

Interview: Jerome Bouyer - General Manager, AbbVie France



17.03.2016

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Boasting a more than 14 percent growth rate in 2015, AbbVie has cemented its status as a top 20 pharmaceutical company in France. Sharing the unique relationship the company has with France, general manager Jerome Bouyer offers an optimistic view of how the French healthcare sector can best be structured to meet 21st century demands.

How would you characterize AbbVie's performance in the French market over the year and a half that you have been the general manager?

Considering our achievements in 2015 alone, we have reached some major milestones at AbbVie France. We have made major revelations for patients of HCV with developments of our new-generation treatments that display qualities to cure the disease in ninety-five to one hundred percent of cases. Along with being a major achievement at AbbVie, it also marks a major revolution in the quality of patients' lives.

Regarding performance, AbbVie has been able to sustain remarkable growth at 14.4 percent in a market that is displaying growth rates close to zero percent. Thanks to innovation, which is a major component in AbbVie's lifeblood, we have expanded our presence in sectors in which we have well established ourselves, and we are looking forward at opportunities in immunology as well as oncology, which is a new venture for us. We are a top-twenty-company in France, just recently moving up from eighteenth to sixteenth position, thanks in part to our growth. Indeed, we are the third top company in France in terms of overall growth rate.

2015 is also a year of major achievements for us in terms of people development. Reviewing our internal mobility-rate, meaning the rate at which our employees change positions, twelve percent of employees at AbbVie France have taken on new responsibilities in 2015, emphasizing a dynamic of change within our company. The model by which we develop our employees at AbbVie lends itself to high internal mobility. This has been well received by our employees, as well as a point of pride garnering us the status as Top Employer in 2015 and 2016 and Great Place to Work in 2015.

A globally renowned biopharmaceutical company with the passion of both an entrepreneur and innovator, AbbVie has now become a multibillion-dollar industry leader with more than 28,000 staff members spread over 170 countries. From your perspective, how does France contribute to and help maintain this positioning?

France is of tremendous importance for AbbVie in terms of R&D and access to healthcare, as well as the high standards of care upheld in this country.

Despite having no traditional manufacturing or formal R&D international sites, France remains very important to us when it comes to innovation. Over the last three years, international clinical studies conducted in France have more than doubled, particularly in studies pertaining to oncology, which is a new sector for us, France has proven to be a high priority country for AbbVie until now. The same can be said for studies related to our research on HCV, where patients in France made up approximately ten percent of the total three thousand patients over 25 countries. Even without R&D or manufacturing sites, AbbVie has a direct footprint in R&D and medical activities, and this is significant in France and for the company as a whole.

Our footprint is also demonstrated by the fact that AbbVie France hosts two separate regional headquarters. We host the regional headquarters for Western Europe and Canada, as well as the headquarters for Eastern Europe, Middle East and Africa. We are one of the last major foreign companies to have the distinction of having headquarters based in France.

Committed to solely patient-centered innovation, AbbVie has developed a comprehensive portfolio of therapies spanning immunology, virology, neurology, oncology, and even women's health. What segments of the portfolio have exhibited the most promising demand prospects in France?

Immunology still presents many opportunities in the field of R&D, including the pediatric field – it is important to note that it is not necessarily the number of patients that leads AbbVie to conduct research, but rather finding treatments for patients, including the most fragile. Even though we are experiencing success with the new generation treatments in HCV, this does not mean that our efforts are a “one-shot” deal. We are still investing in HCV to find new treatments (e.g. pan-genotypic and of shorter duration). Another major sector of development for AbbVie is our expanding efforts in oncology. We are currently investigating fifteen different tumor types, with a goal of shifting the paradigm when it comes to cancer treatments.

What is the competitive advantage of AbbVie products that allow them stand out from the crowd?

