

## Galderma CEO confronts challenges

Upon arriving at Galderma in March, Stuart Raetzman had the idea to illustrate a major challenge confronting his new company—moving from a single-business-unit model to a three-business-unit model—by tapping a skill he rarely displayed in an office. “I juggle—so at the first meeting I was going to juggle three balls at the same time as a representation of how to keep three businesses going simultaneously,” he recalls with a laugh. “It wasn’t like I was going to go up there with three chainsaws, but we decided to go in a different direction.”

Juggling is an apt, if slightly obvious, metaphor for the situation at hand. For most of its corporate life, Galderma focused primarily on its pharma business. But in the wake of an R&D push and the late-May acquisition of some of Valeant Pharmaceuticals’ filler and toxin assets (including the rights to Restylane and Perlane), Galderma has ambitious plans for both the OTC and device spaces. “We get the organization aligned this year around the three business units, and then we begin launching products,” Raetzman says. “That’s the plan.”

Raetzman would appear to be one of the few execs capable of implementing it. Over a quarter-century career in healthcare, most of it at Alcon, he handled any number of roles in any number of geographies (among other posts, he headed Alcon’s Europe/Middle East/Africa operations). As the new CEO of Galderma Laboratories and vice president, North America, then, Raetzman enters a situation equal parts intimidating and enviable.

The intimidating part, clearly, is restructuring the company on the fly while contending with a schedule best described as remorseless. Galderma is “locked into” several launches in the months ahead, Raetzman notes. A new pharma product will debut at the end of the year, as will an OTC brand (with two more in early 2015). Combined

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**Stuart Raetzman**  
CEO,  
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**March 2014–present**  
President, Galderma  
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**Nov. 2012–Feb. 2014**  
Area president, EMEA,  
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with the Valeant assets—which are set to be commercialized as soon as the \$1.4-billion deal closes—Galderma has a lot on its organizational plate in North America, and that’s before it retrofits its structure to accommodate the opportunities in its midst.

“It’s not an easy thing to go from being a company that’s used to running one business. Everybody here is expert at pharma,” Raetzman explains. “The knowledge you need for OTC is different from the knowledge you need for pharma. So how do we add people and competencies without harming in any way the existing business? Like I said, it’s not easy.”

At the same time, Galderma has a clear competitive advantage owing to its all-dermatology-all-the-time heritage. Founded as a skin-care company, it has remained loyal to that mission. It counts 5,000 employees worldwide (600 in the US) and reports annual sales of \$2 billion, all of which derive from skin-care products. “About 20% of our revenue goes back into R&D that is 100% focused on dermatology... It makes us stand out from a business standpoint,” Raetzman adds.

Perhaps that’s why the company’s unbranded

“Act on Red” rosacea awareness/support campaign, launched in June, comes across as more credible and useful, than many similar efforts. Citing research from the “Face Values: Global Perception Survey” conducted by a consultancy for Galderma, the campaign notes that facial redness affects patients emotionally, socially and at work—and yet is still commonly misdiagnosed or undiagnosed.

Galderma may not be impartial here—it markets such rosacea products as Oracea, and will launch another later this year—but it views the campaign as more of a public service than as a bigger-picture product plug.

“We’ve done direct-to-consumer campaigns in the past. We’ve reached out to consumers about specific disease states,” Raetzman says. “But what we’re seeing is a real need for patient and practitioner awareness. Sixteen million Americans suffer from rosacea and sometimes it’s diagnosed as acne, or not diagnosed at all. It’s a natural place for us to take a leadership position.” —Larry Dobrow

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