to transform Ipsen and align the company with the latest advances in medical science. How is this restructuring program trickling down to the level of the local affiliate?

That is absolutely right. David seeks to develop Ipsen as a commercial powerhouse in oncology while simultaneously bolstering our pipeline and R&D capabilities. This actually aligns very neatly with the needs of the Algerian market and what we envision for our company here.

Firstly, the government is prioritizing the nurturing of a local biotech culture and that coincides very nicely with the move towards innovation and specialty care that Ipsen is undertaking globally. Secondly, in the light of the epidemiological transition that Algeria is presently going through, cancer is one of those areas where there is great unmet need to respond to. Ipsen is already one of the top 20 players worldwide in oncology and this is a therapeutic area that we are prioritizing so we feel we are going to have a great amount to contribute locally.

You have been country manager for five years. What have been the main challenges that you have encountered so far during your tenure?

The pharmaceutical market has changed drastically over the last five years. The main challenge is very much to understand these changes, and to anticipate what is coming next before it actually happens. Agility, foresight and the boldness to be a first mover are the sorts of qualities that you need to be successful in a market like this.

The first issue that we have found ourselves having to both preempt and adapt to has been the steadfast manner in which the authorities have been emphasizing local manufacturing and local investment. There are several regulatory revisions that have been implemented, which have definitely tipped the balance in favour of local manufacturing. Pharma companies that rely solely on importing their products are finding themselves increasingly marginalized and locked out of the market.

Furthermore, the competition is becoming fiercer which is forcing all players to raise their game. Today we find ourselves having to face down the competition on two fronts simultaneously. Not only do we perceive strong competition from additional multinationals that are now belatedly entering the market, but local manufacturers are becoming more robust and resilient. Homegrown players are fast developing into formidable competitors.

Thirdly, the representative office status finds itself under a lot of scrutiny from the authorities. Happily, our deeply embedded legacy, longstanding experience and positioning in the market has helped us to adjust to the new context in a smooth and positive fashion.

How are you practically going about trying to accomplish these organizational changes?

My priority has been to guarantee that we were responding to all these new parameters. Thus, the main project over the last five years was to design a strategy that would accommodate these changes and to gather the requisite support for these reforms within the company.

Once the strategy had been approved, we then had to think very carefully about the implementation. Therefore, it is imperative for us to deliver on the scale, and in the time frame that we promised. Ipsen is keen to demonstrate that, we walk the talk. Managing expectations on all sides is paramount.

Another vitally important aspect in change management is the investment in human capital. For this reason, I have devoted a large portion of my time to recruitment and employee development. We

need to source the competencies and skill sets that match our vision for the Ipsen of tomorrow.

Tell us about your ambitious production plans. In December, Ipsen unveiled its intent to invest EUR 20 million in the first specialized oncology plant for the production of late peptide forms not only in Algeria, but the whole of Africa.

Algeria is a strategic market for Ipsen. The market is currently ranked tenth for the company in terms of revenue, with a turnover of around EUR 30 million. As I have said, there is an expectation on the part of the authorities for incoming multinationals to invest materially in the country. We figured that investing in yet another facility producing classically synthesized molecules would not deliver any real value-add in terms of "know how" and tech transfer. Hence, we decided to bring innovation in the form of manufacturing Decapeptyl®. This has several indications. The main one is for the hormonal treatment of locally advanced metastatic prostate cancer that can be now injected subcutaneously too. A plant dedicated to Decapeptyl® is bringing true innovation and is a first for both Algeria and Africa.

We will also continue to forge partnerships with local companies. We view it as important to deliver tech transfer to local companies, which will aid the development of the local industry and assist with indigenous efforts to scale the value chain. For this reason, we have extended and prolonged our historic partnership with AT Pharma.

How easy is it to find local partners of the quality that you need? Is there a sufficient volume of local contract manufacturers to meet the demand?

In my experience, the quantity of players in the market is not the real issue. What is more important is their credibility and the quality of their products. In my opinion, it would be preferable to have a smaller number of local players, which we could help develop through tech transfer into Algerian multi-nationals that can hold their own on the international stage. What is happening with a select handful "such as Biopharm, AT Pharma, Merinal and so on" is that they have been audited by big pharma, and after that there is interest in partnerships and development.

Do you find it straightforward to find the local partners that you need?

Our relationship with AT Pharma is interesting as it is a distributor for Ipsen. In fact, we signed the manufacturing agreement prior to the construction of their facilities. As a result, we really had to work with them to complete this project. They have grown alongside us. Nonetheless, we are very satisfied with the results, and view it as a success story, to the extent that we are enlarging our production partnership to encompass several new products.

For the new industrial footprint for manufacturing Decapeptyl®, you identified Isly holdings. What makes them the perfect partner

It is necessary to mention the 51-49 agreement here in Algeria that prevents us from setting up our business on our own. Thus, we needed a local partner. While this could be a hurdle in the beginning, once the market and the regulation are understood, I think such a partnership under this law could

be acceptable, or even beneficial. Regarding the due diligence to find a partner, we hired the services of a law firm CMS Francis Lefebvre and together reviewed the capabilities and reputation of several potential partners. We determined that Isly Holdings was the company that was best suited to this partnership.

If we look at Ipsen's local portfolio, which spans oncology, neuroscience, rare diseases, and consumer healthcare, what are the strongest performing products in Algeria

As we have a long history in the country, our portfolio in consumer healthcare represents 50 percent of our sales. The remaining part consists of oncology. The growth is driven by oncology. We also invest a lot in medical education. We have projects, including exchanges between French and Algerian oncologists and urologists to share best practices. This is one of numerous examples. In terms of market share, we are leaders in almost all our therapeutic areas, so we are very well embedded in the country.

How do you see demand evolving? Given your emphasis on oncology, the national cancer plan must, therefore, be beneficial for the demand of Ipsen products.

Not only this, but the changes in the structure of the population itself will increase demand. The population growth is around 1 million per year, so the market is growing. The IMS predicts this growth will be seven percent annually. Therefore, we see potential, even if the market itself is difficult to manoeuvre in.

How is Ipsen's relationship with the authorities?

I think that we have a constructive relationship and a good dialogue with them, particularly in the projects where we have collaborated. The authorities have their own expectations, but at the same time, we have our own constraints. Thus, a constructive dialogue is very critical, so we can fully understand one another.

Given your successes are you are leading in many of your product categories are what are your main challenges today?

Our main challenges are to deliver the projects, to succeed with the tech transfer with AT Pharma, and to see the factory producing Decapeptyl. The other challenge is to surmount the difficulties with import restrictions. While we are shielded somewhat by our base in oncology, where the national cancer plan has ringfenced imported products, we would prefer to not have these restrictions.

You will hear from my peers that the pharma market in Algeria is very difficult. Yet, you will hear the same from Country managers in Germany or Russia. I believe that all markets have their challenges. I think there are more opportunities in Algeria than difficulties, provided you understand the expectations, you have a clear strategy and are willing to accept setbacks. At the end of the day, it all comes down to your ability to decipher the dynamics of the host country and be able to adapt to fit the local contextual environment.

Ipsen is making a success of the market. What advice would you give to entrepreneurs looking to invest in Algeria and make a success of the market?

It is necessary to try and see the market from a local insider's perspective, not only from a management perspective. Otherwise, you risk going astray.

Finally, you have spent five years at Ipsen. As general manager, what is your management style?

Firstly, it is trust. I have worked to create a trusting environment. The second pillar is investment in people. I have invested a lot in employee development and promotion. These two characteristics are the basis of my management strategy.

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