

# Sanofi proves

**S**anofi came into 2012 staring down at the industry's steepest patent cliff. Plavix, for which Sanofi's share of 2011 global sales was \$2.6 billion, lost US exclusivity in May. Avapro (2011 sales of \$1.6 billion) went off-patent in March, and Eloxatin (\$1.2 billion) in August. Lovenox and Taxotere were facing generic competition. The company came out of 2012 bigger than ever—having surpassed oil and gas giant Total as France's largest company, and Pfizer as the world's largest pharma—and emerged better than expected, with full-year earnings projected to fall 12%, as of this writing, rather than the 15% anticipated earlier in the year.

Perhaps more importantly, instead of battenning down the hatches, Sanofi set the bar for engagement of external audiences, with digital media programs, a groundbreaking gadget and visionary contests aimed at pulling up-and-coming techies, scientists, patient advocates and non-profits into its orbit. What? A giant pharma company getting out and being social, as it sloughs off much of its old business and reinvents itself? How do you say "Geddoudaheah" in French?

"It's been an incredibly tough year," concedes Anne Whitaker, president, North America, pharmaceuticals, Sanofi. "One that people were holding their breath over—would we get past May 17th, when Plavix went off patent? What would happen when Eloxatin went off patent in August? The fact that we've come through the year and delivered growth on our North American net sales line—I think a lot of people thought that wasn't possible."

Sanofi's North American operations account for 18,000 employees and around a third of revenues—just ahead of its business in

## LANTUS TAKES LEAD

GLOBAL SALES\* (US EXPIRY)

**Lantus**  
\$5.9B (2015)

**Plavix**  
\$2.6B (Expired)

**Lovenox**  
\$2.6B (Expired)

**Eloxatin**  
\$1.7B (Expired)

**Avapro/Aprovel**  
\$522M (Expired)

Sources: Sales, IMS Health; expiries, Barclays Equity Research

\* Global, 12 mos. to Sept. 2012

Note: Sanofi's share of Plavix 2011 global sales, per the company

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Lantus® in the easy-to-use SoloSTAR® pen can help provide 24-hour blood sugar control with just one injection a day. If you have type 2 diabetes, and pills, diet and exercise aren't enough, you may need insulin. Insulin is an effective way to help control your blood sugar. Talk to your healthcare provider to see if Lantus® SoloSTAR® is right for you. Call 1.877.588.9587 or go to [www.lantus.com](http://www.lantus.com).

**Important Safety Information for Lantus® (insulin glargine [rDNA origin] injection)**

Do not take Lantus® if you are allergic to insulin or any of the inactive ingredients in Lantus®. You must test your blood sugar regularly while using insulin, such as Lantus®. Do not make any changes to your dose or type of insulin without the advice of your healthcare provider. Any change of insulin should be made cautiously and only under medical supervision.

**Do NOT dilute Lantus® with any other insulin or solution.** It will not work as intended and you may lose blood sugar control. Lantus® is a clear, colorless solution. Lantus® must only be used if the solution is clear and colorless with no particles visible. Do not mix Lantus® with other insulins or solutions in the same syringe or syringes with others.

Lantus® is low blood sugar (hypoglycemia), which may be caused by shaking, sweating, fast heartbeat, and blurred vision. Severe hypoglycemia may cause harm to your heart or brain. Other possible side effects include allergic reactions, including skin reactions at the injection site, and allergic reactions, including anaphylaxis, which may be life threatening.

Lantus® may affect your ability to drive or operate machinery. You should not drive or operate machinery if you are taking because they can change the way insulin works in your body. Other possible side effects include dizziness, lightheadedness, or are breast-feeding or planning to breast-feed.

Please talk to your healthcare provider about proper injection technique and the Lantus® SoloSTAR® pen.

**Insulin glargine [rDNA origin] injection**

Lantus® SoloSTAR® is indicated for the treatment of type 2 diabetes in adults with type 2 diabetes and adults and children (6 years and older) with type 2 diabetes. It should be taken once a day at the same time each day.

See **Important Safety Information** on the next page.

