

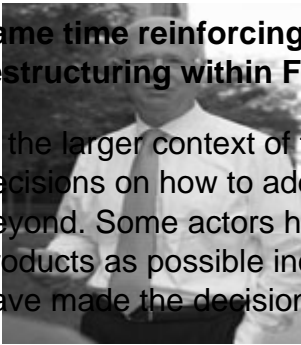
Interview with Mike Seeley, Senior Vice President of Europe, Director General, Bristol-Myers Squibb France

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Mike Seeley, Senior Vice President of Europe, Director General, Bristol-Myers Squibb France, would divesting from their facilities in Epernon and Meymac but at the same time reinforcing manufacturing in Agen. Could you speak to strategy of this restructuring within France and what it means for the future?



In the larger context of the industry, we are at a crossroads where all of the companies are making decisions on how to address the challenges before them and what they want to look like in 2020 or beyond. Some actors have decided to be equally present throughout global markets with as many products as possible including research compounds, mature products and generics while others have made the decision to be in the research business, as well as the consumer/OTC business.

BMS has made the choice to create a next generation biopharma company where the idea is to fuse the best facets of big pharma such as financial resources and reach with the top qualities of biotech like agility and entrepreneurial spirit. Once we made this decision we took the next step to focus all of our research on ten disease areas where we believe there is a serious unmet medical need. Over the coming years this will make BMS a more specialty focused laboratory so when we need to expand our reach we will do so through partnerships like those we currently have with AstraZeneca in the field of diabetes and with Pfizer for Apixaban.

Of course, this reorientation has an impact on our industrial structure which is currently more suited to the BMS of yesterday. So we are in the process globally of rationalizing our production and adapting it to a portfolio that represents the future of the company. The Epernon and Meymac sites have primarily manufactured products that are now generics and they are no longer adaptable to the concept of manufacturing centers of excellence. Therefore, the decision was made to disengage from these two sites with the primary objective of selling them. With Epernon we negotiated with many potential buyers but at the end of the day this didn't work out so we have announced the closing of the facility. On the other hand, we are currently negotiating with companies for the Meymac facility so I cannot say it is the same dynamic as Epernon at all.

Agen, where the UPSA business is located, is important for the group as a whole, especially in France and it accounts for close to 50% of BMS volumes globally. There is a center of excellence here for pain products like paracetamol and effervescents so we made the decision to develop this asset for France and an important export business. Additionally, we are increasing our capacity and employment at this location, including the relocation of 70 people from other sites.

Our vision for manufacturing in France involves adapting to our future reality as a global, next generation biopharma company.

In early 2008, BMS began a new program of reaching out and collaborating with hospitals. Two years on, where does this relationship stand and how has the company developed in the public private sphere?

The H8 engagement program is very active as well as our similar strategy for the primary care business, V7. Currently, we are in the process of combining these initiatives into a collective BMS series of engagements for institutions in the healthcare field, encompassing hospitals, pharmacies, physicians, payers and other emerging actors. The initiative has been very successful and has positively influenced the way in which the external community interacts with BMS by allowing us to communicate in ways that are relevant to them. Part of what BMS, and the entire industry, is trying to do, is move away from being solely manufacturers and vendors of pills to being a wider actor. One of the big challenges is to look forward and see what the industry will look in 2025 and adapt to this.

2008 was a very good year for BMS in France and 2009 appears to have had similar results. Can you speak to the past year and what the road ahead looks like?

Plavix, the biggest molecule on the French pharmaceutical market, went generic in the middle of 2009, hitting the market in the last quarter. We saw this coming, but the reality is that this is a painful process as it was a 600 million brand that has lost 60% in 10 weeks. Clearly, this has slowed down the growth of BMS France in 2009, and 2010 will likely be a year of contraction even though we have a number of launches on the horizon. These specialty brands will not be able to replace the size of the genericized offerings in one year but by 2011, growth should return in France.

Part of the challenge of this industry is handling the loss of big patented brands with the launch of new products as they are never perfectly aligned. Another challenge we face, which is a positive one, is the sheer number of brands we will launch: in just the last few years we have introduced four new brands in our ten disease areas. These include Sprycel for cancer, Orencia for rheumatoid arthritis, Baraclude for hepatitis b and Atripla in collaboration with Gilead for HIV. In the upcoming three years we have plans to launch six more brands. This is a great opportunity to add value for patients in fighting their diseases and also add value to the enterprise.

France is still significantly bigger than our other European markets, and it should remain the largest affiliate outside the US in the future.

In the context of a changing business environment, where laboratories shift from medicines that can cover large numbers of people to more individualized products, the role of medical visitors is changing in France. How is this affecting the structure of BMS France and your relationship with physicians and pharmacists?

