

Risk management and Organizational Communication: Two Cases in the Pharmaceutical Industry

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ABSTRACT

In this article, we propose an organizational communication oriented approach to Risk Management. The business domain studied here is the pharmaceutical industry, which has a high sensitivity to communication. Through two examples, we show how and in which context risk management can be an essential component in corporate management, by laying partially aside financial aspects, although they are usually put forward in this field.

JEL Classifications: I11, M14, O32

Keywords: risk management; organizational communication; crisis; vigilance

I. INTRODUCTION

Some errors in corporate management may cause bankruptcy. Therefore, many methods have been developed and applied to estimate and limit financial, commercial or logistical risks, as shown by the activity of business consulting firms such as Boston Consulting Group (Silverstein, et al., 2000). Until the 90's, however, one could lament about a real lack of tools to manage risk in business communication and especially on its institutional aspects (Clerc de Marco, 1993). Despite advances in this area, it appears that their implementation remains weak (Enright, 2011). In what follows, we propose an approach to risk management in corporate communication developed from the study of two cases in the pharmaceutical industry, the choice of this economic sector being based on its high sensitivity to communication.

In this field where traditional commercial advertising is prohibited on most products, communication is greatly facilitated by the professional nature of the information, of their sources, of their means of delivery and of their recipients. Through the examples studied here, we show how and under what circumstances risk management can take a major role in managing a business by temporarily laying aside financial considerations usually put forward in risk management, as exemplified in previous work on the subject (Marceau, 1998).

We recall that corporate communication is made up of all actions and events that are due to a company and that create, shape and perpetuate its public image. In fact, this communication can be planned and can follow a specific strategy or simply appear as a consequence of the company's life. This study shows the importance of implementing a conscious strategy in this field, as well as in finance, according to the size of the company, of its market and of the sensitivity of this market to particular criteria for judging the company. The aim is to develop methods and tools for managing in a systematic and structured manner the risks of miscommunication or of a simple lack of communication.

Using two examples, we show how the deficiency in communication could be remedied by the work of consultants in this field. The approach is as follows:

- We first analyse the critical data related to the economic sector and to the general problem of the chosen examples.
- Then we present two cases of drug withdrawals, one having taken place in a controlled manner, the other having been suffered by the concerned laboratory.
- We then detail the unique aspects of the resolution method which was followed in the first case and that failed in the second.
- Finally, we conduct a comparative analysis of the positions taken, of the actions made and of their consequences.

II. SECTOR ANALYSIS

The pharmaceutical industry is, in general, highly dependent on current regulations; its characteristics vary from one country to the other, depending on the specific national context. In France, communication often consists strictly in describing the care given to products quality, through the press and through the work of medical sales networks, as there are regulations which limit greatly all commercial advertising.

Pharmaceutical companies generally have to deal with a dual market, "the hospital and the city". If the turnover in the hospital is generally negligible compared with that of the public (or "city"), its main advantage is not to bring any margin; but it actually exists at two levels: to influence the public market through the impact of a given product's notoriousness, and to obtain the renewal of hospital treatment by the "town" doctor when his patient leaves the hospital.

Because of the stakes in the public market, competition between laboratories with hospital leaders is particularly strong and large corporations dedicate significant resources to investigate and combine all possible methods of approach.

We find in this industry the three classic types of segmentation:

- A first segmentation, which is truly strategic, operates according to the selected pharmaceutical domains (depending on the specialties of the laboratory).
- A second segmentation, based on marketing, operates within the different markets depending on the diseases and their therapies.
- A third segmentation is carried out at the customer level, generally by the sales department, according to the type of specialist that the laboratory targets selectively (the physicians concerned by the laboratory's specific drug: cardiologists and nephrologists for a hypertension drug, psychiatrists for an antidepressant, etc.).

Table 1
Segmentation of the pharmaceutical industry's market

LEVEL	RESPONSIBILITY	SEGMENTATION	RESULT
Economic sector	Top Management	strategic	Strategic Business Domain
Macroeconomic market	Marketing Department	Macro-segment	Homogeneous market segment
Microeconomic market	Sales Department	Micro-segment	Commercial target

A. Constraints and Barriers to Entry

Among the major constraints in this sector, we find particularly in France: price fixing, procedures for acquiring commercialization authorization ("Autorisation de Mise sur le Marché": AMM), monitoring of medical data elements, prohibition to push sales, reduction or even elimination of reimbursement for so-called "comfort" drugs, and cost of patenting.

Other obstacles preventing the development of the pharmaceutical industry can be found among a set of complex and well maintained administrative procedures, as well as an understandable and strong commitment by the French government to reduce the costs of Social Security.

This supervised growth depresses the research effort, which results in an extension of the life cycle of marketed drugs (Mullard, 2011) and a massive arrival of foreign products on the French domestic market in major therapeutic segments. It also results in an increase in the investment threshold, which implies that only large groups such as Sanofi-Aventis (representing the merger of several former major groups like Rhône Poulenc Santé, thirty years ago) and Servier can afford "luxury" basic research

(on average 12,000 molecules simultaneously under study, then 12 years later, perhaps a marketable drug).

These elements pose a barrier that protects established specialties and acquired positions in accordance with the principles of Porter (1998). The smaller companies are to move towards national or international cooperation and to remain limited to applied research. However, some highly specialized fields are available to them because innovation with reduced budgets is still possible in these fields (niche strategies).

