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Lupinâ??s EMEA President Thierry Volle explains that to fuel growth in the EMEA region, Lupin is investing heavily in transforming the business from a generics company into a specialty pharma player.

Mr Volle, given your background in the innovative pharma sector, what was it that attracted you to join Lupin?

Lupin is still relatively new to the European market, and considering the companyâ??s success in the US, Japan, and India, there was significant room for growth and development across the EMEA region. My background is in the innovative pharmaceutical industry and I admit that the generics business as such was not a significant draw at first. However, when I met Lupinâ??s CEO Vinita Gupta I was fantastically impressed. She is really a visionary leader with great ambitions and a strong understanding of how this business can succeed, and when I looked at the opportunities and challenges ahead of Lupin in the EMEA region, I found that many of my ideas were very well aligned with her vision. Once that was clear, I was excited to take on the challenge of building Lupinâ??s European business.

What is this vision that you and Lupinâ??s CEO Vinita Gupta shared for the company in the EMEA region?

Our strategy for the EMEA region is to focus on building a specialty care business. Generics prices are much lower in Europe than the US; in fact some generic-drug prices in the UK are actually lower than they are in India. As such, we see more growth potential in specialty care areas and will focus on developing a business in this area while also fostering the development of our generics portfolio.

Transforming a generics company into a specialty care player is an engaging challenge in terms of change management, developing a new mindset and mentality, bringing in new competencies, and carrying out the necessary structural or administrative changes. Having the opportunity to lead this metamorphosis was particularly interesting.

What was your impression of where the Lupin EMEA business stood when you joined the company?

I would say that we have a very balanced business between Europe and the Middle East and Africa. Breaking the region down into more manageable pieces has been my task. Our European business is still very much underdeveloped given what I see as its true potential. We will continue building our presence in EU while assessing further growth opportunities in the CGGs & South Africa.

Overall, what is the regionâ??s contribution to Lupinâ??s global business?

Europe still represents an under-tapped resource for Lupin compared to the US, Japan but in parallel we have been scaling up the business gradually and now growing at 25 percent and we expect this upward growth momentum to continue over the next five years. We are also, on the other hand, considering inorganic growth opportunities via strategic acquisitions to add to our business in Europe.

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In terms of development, the EMEA region is a major driving force behind the expansion of in-house projects to develop specialty care products. We have conducted significant analysis of our prospects across various specialty care areas, and have identified three in which we feel Lupin can be particularly competitive. One of the therapies that we would like to grow into is neurology. In order to kick-start our business in this area, we have recently acquired a German company called Temmler. Lupinâ??s neurology business will be our flagship business in Europe, to be followed by our expansion into two other specialties that will be disclosed during 2017.

Why has Switzerland been selected to host your EMEA headquarters, and lead the expansion of Lupin across the EMEA region?

Originally, our EMEA HQ was based in Manchester in the UK, but Lupin moved to Switzerland two and a half years ago. This decision was made for three reasons: the strategic geographical position of Switzerland at the center of Europe, the favorable business environment for life sciences including fantastic human resources and talent, and finally structural considerations such as Switzerlandâ??s attractive intellectual property regime and low corporate taxes. The Canton of Zug is the most business-minded Canton in Switzerland, and they have done an incredible job in building a business-friendly environment, specifically for global companies. We are one of many international corporations to settle here, and very much appreciate our proximity to the rest of the greater ZÃ¼rich area, and the world class pharma cluster in Basel.

What are some of the challenges you have faced in driving Lupin EMEAâ??s transformation from generics to specialty pharma company?

Lupin EMEA HQ operations in Zug is home to over fifty professionals who represent over 29 different nationalities; a multicultural and diverse workforce. Our diversity is also an excellent indicator of the companyâ??s internationalized character, which we see as a strong asset. As such, Lupin is a very open-minded, accepting and adaptable organization â?? very progressive actually.