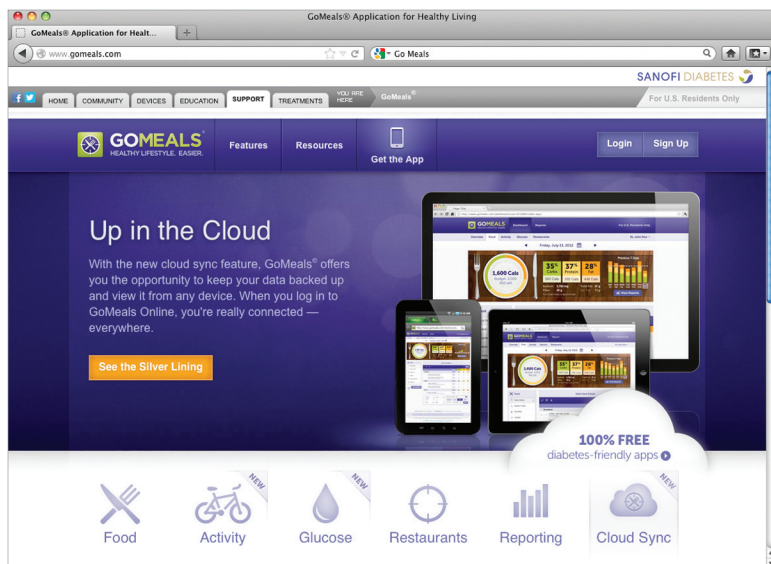
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emerging markets. Net sales for the first nine months of 2012 were up 2.1%—outperforming a worldwide 1.2% uptick.

With so many big products lapsing into patent oblivion at once, Sanofi is in a root-and-branch reinvention. The company has a promising pipeline and new products, like colorectal cancer treatment Zaltrap and MS drug Aubagio, with potential. More importantly,

# its pluck



**Above: Website for Sanofi's GoMeals app, part of the firm's digital diabetes presence; opposite top: DTC ad for Lantus SoloStar, a long-acting insulin analogue, shown with AgaMatrix's iBGStar (below), a new breed of medical device**

it's got a vision—laid out by CEO Chris Viehbacher. Under Viehbacher, Sanofi has diversified, going from a small-molecule blockbuster pharma model to a mix of biologics, vaccines, generics and OTC products, along with some promising pilots in “beyond the pill” tech and services.

It's also embraced an outward-facing culture of “open innovation,” from marketing to R&D. On the development side, that's taken the form of a pivot away from strict reliance on internal R&D in favor of partnerships with biotech startups, academic researchers and venture capital firms. On the marketing front, that's meant less focus on product promotion and more on engagement of patients, physicians and payers, as well as innovative programs drawing in patient advocates, medical societies, techies, government officials and other parties. It's a kind of crowdsourcing writ large—which makes sense coming

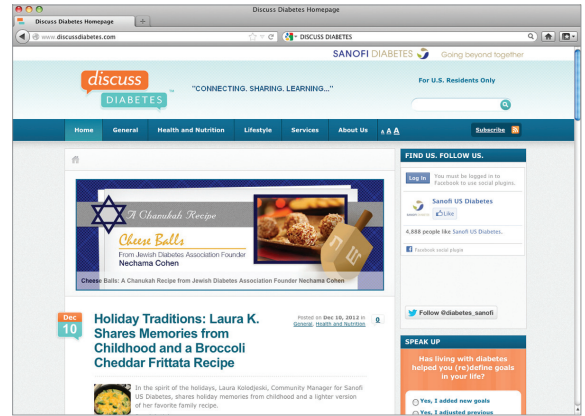
from a company that, more than its peers, gets social media and feels right at home in the digital world.

