

Sanofi ousts CEO over management style, sales drop

October 29 2014, by Greg Keller



In this Feb.6, 2014 file photo, CEO of Sanofi, Christopher A. Viehbacher, poses for photographers as he arrives for the annual results in Paris. The board of drug maker Sanofi has fired Viehbacher after he warned that pricing pressure on a best-selling diabetes treatment in the U.S. would hurt growth into next year. (AP Photo/Michel Euler, File)

French drugmaker Sanofi sacked its CEO Wednesday following a board room rift over his way of handling one of France's largest publicly traded companies.

Christopher Viehbacher, the first non-Frenchman to lead Sanofi, was dismissed after six years running the company that traces its roots to the early 19th century.

In a statement announcing the ouster, Sanofi's board referred to the rift with the Canadian-German Viehbacher only obliquely, saying the company needs "a management aligning the teams, harnessing talents and focusing on execution with a close and confident cooperation with the Board."

Viehbacher, 54, will be temporarily replaced by Sanofi chairman Serge Weinberg, 63, the one-time head of Gucci parent company PPR who was himself ousted following a rift with his board.

Weinberg said the board unanimously decided to fire Viehbacher because of dissatisfaction with his management style and disappointing execution of matters including a loss of U.S. market share for Sanofi's key diabetes drug.

In a conference call with analysts, Weinberg also criticized Viehbacher's communication with the board, saying "it didn't work." He cited Viehbacher's plan to offload a multi-billion-euro portfolio of slow growing or declining drugs, saying the board had learned of it in the press. "This is not appropriate," Weinberg said.

Sanofi's shares more than doubled during Viehbacher's six years at the helm as he cut costs and shifted focus to biotechnology, vaccines and over-the-counter medications. He orchestrated the \$20 billion takeover of U.S. biotech firm Genzyme in 2011. But his move earlier this year to Boston from Paris, where he'd moved after taking the helm at Sanofi, raised eyebrows in France.

On Tuesday, shares in Sanofi dived after the company reported a slide in

quarterly earnings. Viehbacher said pricing pressure on its blockbuster diabetes treatment Lantus in the key U.S. market would continue to hamper sales growth into 2015.

Sanofi shares fell 3.7 percent to 71.85 euros on Wednesday following news of Viehbacher's dismissal.

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Citation: Sanofi ousts CEO over management style, sales drop (2014, October 29) retrieved 19 April 2024 from

<https://medicalxpress.com/news/2014-10-sanofi-ousts-ceo-pressure-diabetes.html>

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