The added value and efficacy of our treatments is a particularly strong point. The model by which we approach new therapeutic areas, as we have done with HCV, has been to find new treatments that can transform patients' lives. It is also an integrative approach that goes beyond the molecule. It is the same “way we work” for all our therapeutic areas: think first of the patients, to have a remarkable impact in their daily lives with the disease. One instance of this integrative approach is the connectivity in the services we have developed for patients suffering from IBD (Inflammatory Bowel Diseases). Through our app “Carmelia” we are able to allow patients of IBD to enter data relating to their health and monitor their developments, all while staying connected with the health professionals of their choice. This integrative difference goes beyond the drug. By adding special focus on the patient, we are able to provide a higher caliber of treatment and wellbeing.

France is known for its complicated regulatory environment and the difficulty of its pricing and reimbursement processes. What has been your experience in dealing with market access issues?

When discussing market accessibility in France, it is crucial to look at the big picture. France has fantastic capabilities in academics with a high caliber of R&D, which is very attractive. The level of reimbursement is still satisfactory, as patients have access to new treatments overall. There are rigorous, distinctive early-access systems in place such as "Temporary Authorization for Use" (ATU) and "Recommended Temporary Use" (RTU). Research tax-credit schemes also add to the attractiveness of France for innovation and R&D.

The sustainability of these assets in France is a different matter. The drug situation is definitely facing challenges. Of total healthcare spending, the budget allocated for drugs makes up approximately fifteen percent. Where budget cuts are concerned, the pharma industry accounts for fifty percent on an annual basis, as the typical target for savings. It is not to say that no cuts should be made for pharmaceutical companies, but there must be a recalibration. The pharmaceutical industry cannot be expected to shoulder the bulk of savings needed in the system. Instead, there needs to be a more sustainable view taken which looks also at where savings can be made elsewhere in the system. The pharmaceutical industry is highly productive and active in France, including production and R&D sites, bringing new treatments to the market and contributing to the overall ecosystem in a very positive manner. This targeting of the pharmaceutical industry goes beyond challenges to market access, as we also face a highly critical public perception often driven by media.

You mention the need to rebalance the perception of the pharmaceutical industry. What are some areas where you believe most change is necessary?

When savings need to be made, administrators often first target price but where cost is concerned, we are consistently among the bottom of European drug price levels. Unfortunately, on the subject of drugs, everything is always narrowed down to price. Rather than focusing so intently and immediately on pricing, first we should reach consensus on defining what innovation actually means, and how to measure and value the impact of this innovation. For example, in the event that a treatment, such as an anti-TNF drug in IBD allows patients to return to work earlier without the need to take sick leave, this has an added value for society. Yet nowhere is this accounted for in the evaluation of the drug. We need a comprehensive and holistic discussion on these matters, which must be integrated into our ways of thinking about the healthcare industry.

Then beyond pricing, we must have constructive discussions on how to fund innovative drugs. Regarding funding, when looking at our drug envelope voted by the Parliament on the Government proposal, it is negative one percent of the previous year. This is the infamous "L Tax" where in the event we go above negative one percent on our drug spending, we are taxed. This becomes a sentencing to decrease capabilities, and it is a direct detriment to growth, which stems primarily from innovation. Viewed another way, this is a deliberate punishment to innovation, and ensures stagnation in the market. The healthcare sector allowed growth (ONDAM) is +1.75 percent annually but drug companies are held at negative one percent growth. The question is "How could we optimize the healthcare sector and consider it as a whole?" The essential paradigm shift is viewing healthcare not only in terms of cost, but also as a long-term investment, which would encourage a more efficient allocation of funds. To that end, I believe that only a collegial and collective action will find solutions, to provide the patient with optimal care and access to the best therapies in a sustainable way.

What do you want to achieve with AbbVie France over the next five years?

Oncology will continue to be a focus of attention, and we are aiming to have an established portfolio in this pathology, even to help patients suffering from the most serious cancers and more difficult to treat. Immunology and HCV will also be focus areas, as well as enlarging our portfolio in some other

specific & targeted therapeutic areas. But above all, our deep ambition and our daily driver are to continue to bring innovations in chronic diseases that will, every day, transform patients's lives. Thanks to these innovations, we want to remain one of the top 20 fastest growing pharmaceutical companies.

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