That said, accomplishing a significant transformation within the company and moving from a generics mindset to a specialty care mindset could still be quite challenging. Specifically, given their experience; of molecules instead of brands, and associate words like pricing and market access with discounts. Thatâ??s a very different mindset that that of someone who works purely in specialty pharma. For the most part, we have been able to restructure our teams and reinvent the EMEA operations as a new company, and in some specific areas like market access we have also brought in some new expertise & world class talent.

How do stakeholders in the industry view Lupin, particularly given the companyâ??s Indian identity?

Lupin is one of the most vertically integrated pharmaceutical companies in the industry and manages and operates a global manufacturing network over 15 manufacturing facilities spread across the US, Japan, India, Brazil and Mexico, all of which are regulated and audited to cGMP as laid down by some of the leading regulators in the world, be it the US FDA, the WHO, UK MHRA, ort EMA among a host of others.

Quality at Lupin dictates everything that we do, right from our research laboratories to our global manufacturing operations, to the way products are designed, manufactured and delivered to our customers and patients across the world. Everything designed and engineered to ensure that the products that we develop and manufacture must consistently meet quality and cGMP guidelines as laid down by governments and regulators around the world.

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A 700+ strong Global Corporate Quality Assurance team across all our manufacturing sites is not only engaged in developing and implementing policies and quality guidelines for operations but also responsible for ensuring that the company stays current with an ever-evolving and rapidly changing regulatory policy framework globally. At the same time, the company continues to maintain focus not only on building new systems, adopting new technologies and smart automation but has also been investing in continuous learning and development programs that keep Lupin current with cGMP guidelines; instilling and ingraining quality and compliance deep into the very DNA of every Lupin product. The Quality and Regulatory Compliance standard that we have set for ourselves has become a distinctive differentiator that has made Lupin amongst the most exciting growth stories in the pharmaceutical industry globally.

As such, many within the industry see Lupin as an innovation-driven transnational pharmaceutical company, that shift has already happened over the last decade or so. Not many people know us given our nascent presence in Europe but that is a work in progress and I see us bridging that gap over the next five years as we expand our specialty footprint. For example, if you were in the United States, Lupin is almost perceived as an American company given the scale of our operations there and for good reason â?? Lupin is today the fifth largest pharmaceutical corporation in the US (by prescriptions, 4.68% market share â?? IMS Health, National Prescription Audit, March 2016). We are also well perceived in Japan, a market that is hard to penetrate for cultural reasons and also has very strict quality standards. Lupin was amongst the first and few global generic majors to enter the Japanese market in 2007 and since then we have expanded our research and manufacturing operation and grown our business manifold to emerge as the sixth largest generic player in the Japanese market.

All of this has happened over a short span of time, in ten years and truly because of the consistent, incremental investments that Lupin has made in Research and Development which today stands at close to 15% of our global revenues of USD 2.09 billion. Lupin has invested more than USD 1 billion in R&D over the last five years. We are today investing in creating a quality global pipeline of specialty and complex generic products, Biosimilars as well as Novel Drug Discovery & Development (NCE) and Delivery systems that we are sure are going to propel us to scale higher orbits of growth over the next five years. And Europe is going to be a part of that push for incremental growth. Going forward, our specialty pharma projects for the European markets will underpin a global approach towards specialty care. Even though many investors and executives have expressed concern about the risk associated with these investments given the uncertainty and timing associated with them as well as our nascent presence in Europe, I remain upbeat about our future as a niche specialty pharmaceutical company in Europe.

What is your five-year vision for Lupin within the EMEA region?

My vision is to develop the EMEA business as a meaningful third pillar within Lupinâ??s global business. We aim for the EMEA entity to become the third largest export market for the company, after the US and Japan. To make this happen, I would want to see significant progress of building our specialty care business over the next few years, and see the company establish a solid presence in all big five EU markets. In addition, we must also continue our strong growth in emerging markets like Russia, South Africa and the GCCâ??s, as well as expand into new promising markets such as Poland.

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