

Healthy GROWTH

With pre-World War Two origins and a consolidated turnover of 2 billion and 229 million euros, Parma-based Chiesi Group is among the 50 biggest pharmaceutical companies in the world. Yet it retains a unique identity. Milestone spoke to CEO Ugo Di Francesco, to discuss sustaining and developing an already successful corporate story.

UGO DI FRANCESCO
CEO @ Chiesi Group

Beginning as a one-man operation back in 1935, Italian pharmaceutical developer Chiesi Group has grown spectacularly from a small, family business to a thriving, international concern. Breaking into the global market in 1979, with the release of a cortisone preparation primarily used to treat asthma, the company has undergone a process of accelerating growth in the last four decades. With its original research centre in Parma now accompanied by others in France, the US, Canada, China, the UK, and Sweden, and a staff roster of over 6,000 employees, the modern day Chiesi Group exports its products to more than

one hundred countries worldwide.

The company's recent progress has been overseen by CEO Ugo Di Francesco, who joined the group in 2011. It was an opportunity he grabbed enthusiastically for several reasons.

"For me it was a combination of elements," he says. "It was a fantastic professional opportunity, on one hand, to lead an independent company of this type, with such great heritage in Italy. My work before was in big, international corporations so as an Italian, this felt like a special responsibility. It was also exciting because there was an evolution approaching at Chiesi. As a CEO you want challenges, something you can really influence. I knew this would give me that chance." →





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ELISA COCCHIO
General Manager - Milan

On the horizon

By the time Ugo took up his current role, Chiesi Group had forged a reputation in three key areas, which described as AIR (therapeutic solutions and services dedicated to the respiratory area, from neonatology to the treatment of adult diseases), RARE (solutions and services for patients with rare or ultra-rare conditions), and CARE (products and services which support specialist and personal care). The new CEO's task was to take these three areas of expertise to a wider, less localised market and expand the company's horizons beyond Italy and its neighbouring states.

"For me this made the job very interesting," Ugo explains. "A mixture of national and international motivations. Of course, we wanted to keep our spirit, as an Italian company, but to also reach out way beyond Italy. By helping Chiesi Group to grow, I also felt in this way that we would be doing something for our country, putting an Italian business on the map, so to speak."

The decade since has been something of a journey, as one might expect. Chiesi Group's transformation from strong national entity into a global mid-size player has involved multiple changes, on both micro and macro levels.

Research and development, a fundamental part of the Group's DNA, were also ramped up under Ugo's management. As a result, some market leading products were launched. Foremost among these is a revolutionary triple therapy for the management of chronic obstructive →



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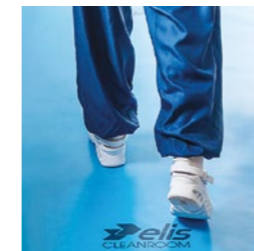


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pulmonary disease (COPD). This respiratory illness is becoming an ever-increasing problem, particularly in Western countries where it is linked to shifting demographic pyramids and ageing populations. Approved by the EU in February of 2021, the Chiesi Group’s flagship inhaler is used as a maintenance treatment for patients whose condition is not controlled with pre-existing remedies, such as corticosteroids.

“We were the first,” Ugo says proudly, “not only in Europe but maybe in the world to develop this triple fix combination. It was a big achievement for us and something to identify us as a name to be remembered.”

The CEO’s pride is prompted not only by these specifics, but also when taking a broader view of Chiesi Group’s growth.

“Something which really stands out,” he explains, “are the people. In my time we have grown into a truly international group, with an international leadership team. Recruitment and development were very important in this. When I first joined it was more the former. Once we achieved this, it became more about the latter. Today we have individual devel-

The importance of a client does not lie only in numbers. COLSER is honoured to share its expertise and professionalism in the field of Facility Management services, with the Chiesi Group in the long journey towards a truly sustainable future.

CRISTINA BAZZINI
President COLSER Group

opment plans in place for all our key talents and we fill seventy five percent of all positions through internal promotions. This is especially important, I believe.”

Obstacles ahead

In common with businesses in every sector, however, the last two years provided unexpected challenges for Chiesi Group. Agile thinking and flexibility have been of utmost importance. Unlike Big Pharma, Chiesi has not been involved in the development of coronavirus vaccines. Of course, this does not mean the company has been untouched by the pandemic.

