

Interview: Frédéric Fasano CEO, Servier Canada



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Looking back on 40 years of commitment to Canada, Servier also celebrates 20 years of R&D activity in the country. On this two-fold anniversary, Frédéric Fasano highlights some of the company’s more recent achievements in terms of portfolio growth and partnering efforts, while also addressing some of the challenges Servier meets in Canada today.

Servier Canada was established in 1978, celebrating 40 years of presence in Canada this year. Given this long history in the country, how does the Canadian affiliate fit into the global group strategy of Servier?

The Servier affiliate in Canada is the third largest one for the group globally, employing over 300 collaborators. Not only does it celebrate 40 years of presence and operations in Canada this year, but it has also a history of 20 years of R&D activities in the country. This double anniversary underlines the importance of Canada for Servier and our dedication to the country. Because of its geographic position in close proximity to the USA, and its close cultural link to Europe and in particular France for us where we have our global HQ and North America. Servier decided to bring R&D to Canada, wanting to truly tap into Canada's research and innovation potential to leverage on its world-class infrastructures, its scientific talent pool in a variety of therapeutic areas, its excellence in terms of fundamental research and clinical trials capabilities and therefore on its global tier-1 life science ecosystem.

You describe an innovation-friendly ecosystem. How is it characterized?

I think Canada lists several outstanding qualities in terms of attracting R&D investments.

The first is the large talent pool and the scientific expertise available. Canadian scientific leaders in different therapeutic areas are world-class leaders publishing regularly in the most prestigious medical journals. The second is Canada's infrastructure and facilities. In Montreal alone, as a medium-size urban area, there are several brand new mega-hospitals recently inaugurated like the CHUM or the Glenn Campus. In Toronto (Ontario) the Princess Margaret Hospital, the Saint-Mickael or the Toronto General Hospitals, in Vancouver (British Columbia) the Saint-Paul or the VGH and also in Edmonton or Calgary (Alberta) with the Libin Institute and the Mazankowski Alberta Heart Institute are all centers of excellence in well-developed focused areas. Furthermore, Canada boasts a series of incentives like research-based tax credit programs (SR&ED) which support and encourage investment and render Canada, and some provinces in particular, like Quebec, particularly attractive.

Finally, it is also because Canada is still enjoying a business-friendly environment that we are encouraged to continue to invest here, rather than in other places around the globe. Canada is competing at a global scale, and the competition to attract the R&D dollars is becoming tougher as new players are emerging.

What have been some of the significant achievements from your clinical team in Canada?

Servier Canada provides complementary research for international phase II or III projects. At those stages, the multi-centric designed trials require key countries to participate in order to find the right experts working on the trials, and Canada holds its spot within the list.

Over the years, there have been a series of contributions, but one of the most significant was the significant participation of Canadian centers into the Lancora's clinical program. Lancora is an innovative first-in class medicine which was made available in Canada two years ago. It is an indicated for patients suffering from chronic heart failure, being in sinus rhythm and having an elevated heart rate on top of standard treatment.

Thanks to the Canadian contribution, and in particular to the leadership of the Montreal Heart Institute, this treatment option has demonstrated in a landmark CV-outcome trial to be able to reduce the cardiovascular mortality and the rate of hospitalization for worsening heart failure in these population of patients.

It was truly rewarding for our affiliate here to see Lancora reach the market and now witnessing the benefits it brings to patients in Canada.

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When driving forward research and innovation, Servier also partners on the local level, as recently with Treventis in the research of neurodegenerative diseases (Alzheimer). What is Servier's agenda in encouraging the potential of researchers in Canada?

First of all, the scientific and business partnerships, like the one with Treventis, are becoming increasingly important to maintain the R&D productivity. This comes as a result of a major shift in our business model from all internal to balanced internal/external research capabilities.

In this context, we try very hard to contribute in training tomorrow's talents for the pharmaceutical industry. For instance, we collaborate with the UoM (Université de Montréal) on building expertise in pharmacy-related studies, training young talent to become not only excellent pharmacists, but fully-fledged executives of the pharmaceutical industry. Servier further collaborates with structures such as CQDM (Quebec Consortium for Drug Discovery) for diabetes and related kidney diseases, thus encouraging the integration of young experts and students in research-related activities.

Canada and Quebec in particular have the required ecosystem to maintain a high level of expertise with the renewal of the workforce. The universities in Canada are doing extremely well, and they are very attractive, also compared to the USA, as studies in general are more affordable here. Canada is an open country from the cultural perspective and the country embraces diversity, and young students feel naturally attracted to come over here.

What is Servier's portfolio strategy in Canada?

Our portfolio strategy is built along two set of opportunities. The first natural one is coming from Servier's global portfolio, and the second complementary one is a result of our local business development efforts at the Servier Canada. Our proximity with the USA allows us to be highly productive when looking for partnerships with US-based companies. We establish collaborations with them, in order to introduce products to Canada which have been already registered south of the border. Recently, we underwent two such collaborations, one in oncology with Spectrum Pharmaceuticals, and one for a new oral anticoagulant drug with Daiichi Sankyo.

Overall, Servier's portfolio today has a strong set of assets in the cardiovascular space, having registered four products within the last 18 months in this therapeutic area. Moving forward, the focus will revolve around bringing oncology products to Canada. A first one has been registered recently and we plan to make it available for Canadian patients suffering from Non-Hodgkin lymphomas in the upcoming weeks.