There are different ways to approach this, the first being sales forces which will always be there but will have different competencies in the future. Traditional sales calls will become less valuable to physicians and to companies which means we have to invent new ways of communicating, such as looking to new channels of information like the internet and group meetings to disseminate information about our medicines. Therefore the profile of a sales representative today is not the same as it will be in the future.

Secondly, BMS and other laboratories are pursuing the challenge of "market access". We have created our own organization organized from a global to regional to country level. Currently, we are in the process of implementing this organization at the field level. The way in which we communicate with our customers has to shift because the decision making is moving away from solely doctors to

regional health authorities, payers and patient organizations. This is not only the case in France, but globally as well. Industry has to react to the fact that the patient is also much more active and engaged in their health than ever before.

All of this goes beyond just "selling pills". The mission of the industry goes far beyond that and we need to figure out when and how to better communicate with the external stakeholders. The outside environment doesn't think in terms of brand names that is an industry invention- they think in terms of diseases, budgets and policies so we need to adapt to this.

As the landscape changes, many big pharmaceutical companies are looking to diversify into nutritionals, OTCs and generics. Nevertheless, BMS seems to be going in the complete opposite direction with its restructuring: looking to fuse biotech with big pharma. What is the strategy of this shift?

Size per se is not necessarily the overall measure of success for a company. A company should be driven by what patients need and what payers will pay for. If you look at the research of BMS and our "string of pearls" strategy, it's highly patient focused and shows a belief in addressing medical need. In addition to "string of pearls", our internal development program has compounds in oncology, cardiovascular, immunology, hepatitis, Alzheimer's disease and AIDS/HIV: all of which are areas where there is a true unmet medical need. There have been eight acquisitions of compounds and companies in the past two and one half years to enhance our offerings in these areas. The most recent and largest was Medarex in mid 2009.

Consumer products and generics are a different business altogether and BMS has made the decision not to pursue this field but instead to focus on specialties. It is a question of choice in the end as each company pursues which angle they feel is best for their future.

You have been with BMS for quite sometime and have had the opportunity to work in a lot of different countries across Europe. Having settled in France most recently, what attracted you to the French market and what has the management experience been like, especially in light of the differences between Anglo and French mindsets?

France has been the biggest European business for BMS over the last 30 years. I think the company has been very successful at collaborating with the French research community as well as bringing our products to market in a flawless manner. Over the years there has been a string of successes going back to our presence in the arena of ACE inhibitors, statins, and even before that in antibiotics.

There is also a strong culture within BMS France that has led to very productive work both in terms of clinical and commercial activities. France is probably the biggest research unit of BMS in Europe with activity in more than 20 molecules and we are the only affiliate to currently participate in all of the clinical programs. This includes activity in 9 Phase I, 20 Phase II and 11 Phase III programs. Additionally, we represent 15% of the company's European recruitment. All of this is due to the fact that the French academic and scientific institutions are very high in quality and translate into an outstanding level of research.

Early research programs are where it all starts for BMS, because you gain credibility in the medical community and generate high-value data.

You've been a leader of a foreign multinational for a longtime in a variety of different countries. What would your recommendations be to a young manager sent to a foreign market, specifically France as we are here?

Speak French, would be the first thing.

I have had regional roles for a long part of my career and I was honored to be appointed to lead the biggest affiliate of BMS. In the time that I have been here I have found that the French culture can be very demanding, specifically because the way of getting to a decision is not the linear Anglo-Saxon way. This difference is likely due to the differences in the education system but you need to learn to let a discussion process work its way through. My experience has been that you will start with one issue and end with ten before getting to a solution for the original problem. However, the good part of this is that you have dug deep on a number of tangents to the issue which develop into a more robust final solution. You need to move from being frustrated by this to seeing it as an actual advantage because you are creating a pressure tested answer.

In regard to people, when BMS evaluates employees there are two pillars to the process: performance based on objectives and six core behaviors. The latter of which has an evaluation matrix that translates into financial rewards and career progression. What I would say to a young manager is that it's not necessarily about the result it's about how you get the result. This means, for example, considering personal integrity and a compliance culture, which should not be seen as a constraint but rather as a measure of quality in the way you promote products and interact with healthcare professionals.

More and more decisions in today's industry are based on understanding how to work and develop decisions across complex organizations, keeping the patient at the absolute forefront of everything. It's not about being the smartest or having the best individual solution: there may well be others who have better ideas, and our management challenge is to extract the best contributions from all and execute against them.

Of course, above all, you have to "walk the talk" and lead by example.

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