“Our first instinct,” Ugo says, “was to ensure the safety of all of our people. Secondly, we also wanted to make sure that patients who depend on our products did not find their supplies disrupted. I cannot emphasise this enough because it is not just a business decision as it might be if you are selling other goods. When you supply the kind of products and services we do, it can be a matter of life and death for people, and we are always aware of this responsibility. We do what we need to do to save those lives.”

With these two foci clearly established and through a combination of organisational changes, such as the creation of a Covid →

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Emergency Management Team, alongside detailed planning, Chiesi Group has been able to mitigate the worst impacts of the pandemic. Their products remained available all over the world, while employees were able to either work from home, or on site with the protection of stringent safety measures.

Our patients and our people were our priority,” Ugo says. “We are not a company which just says these things. We mean it.”

The CEO’s words are evidenced by the Chiesi Group’s status as a certified B Corp since 2019, the largest pharmaceutical company in the world to achieve this. The certification demonstrates the company’s ambitious standards of social and environmental performance, transparency and accountability in all aspects of their operation.

Looking ahead

As thoughts turn to the future, a shared value approach in all its forms, will continue to play a huge part in the company’s progress.

“By 2035 we intend to be a completely car-

Over the years, BCG has partnered with Chiesi to support the company on many strategic topics across different therapeutic areas and geographies, with projects focused on portfolio strategy, product positioning, go-to-market, market access, pricing, international expansion, sustainability, and social impact.

SILVIO BELLETTI

Managing Director and Partner BCG

bon neutral company,” Ugo says. “And also, we have defined clear targets by 2030 related to indirect greenhouse gas emissions. We intend our entire operation, including supply chain partners to be carbon neutral. In fact, on our Italian sites, we already use only renewable sources for all our electricity.”

With such an outlook embedded in its corporate philosophy, Chiesi Group’s continued success appears assured. Plans for the immediate future include the company investment of €350 million in the development of the first carbon minimal pressurised Metered Dose Inhaler (pMDI) for Asthma and COPD, due to launch by end of 2025, combined with further expansion, particularly into Japan.

“We are a company which embraced a number of challenges,” Ugo concludes. “And we are convinced that we can continue to grow, but in our own way. We are not just growing as a business, but we are growing ever closer to people and always developing our social role. It is growth, of course, but growth in many directions, not just one.”



Partnering with leading companies like Chiesi makes us proud to achieve our goals every day

BCG is a global strategy consulting firm that partners with leaders in business and society to tackle their most important challenges and capture their greatest opportunities.

Our BCG Health Care Practice has a broad and deep global footprint, serving leading companies in Bio pharma, MedTech, and Health Care Services, as well as global health organizations including the Bill & Melinda Gates Foundation, Gavi, Global Fund, World Bank, World Health Organization, Wellcome Trust, and governments around the world.

Our health care consulting teams help clients to adopt agile ways of working, accelerate innovation, advance digital transformation, evolve go-to-market strategies, and drive growth and portfolio strategy through M&A. Across virtually every engagement, we help clients optimize capabilities through data, digital, and advanced analytics.

Over the years, we have supported Chiesi on a variety of strategic topics across all the Company’s therapeutic areas and key markets. Main projects focused on portfolio strategy, product positioning, go-to-market, market access, pricing, and internationalization, accompanying Company’s growth in the core products, the expansion in new therapeutic areas, in particular Rare Diseases, and the increasing geographic coverage,

allowing a higher number of patients around the world to benefit from Chiesi products.

Chiesi is not only a very successful pharmaceutical company, experiencing a trajectory of extraordinary growth and international expansion; Chiesi is also among the pioneering companies which are redefining the concept of value creation in the pharmaceutical industry. In this respect, Chiesi is the largest pharmaceutical group B Corp certified since 2019, testifying the company’s commitment to the highest standards of social and environmental performance, core values that we share and that inspire our daily work at BCG.

Chiesi values and actions resonate with the concept of Total Societal Impact, which is defined by BCG as making the pursuit of societal impact a central and integral part of strategy and value creation.

In the context of our partnership with Chiesi, we had the privilege of working on some of the company sustainability and social impact initiatives, sharing experiences as well as knowledge, and growing together on a path of common values.

At BCG, our objective is to unlock the potential of those who advance the world: working with companies like Chiesi makes us proud to achieve this goal every day.

Silvio Belletti
Managing Director and Partner BCG

