



# Leaders in Health and Happiness

Sanofi has always had a focus on patients' needs, offering a range of essential pharmaceutical and consumer healthcare products—affirming the company's position as a global leader in promoting health and wellbeing.

Images by Scott Ehler

**L**aurie McAllister, Managing Director of Sanofi Australia and New Zealand, has a strong background in fast-moving consumer goods (FMCG). He previously held a number of senior leadership roles and board appointments across the Coca-Cola business. After 22 years with Coca-Cola, Laurie joined Sanofi in early 2013, and has since led the company to new heights across several market segments, expanding the company's capacities and product offerings.

Coming from the FMCG industry into pharmaceuticals and healthcare, Laurie looks at how his past experiences have helped him transition to his latest position. "FMCG and healthcare are very different, obviously, but they actually have some similarities. For example, consumers, customers—and more importantly in this industry, patients—want quality products and services that fulfil specific needs.

"Additionally, I think innovation is key; I'm very eager to really dial up

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- Laurie McAllister

much greater differentiation based on strong insights that allow us to compete and provide solutions, which is what we refer to as 'better health outcomes' for Australia and New Zealand."

Since coming into the role, Laurie has put collaboration at the forefront of the company's thinking, working closely with suppliers and key partners to ensure quality products across the various market segments that Sanofi operates within. "I would have to say the collaboration side has very much been at the heart of my thinking, which is easy to say but not so easy to implement. For instance, I'm looking at greater dialogue with the government to collaboratively work towards a new, more sustainable healthcare environment.

"That new healthcare environment really needs to address policy and funding, which inevitably provides Australian patients access to innovative medicines. We need to be able to offer to the industry greater business certainty that

supports healthcare companies to continue investing to bring the R&D to life and provide innovative medicines for patients in Australia and New Zealand.

"Under the banner of collaboration, we really need to think about appropriate partnerships with other pharmaceutical companies. These aren't luxuries anymore; they're necessities for becoming more effective and efficient in how we go to market. We're looking at new areas, so collaboration and partnerships are very important. Routes to market and capability are also key areas.

"Collaboration also means getting better value from the diversification of our business. Very few people understand that they're likely using a Sanofi product every day; they don't even know it. We're looking at family solutions, ethical solutions, over-the-counter solutions, vitamin and mineral solutions, and vaccines, all the way through to animal health solutions, so we >



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need to think about how we build the brand Sanofi, which we've never tried to meaningfully achieve before in this part of the world."

Recently, Sanofi has forged a relationship with adventurer, writer, and television presenter Bear Grylls to promote the company's Nature's Own brand. "That's going really well. That ad has ranked highly among others in Australia. Our lab is our R&D, while Bear Grylls' lab is nature, so bringing the science together with nature is really a synergistic point. We're seeing a great response in sales, and it also works very nicely for the team.

"When you look at the diversity of the business, from medicines for common and rare diseases to vaccines, to vitamins, minerals, supplements, and OTC products, all the way through to animal health, it's important we really draw out the benefits this diversification gives us. For people to be able to say, 'Hey, my mum [or dad] works for that company' when you see these ads, it has really helped engagement across the broader Sanofi affiliate; and to see high single-digit results makes it well worth the effort."

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Working across numerous market sectors, Sanofi understands the importance of being first to market and creating consumer excitement around the products it offers. "As I've come in from FMCC, one of the things that I'm really keen to land is to get that energy, inspiration, and speed to market just a bit more lively. When we talk about doing things above the line, we want a bit more sizzle to come through. When we talk about things below the line, that's more of a mentality of having great promotion programs, working through our pharmacy and grocery teams, having an impact, and allowing the teams to work with a bit more freedom."

Since his appointment as managing director, Laurie has seen Sanofi grow and expand both financially and operationally. "Our turnover is just over \$1 billion for the Australian and New Zealand operations, which is a pretty impressive number for a company of just over 1,000 employees. The nice bit of that is our diversification, because the pharmaceutical side of the business has its ups and downs, depending on patents and so forth. Having our five business units

really builds a stronger vision over time, and the long-range plan of the business looks very healthy. The consumer business, by 2015, will be the largest business across the total affiliate.

"Over the past 12 months, our consumer healthcare team in Brisbane has done an outstanding job on what they call U&A, usage and attitude study, and they've really dissected our brands. We have about 50 brands in total, but we've really now focused on three power brands—Nature's Own, Cenovis, and Ostelin, which are all seeing growth, so we've got a positive outlook. Overall, the vitamin and mineral supplement sector is still growing; however, it's a rich market and very competitive."

In clearly defining Sanofi's brands and markets, the company is able to streamline its focus. "All of this relies on the consumer insights; really defining consumer insights and segmenting the market place, consumer needs, occasions, life stages, etc. It's really about getting into the DNA of the consumer and then being very selective about where to invest and where to compete. That's why I'm very

happy that our consumer healthcare team took the time to do this U&A study. We now have much greater clarity to the roles of our cover brands, and it gives us the opportunity to ladder up on the power of the entire Sanofi portfolio, for customers and suppliers.

"We have taken a different approach to investment in this area of consumer healthcare. Previously, we didn't invest enough in having specific departments in consumer insights, innovation, packaging, or digital; areas where we're now spending a lot of money. This means we have to sharpen up other areas of the business to make ourselves fit and to compete in these new areas. Just doing some new packaging and launching it into market doesn't work these days; you need to have good data and good consumer insights that allow you to have confidence to invest in these new departments. Those investments have been made before I started and now I'm just refining them as we go."

A point of differentiation for Sanofi is that the company is highly focused on bolstering Australia's manufacturing industry. "In the consumer piece, it's about intensity on the business development side and having more freedom to operate in the consumer world. There's that sizzle above and below the line, that mentality to compete and get that real local strength of what we do. We have a unique proposition where we have invested in our plant in Brisbane that produces a lot of our vitamins and minerals, and we employ 450-plus people with an Australian production capability. So we're investing in local manufacturing. At that plant, we have 219 staff in the industrial side and about 260 staff across the broader business in segments such as sales, marketing, and back-office support. It's great to have that Australian manufacturing capability; our customers really like that."

Another strength of Sanofi is its people, and the great care the



company puts into developing them. "With our consumer team, it's really about taking the shackles off and giving them freedom to operate. We need to innovate; it needs to be in our DNA. So it's really about allowing them to play more aggressively, and freeing up more funds to allow them to play more aggressively above the line in advertising and below the line in promoting and being more competitive.

"It's really about empowering the staff, giving them freedom to operate, making sure we have an innovation process and safety, and that we strongly and heavily prioritise and know where to place our bets; we just can't support everything. And that's what I'm really comfortable about—that we've now dissected the brands in

positional territories with three power brands and our more transactional brands."

The future looks bright for Sanofi, as the company has built a strong network that spans various markets. "The consumer health industry is on fire at the moment and growing very strongly. I think we need to get a little bit more sophisticated on the marketing side of things; there's an opportunity there with how we differentiate our various offerings. For example, I think, over time, we'll see more evidence-based claims. And also innovations that deliver incremental packaging solutions. And, of course, learn from FMCC. If you look at the way that outlets are formed at the moment, there's massive opportunity for space and merchandising solutions." •

