

Interview with Raimon Francot, General Manager, Gilead Sciences Germany

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Since 1987 and only four years later it established itself in the German market. Since then the company has become internationally known for breakthroughs that resulted in products such as Tamiflu, Viread and Atripla. What would you highlight as the main achievements of the company in the German market especially since you took the reins of local operations?

One of the main highlights was the acquisition of NEXSTAR, which gave us the access to the European market with a wide sales and distribution network in Europe. Another milestone for Gilead was the regulatory approval of tenofovir as a molecule to treat HIV patients which is now a component in two of the most widely used combination treatments.

Beside this, the acquisition of Triangle Pharmaceuticals in 2003 gave us access to the emtricitabine molecule. This, in combination with tenofovir, enabled Gilead to develop TRUVADA, which became the basis for ATRIPLA and further development projects.

The development and regulatory approval of ADEFOVIR (HEPSERA) was key to getting access to the hepatitis B market. Additionally, with the European approval of tenofovir for treatment of chronic hepatitis B virus (HBV) infection last year, Gilead was able to expand its offering to patients in this important area.

Gilead's other country operations are displaying strong growth figures, what is your assessment of Gilead Germany for 2008 and what are your expectations for 2009 in terms of growth and revenues?

In 2008, Gilead Germany also delivered strong percentage increases and was among the highest performers. Last year we launched the triple combination ATRIPLA together with BMS, as well as Viread in HBV. Those were the main growth drivers in 2008 and Gilead continues to have a strong position in HIV and hepatitis, where the company is market leader.

Naturally, the more a company gains critical mass and consolidates in the market the harder it is to post such high growth rates. How will you guarantee Gilead's continuous future growth in the German market?

If you look at HIV there are still a lot of patients who probably need treatment but are not receiving health services yet. This is a high priority for Gilead and as a company it tries to make sure that patients in need are diagnosed promptly so that they are aware of their condition and get the right

treatment thereafter.

Gilead faces the same challenge in hepatitis. There is a huge need among patients who are carrying the hepatitis B virus but are not diagnosed; we are actually talking about tens or hundreds of thousands of patients in Germany alone.

How active is Gilead in partnering with other companies in the German market and how do those partnerships help you further penetrate the market?

The most important partnership that Gilead has at this moment is with BMS with whom we have a co-marketing agreement and a local joint-venture. This is a very interesting partnership through which we deliver the triple combination tablet, ATRIPLA. Both companies have their own stake in the HIV market with individual components and in the hepatitis area Gilead and BMS are competing head to head. Therefore, it requires a lot of maturity and professionalism to manage this joint venture. If you look at the results of this partnership in the German market you will realize that it worked extremely well – especially for patients who value a once-daily single-tablet regimen.

In such a competitive market where you compete even with your partners, how does Gilead manage to differentiate itself and be better positioned in the German market?

No company can survive in this market without very innovative products. Gilead has high quality products supported by an exceptional organisation.

Secondly, Gilead's molecules are supported by strong clinical data. The company spent lots of time working together with hospitals and physicians in many countries and university hospitals to generate high-quality scientific evidence. That is another big driver and differentiator.

Thirdly, Gilead has a unique business model and a strategy to focus strongly in areas of unmet medical need – in areas such as HIV and hepatitis. As part of the business model, Gilead takes a conservative approach to headcount growth.

If you compare Gilead with BMS or Bayer, Gilead has a similar market capitalisation – but it relies on much smaller human resources, showing how productive the company is. This is only possible if you have the best and most dedicated people on your team. This philosophy is something that comes from Gilead's CEO, John Martin, and it helps the company to promote a disciplined, passionate and focussed approach among our staff. This is especially valuable in such a competitive labor market. Gilead typically has seasoned and mature people doing highly skilled jobs.

And looking towards the future, what are the main ambitions and expectations for Gilead Germany's activities in the next five to ten years?

Gilead Germany wants to maintain double digit growth. As I said, at the moment we are working towards a 2009 growth rate that is similar to 2008. We will continue to focus on expense and headcount control, preferring to train and develop our people and drive the optimum business model.

Over the coming years, the company aims to expand its position in HIV with new products and additional partnerships. Gilead also expects further growth in hepatitis B and in HCV where it has a very strong pipeline.

On the other hand Gilead has made important acquisitions in cardiovascular and respiratory disease, and early next year we plan to bring a new medicine to the market for patients with cystic fibrosis. Although this is an orphan disease – and not big business – Gilead is determined to give patients a new treatment choice in this area.

As the head of Gilead Germany, what would be your final message to the readers of Pharmaceutical Executive worldwide?

Gilead has achieved a lot thanks to a strong focus and determination in select areas and a commitment to achieve genuine improvements for patients. This is the main lesson I've learned at Gilead and this is one of Gilead's major contributions to the pharmaceutical world.

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