

Stiefel Canada Inc.

The Leader in Canadian Dermatology

Talking with Richard MacKay,
President, Stiefel Canada Inc.



Please review your career path leading to your present position as President of Stiefel Canada Inc. and member of its parent company, Stiefel Laboratories, Inc.

When I started out selling pharmaceuticals nearly fifty years ago, little did I know what a lucky choice it would be. To help pay for my university tuition, I sold Bibles door-to-door; when I graduated, my selling skills earned me my first job in the pharma industry as a medical representative for Parke-Davis. Four years later, I moved into management with Winley-Morris, and when that company was bought by ICN (now Valeant), I became Executive Vice-President. One of the companies ICN represented in Canada was Stiefel Laboratories.

When I set up Stiefel Canada in 1976, my past experience was invaluable, as I was fortunate to know just about every dermatologist in Canada by name, and still do.

My relationship with one of these dermatologists had an enormous impact on the growth of Stiefel: Dr. William Pace of London, Ontario. Bill, fondly known in Canada as the “father of benzoyl peroxide,” was a pioneer in developing this acne treatment. Stiefel supported Bill in his early clinical research; this enabled me to be first to introduce the treatment as BenOxyl Lotion to Canadian dermatologists. We learned a lot by listening to what the dermatologists were asking for; responding to their

needs is still a core element of the Stiefel philosophy today.

At the industry level, I am a former Board Member of Rx&D and its Chairman (1982-1983), and for many years I was a Board Member of the NDMAC.

I have been a director of the Canadian Dermatology Foundation for many years, and I spearhead their corporate fundraising campaign. The Foundation provides funding to advance dermatological research in Canada, and has awarded over \$4 million since 1969.

I also work closely with the Canadian Dermatology Association. In 2003, I was privileged to receive their first Award of Honour for service to their association.

What are your key business priorities and objectives this year at Stiefel?

First and foremost, I regard developing strong personal relationships at all levels and providing excellent service as key for a specialized company such as ours. We pride ourselves on knowing our market and the needs of dermatologists and customers. Our corporate commitment is to excellence from start to finish in research, product development and, of course, service.

Our primary objective, short-term and long-term, is to continue to be the number one dermatology company in Canada. This year we plan to build on our leading market share in the acne category through a strong presence in every segment of this therapeutic category, and we will continue to grow our number one product,

Clindoxyl® Gel. Since our goal is to offer dermatologists, general/family practitioners, pharmacists and consumers a variety of excellent products to meet their needs, this year we will prioritize the development of dry skin and medicated shampoo products.

Over the past 25 years, Stiefel has grown at a compounded rate of 12%.

Our retail coverage will be expanded by the addition of personnel in major Canadian cities. Since Stiefel is the only company dedicated exclusively to dermatology, we must continue to provide the best products and meet the changing needs of our customers.

Tell us about Stiefel Canada's size in the Canadian marketplace.

Stiefel's growth owes a great deal to the introduction of innovative products of our own research. We have also made a number of key acquisitions, including Lederle's line of dermatologicals and TransCanaDerm. In addition, we purchased the oral antibiotic Minocin, a brand name well-known to physicians across the country.

We are proud to say that we are the leading dermatology company in Canada and enjoy a major share in most segments of the dermatology market.

What about Stiefel worldwide and your share of the overall dermatology market?

Stiefel is the largest independent dermatological company worldwide—the company has a presence in over 100 countries, and in many of these we are the market leader. Over the past 25 years, we have grown at a compounded rate of 12%.

Canadian personnel are very involved in the Stiefel International Global Branding Team, spearheaded by Pierre Boucher and Sharon Henderson.

Stiefel Canada has also become one of the bases for preparing international campaigns, which speaks to the high caliber of creativity available here in Canada. It is most rewarding to see it recognized.



From left to right: Sharon Henderson, Marketing Manager, Ethical Products; Madeleine Saumur, Vice-President, Finance and Administration; Pierre Boucher, Vice-President, Marketing and Sales; Richard MacKay, President; Erick Gilbert, Corporate Development Manager; Joanne St-Amour, National Sales Manager.

Tell us about your success with Clindoxyl and your strategy as it relates to physicians.

In 2001, Clindoxyl Gel was launched, and has proven to be the most successful product to date in the topical acne market. Containing clindamycin and benzoyl peroxide, it soon became the most prescribed topical acne product in Canada. Its success has brought our market share of topical acne products to over 50%.

Since Clindoxyl was introduced in Brazil, Germany, Mexico, the UK and the US (where it is known as Duac®), it has become a worldwide success story. By 2006, it will be marketed by Stiefel in over 20 countries.

To what do you attribute the remarkable success of this product?

The success of Clindoxyl Gel can essentially be attributed to four factors:

- it is a superior product, offering significant advantages to physicians, pharmacists and patients;
- our experienced, well-trained and dedicated sales force;
- targeted promotion—a strategic, well-designed campaign that communicates the right message to the right audience and
- the strong Stiefel commitment to research and development, educational support for physicians and pharmacists, and reliable service.



Stiefel Canada's head office.

Tell us about your growth in personnel over the past few years.

The company's rapid growth in sales has necessitated expanding our marketing team. This year our sales force increased by more than 25%—Stiefel Canada now has 38 representatives in the field. I started out with a total staff of 14 in 1976 and our complement now stands at more than 90 employees. Stiefel has no manufacturing facilities in Canada; manufacturing is sourced primarily from our facilities in the US and Ireland.

To me, our employees are as important as our customers. We offer a pleasant working environment, excellent business tools and a number of health-oriented extracurricular activities. Our people benefit and so do we, as we have a very low turnover rate.

Stiefel has enjoyed impressive growth. What are your plans for the future?

Stiefel has established partnership programs with dermatologists, particularly in education and research, at both the local and national levels. We see our growth coming both from research and business-development activities. Internationally, we are moving ahead in two areas to manage our corporate expansion as a global force:

- We recently created the position of Senior VP Global R & D, who is responsible for co-ordinating our three research facilities based in the US, the UK and Brazil.
- We have created a Global Business Development Team, of which Erick Gilbert is an integral member.

Stiefel recently made a significant move to address the nonprescription segment of our business by implementing better retail coverage of drug stores in major cities across Canada. This will allow us to improve distribution of our diversified portfolio of dermatology products and continue to meet the needs of consumers.

As a company, we have resisted the temptation to diversify, although there have been opportunities. Our company credo, also my personal philosophy, is, "Choose what you intend to do, and do it well."

Stiefel will continue to focus on being the best in dermatology. Given our past record, I believe the opportunities for future growth at Stiefel are limitless. **CPM**