How would you describe the Canadian market in terms of overall attractiveness, in pricing, access and reimbursement?

Canada bears the characteristics of a pharma market of a developed country, with one major segment of the market being quite dynamic in terms of welcoming innovations and new treatment options like Oncology, Diabetes, Infectious diseases or Rare diseases and a second segment related to large chronic diseases such as hypertension, hyperlipidemias or depression being common conditions but nowadays well treated with cheaper generic solutions. In Servier World, Canada is classified as being an "Innovation first" country where your sustainable growth is mainly coming from an innovation.

Globally the environment is a business friendly one. However, while Canada also remains a sizeable market belonging to the world top-10 markets, issues like pricing and a lengthy time to market period alter this positive image. Filing to an HTA (Health Technology Assessment) jurisdiction for a pharmaco-economics evaluation is really just the first step in Canada. Then you have to undergo a budget impact analysis followed by pricing negotiations and a new round of discussions to obtain reimbursement. All of these layers do not overlap, and thus, obtaining a listing agreement can take two to three years. Those years are three years of patent protection spent waiting for documents, and a real element of concern for companies such as Servier. We support the idea of a simplified, integrated and efficient regulatory process which should be accountable for a time to list performance indicator and we try do advocate for that to maintain Canada as a tier 1 country.

Frédéric, you are also the chair of IMC (Innovative Medicines Canada), both in this function and your role as CEO of Servier Canada, where do you see need for more collaboration between the public stakeholders and the industry?

The most important base for collaboration is open, meaningful and productive dialogue. However, I have today the impression that this dialogue is not enough between the federal government and industry in Canada. Instead of differentiated analysis of concerns and needs of all stakeholders, assumptions are being made. Those often lead to ill-informed decisions on reforms, leading to a system where you even lose sight of what the initial issue you set out to fix was.

I am convinced that through open dialogue and meetings, solutions could be worked out. When it comes to pricing innovative medicines for instance, public payers consider that prices are too high, while the industry, knowing the cost of innovation and the cost needed to sustain its pipeline (in which nine out of ten products fail), want a price that will allow them to remain sustainable and possibly grow. None of both groups holds a monopoly on truth in this case, but instead sharing our perspectives will, with no doubt create value for both parties. Business has to be made to support innovation, but it is also the responsibility of the industry to make innovation available for patients; payers have to ensure a sustainable system but they should not hinder innovation and discourage business ventures by putting too much pressure on price.

Every country within the OECD is asking itself and its system the same question of sustainability of its healthcare system, and part of the answer is that while there is no ready to use answer, each stakeholder has to contribute part of it. Decisions have to be assessed according to the requirements for sustainability of each stakeholder, while taking into consideration the simultaneously issued requirements of the others. The necessity to work together is primordial, simply because all roles in the system are intertwined, and deciding selfishly on one reform may impact the ecosystem as a whole in a disproportional and durable manner.

While some provincial governments have recognized the potential of life sciences as an economic growth factor, on the federal level, this is still relatively absent from the discussions. I think that one of the main issues is simply that the various stakeholders have rarely sat down together at one table.

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How do you then fight Canada's corner at the headquarters of Servier?

As one of Servier's key affiliates, it is our primary role to contribute to reach the global goals, Servier has set for itself to stay sustainable. In our specific situation, we will try to achieve much through portfolio work: Servier Canada is dedicated to gain new assets in order to compensate for loss of exclusivity of other assets.

But on this other hand, we also believe that Canada is a tier-1, innovation first country where R&D investments are integrally part of our development plan. We are often and truly advocating for Canada because it is as beneficial to Servier as it is for Canada, to do research activities here.

Consequently, on top of leveraging the different assets of the country, be it the talent pool or the high-quality infrastructures, we also discuss the political environment in terms of how much supportive of the life science sector it is, and the business environment in terms of market potential and market access conditions.

Canada is a country supporting life science sector within the six priority sectors to drive economic growth in the future, and some example of life science strategies put in place (in Quebec for instance) are sending the right message to Industry.

On the contrary, we are facing upcoming reforms like the PMPRB one (Patented Medicine Pricing Review Board) which may lead to unintended consequences and send an opposite message. We are questioned by our Global on this perspective and therefore consistency of the political message and the predictability of the environment is key for me as a CEO in order to attract more investments to Canada.

Are there best practices that can be exported from the Canada affiliate to the rest of the global group?

Certainly, first we have been very successful at adopting a collaborative spirit in order to work on establishing partnerships with US-based partner companies. Partnering processes are highly demanding for the whole team. Adaptability and a solution-oriented mindset is instrumental in order to execute on the project management side, because those projects are rather complex. All efforts are rewarding and at the end of the day collaborations create value.

Second the cross-functional mode is everywhere in the company, and we have worked a lot to empower our collaborators and to raise the bar for accountability in the decision-making process.

Third we have worked hard as well around the management of innovation within the affiliate. From the evaluation all along the business case building process have been taken as a model within the Group. One example of that is around e-health. Servier has been dedicated to its WeHealth program. While the lead remains in Paris, Canada has been identified as an affiliate holding opportunities for assets to be brought in fast and the ability to develop them accordingly.

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