This is nowhere more apparent than in the company's digital efforts around diabetes, its sole franchise to come through the past few years intact (Sanofi sold more than \$5 billion-worth of Lantus globally in 2011, and sales of the insulin analogue rose 20.7% for the third quarter of 2012). Sanofi's diabetes blog (Discuss Diabetes), Twitter feed (@Diabetes\_Sanofi) and Facebook page (facebook.com/SanofiUS-Diabetes) are kept up by Community Manager Laura Kolodjeski, who has lent the company's digital presence personality and a human face. There's also Diabetapedia, a searchable dictionary. It all comes together in The DX, an online diabetes news aggregator curating external content. None of these elements is, by itself, revolutionary, but the comprehensiveness of their approach to social media is



**Anne Whitaker, president, North America, pharmaceuticals, Sanofi**





Above: Sanofi's Discuss Diabetes blog; Left: Judges from 2012 Data Design Diabetes Innovation Challenge

### 2012 Media spend by brand 12 months ending Sept. 30, 2012

Brand	DTC spend	Journal spend	%Total media spend
Oenobiol	\$31.8M	\$0.03	15.2%
Lantus	\$4.1M	\$3.2M	3.5%
Synvisc	\$1.9M	\$0.1M	1.0%
Plavix	-	\$1.1M	0.5%
Apidra	*	\$0.5M	0.3%
Multaq	-	\$0.2M	0.1%
Allegra	-	\$0.1M	0.0%
Lovenox	-	\$0.1M	0.0%
Taxotere	-	*	0.0%
Avapro	-	\$0.02	0.0%
All Others	\$153.3M	\$12.2M	79.3%

\* Less than \$5K  
Note: "All Other" includes OTC products like Enterogermina, Ipratolox, Maalox and Mag 2. US DTC spending through August 2012. OTC media spend for EU top five only  
Source: CSD - Cegedim Strategic Data - Global Promotion Database

farsighted for a pharma company. "We did this not to find different ways to promote our products, but we really wanted to get a deeper understanding of what are some of the common challenges, opportunities and other things our patients are dealing with," says VP and head, US diabetes, Sanofi US, Dennis Urbaniak. "We quickly understood that the social community aspect is not an advertising channel but a way for a company to get closer to those communities we serve."

Sanofi's outreach extends beyond patients and caregivers. In 2011, the company launched its Data Design Diabetes Innovation Challenge, a contest in which the best ideas for using data and technology to improve patients' lives are rewarded with cash and connections. What's in it for Sanofi? Food for thought, and perhaps first pick of some talented up-and-coming techies.

This approach to other interested parties in the healthcare universe extends to R&D, where the company sees its role as investor in the drug development programs of smaller biotechs on equal footing with its in-house efforts. And it's evident in Sanofi's partnership with AgaMatrix on the iBGStar, a groundbreaking blood glucose monitor designed to plug into the iPhone. In reference to the device, Sanofi CEO Christopher Viehbacher said in an e-mail, "Those companies who can manage a more integrated solution, who can marry technology with traditional medi-

## 2012 HIGHLIGHTS

- Outperformed earnings forecasts, despite expiry of Plavix, Avapro, thanks mainly to diabetes franchise

- Integrated Genzyme, filed Lemtrada (MS), won approval for Zaltrap (cancer), Aubagio (MS) and Sklice (head lice)

- Continued to experiment with social media, building unrivaled digital diabetes presence, thousands of Likes

- Staked out a leadership position in health tech with innovative products like iBGStar device and GoMeals app

- Wooed next generation of nerd kings with contests like Data Design Diabetes, Collaborate | Activate Patient Health

cines...we believe will provide Sanofi with a competitive advantage."

That foray into personal tech followed the 2009 launch of the GoMeals app, a calorie counter on steroids on which Sanofi partnered with agency InTouch Solutions, which now handles its social media business for US diabetes and a number of other social media brands and assignments.

"We have a lot of smart people at Sanofi, but we don't have all the ideas," says Whitaker. "We don't have the corner on innovation and we see the power in our people being externally focused. We believe collaboration is critically important."

A big part of what's carried Sanofi over the patent cliff intact can be chalked up to an old-fashioned acquisitions binge. But when the company acquired Genzyme in 2010, Viehbacher vowed not to "Sanofize Genzyme" and instead grafted best practices from the biotech onto Sanofi.

"Our philosophy at Sanofi now, especially in North America, is that communication is not a one-way street," says Whitaker, who conducted a three-month listening tour when she took over as president of North America in 2011. "It's dialogue, and people need to talk about the vision and the strategy so that they can understand what their role is in delivering on that. And when you have those kinds of conversations all the way through the company, and you create an environment where it's okay to have those conversations, you get real alignment." — *Matthew Arnold*