



Innovation for the Future

Over the course of 136 years, Italian company Menarini has grown from a single pharmacy store into a diverse and international operation. Now present in 140 countries and with over 17,000 employees, the group is established as a global player. We spoke to CEO Elcin Barker Ergun to discuss how legacy feeds the future.

ELCIN BARKER ERGUN
CEO @ Menarini Pharma

When the Farmacia Internazionale Menarini opened in 1886, there was little to indicate the epic corporate story which would ensue. It traded well until 1915, when its owners moved the store to Florence in order to be closer to suppliers. Inspired by the art and heritage of its new surroundings, Menarini then steadily underwent a remarkable transformation. Now present in five continents and with divisions dealing in pharmaceuticals, consumer healthcare, research, advanced diagnostics, and dermatology, the company reported revenues of EUR 3.8bn in 2021.

The company's first external CEO, Elcin Barker Ergun, joined Menarini in 2019, having worked previously in the area of technology in ITT in the Netherlands followed by Honeywell in the UK. After a position at pharma giant GlaxoSmith-Kline in her native Turkey, she joined Serono, a biotech company, and continued with Merck after its acquisition of Serono. She was not only excited by the opportunity but aware of the broader social implications brought by her background.

"Generally, in the pharmaceutical industry, we don't have so many female leaders," Ms Ergun explains. "In pharma overall, in the top fifty globally, we have only five women. So I think it's important that we as female leaders stand up

every now and then and share our journey. Also, I am originally from Turkey, an emerging market, which also puts a different flavour on it. Hopefully my position as CEO at a remarkable company like Menarini proves that everybody has an equal chance."

At the time when Ms Ergun joined Menarini, the company had internationalised and undergone a series of acquisitions. From the sixties onwards, when the first Menarini laboratory was

opened outside Italy in Barcelona through to sites in Berlin and Rome, the company had diversified its offering and branched into research and development. The takeover of Invida group in 2011, which became Menarini Asia Pacific, created a new presence in thirteen countries from China to Australia. Then the acquisitions of Silicon Biosystems and Cellsearch Technology in 2013 and 2016 took Menarini's R&D into the fields of rare cell research and cancer diagnostics.

"The pharma industry is fundamentally driven by innovation," Ms Ergun explains. "When I joined Menarini, innovation was one of the important pillars the Board wanted to reinforce, and the idea that I could help lead on that was exciting."

New areas

Another immediate focus for the new CEO was to accelerate the company's entry into cancer therapeutics as well as to make an entry strategy for Menarini into the USA in pharmaceuticals. For years, the company had been known for its cardio-vascular treatments, but cancer was viewed as an area with key development potential, as was the US market. Under Ms Ergun's guidance, Menarini acquired Stemline, a New York-based biopharmaceutical entity with an oncological focus, for \$677m in 2020 during →

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the lockdown of Italy. This move was a pivotal step to start establishing Menarini's presence in the States.

"This deal was essential for accelerating our entry into oncology," Ms Ergun says. "It wasn't just about entering United States in the pharma sector, but it enabled us to have a biotech arm in the US with an agile and fast way to innovation well connected with the top cancer centers in the world." Stemline already had a drug in the market for an aggressive type of leukaemia, which the company afterwards also registered in EMA and is continuing the global roll-outs.

Shortly afterwards, Menarini took the next step, striking a global licensing deal for a breast cancer drug with Radius Health in Boston. Having a positive read out recently in clinical trials, Menarini is will pursue registering the drug and launching it globally in the coming years.

With the addition of cancer therapeutics to Menarini's stronghold in cardiology and respiratory treatments, "Menarini is now addressing the most deadly three disease areas in the world," Ergun said. "We will continue to support our wide portfolio including diagnostics, consumer health, gastrology, pain, dermatology and other areas as well as continuing to increase our position in growth markets."

Business in a changing world

Of course, Ms Ergun's tenure at Menarini has coincided with the advent of the coronavirus pandemic. Like the rest of the world, Menarini

has had to adjust to the effects of national lockdowns and international travel restrictions. Alongside additional safety and hygiene routines for staff and in common with other sectors, supply chains have faced disruption. However, Menarini has managed to mitigate this due to the longstanding and stable relationships developed by the company throughout its long history.

"Of course, a company like ours, active in so many areas and locations, has a huge network of supply chain partners," Ms Ergun explains. "We also get products from other companies, in addition to our eighteen manufacturing sites around the world. But we consider this to be our core expertise. Manufacturing and supply chain competence are vital to our operation, so we maintain very close relationships with our partners."

Naturally, the company's position as a pharmaceutical developer also enabled it to take an active approach and seek solutions for the global pandemic. The company distributed COVID detection kits and rapid test products capable of quickly identifying COVID-19 variants. Menarini's background in anti-infectives research also enabled a partnership with Tuscan Life Sciences aimed at developing a treatment capable of stopping COVID-19's progression.

"Despite Menarini's impressive growth, built on a patient-centred approach, to this point, the company's focus remains sharp. To this end, targets and goals have been put firmly in place. One critical point is of course adding new skills and capabilities in a disrupted world with the pandemic." Ms Ergun says. "What can we do to stay at the forefront? What is the digital transformation that is coming? We need to stay ahead of all this. We can use technology to increase competitiveness, introduce strategic manufacturing, and increase our speed to market. They will be at the very core of what we will do."

Plans are in place for a new state-of-the-art manufacturing site in Florence, alongside a vision to balance operations between US, Europe and emerging markets. Perhaps most importantly, as Menarini looks to the future, corporate culture remains crucial to everything they will do.

Values for the future

"We will keep the DNA of the company," Ms Ergun explains. "Entrepreneurial, loyal,



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hard-working, committed, these are the great values that have made Menarini a successful company for so long. We have recently highlighted these values: urgency to act, curiosity, and passion. These values, strongly backed by the board, will be a future compass for our company in addition to our strong DNA that comes from our legacy. The COVID period and the speed of the vaccines to the market triggered a different kind of thinking and vision for us. This will shape our progress from here. Our mission continues to be to bring transformational treatments and diagnostics solutions that will change people's lives, and the urgency to do that is stronger than ever. We are excited about the future and optimistic about our continued impact to human health with the passion, commitment and dedication of our more than 17,000 employees." ↗