B. Success Factors

For a small laboratory, research niches, or contact with the medical profession for example, are crucial since things are less obvious for a large pharmaceutical company.

The main key success factors of major pharmaceutical groups are: developing major products corresponding to a technological advance, justifying and obtaining, through innovation, higher average unit prices than those of competitors, trusting, within a group, the major therapeutic domains, selecting and choosing the treatment of chronic diseases, implying non-seasonal and regular consumption, having the drug forms best suited to the comfort of the patient (once-daily) and being innovative in this domain, retaining a critical part of the medical profession, finding original and authentic information, having a high-level and well-trained medical sales network, identifying and anticipating main trends taking measured risks.

If the information is a key factor of success regardless of the field of activity, we must remember that in the pharmaceutical domain, most of the competition results are available in various forms. The advance may be gained simply by the way this information is processed.

C. Actors and Sector Risk

1. The medical profession

Regarded as its first customer and its first contact by the pharmaceutical industry, the medical profession is the subject of much attention from all laboratories. In addition to direct contact, the laboratories send a large number of publications to physicians based on their specialty. Physicians are particularly easy to contact and inform through the many links that exist with the pharmaceutical industry (medical sales networks, publications, postgraduate education, etc.), but they can be aggressive if they feel cheated.

2. The authorities

The Ministry of Health (now the "Direction Générale de la Santé" - "General Directorate of Health" - within the Ministry of Labour, Employment and Health) and the Agency of Medicines (formerly "Direction de la Pharmacie et du Médicament" - "Department of Pharmacy and Medicine") are the main institutions charged to oversee the pharmaceutical industry in France. The Agency of Medicines is an observer with the ability to intervene in the public's interest. The authorities in France are key players in the pharmaceutical industry, they may intervene in two ways: based on health concerns

(AMM, table of toxics, information control, etc.), and economic need (price, reimbursement).

Authorities hold the most power in this sector. They are more suspicious, less well-perceived, more fragile than before, but they remain a predominant force.

3. The press

The press (both the medical and general press), is the second most powerful player in the pharmaceutical field. The press plays an amplification role, able to galvanize certain situations. Relations with this particular actor are crucial in case of a crisis.

4. The competition

Any laboratory will normally be interested in seeing a decrease in the number and power of its competitors. Thus, any misstep of a major player in this sector is likely to be exploited by its main competitors.

5. The public

The audience here is made up of patients and the general public. It tends to be better informed, more organized, more demanding and even more aggressive than in the past. The position of the pharmaceutical industry against this actor is tricky. Indeed, people like the drugs but not the companies that produce them; the social responsibility of the pharmaceutical industry is tremendous and its economic success is not enough to ensure its legitimacy with the public. The French view the prosperity of the pharmaceutical industry negatively.

The general public, which has no significant formal power with respect to the pharmaceutical industry, is considered as very sensitive. It can react very aggressively in case of a laboratory failure.

III. TWO CASES OF DRUG WITHDRAWAL

Here we present briefly the two cases on which this study is based, before we compare them according to a risk management method that will be detailed in the next part.

A. Upstene: Preventive Withdrawal

The Upstene can be considered as the predecessor of Prozac. It was created by Pharmuka, a major French pharmaceutical company then owned by the Rhone Poulenc group. This original and remarkably efficient anti-depressant was warmly welcomed by the medical community. Since its introduction in 1983 on the growing market of psychotropic drugs, it has received very satisfactory business results.

After one year of widespread dissemination, statistics show a very small proportion of cases in patients suffering from side effects. Yet the collected figures are extremely low: less than 1 out of 20,000 has an effect on the blood composition, reversible about a week after stopping treatment. Pharmuka proposes new indications for their product: as the recorded cases are those of persons over 65 with multiple

simultaneous treatments, the product is then reserved for severe cases of persons under 65, as a single treatment.

Second year results are much more alarming for the laboratory which has to note the continuation of side effects in the same proportions, but among patients of all ages and with various types of treatments. In addition, the product's side effects could not be isolated.

Pharmuka did not try to understate the problem; nor did they consider it as an opportunity to transform the incident into a vast communication campaign on safety concerns in Pharmuka. The issue was only to be professional, with all that this implies, in such a delicate domain.

Pharmuka managers have committed themselves not to threaten the company's image capital. So they did not wait for the authorities to force them to withdraw their product. Despite the cost of such an operation, the company itself decided to withdraw the Upstene. The first warnings were sent to the medical profession as an additive published in the Vidal (dictionary of medicines).

Although their decision was made abruptly (suspension being finally equivalent to a withdrawal), Pharmuka granted a delay before the actual withdrawal of their product, in order to allow the physician to make a gradual transition to an alternative that would be well-tolerated by the patients. This attitude must be paralleled with the firm's ethics which is to help the physicians in their work and inform them in a useful way. By making the choice of anticipation, Pharmuka showed its credibility and affirmed its transparency, which allowed its managers to control the consequences of the issue.

No formal complaint was ever made by any patient, or the family of a patient who suffered from side effects of the Upstene. On the contrary, Pharmuka recorded numerous protests from patients who were confiscated "the only drug that really worked on them." To fill this therapeutic vacuum, the laboratory has recommended the use of Upstene-likes offered by competing laboratories, which for a long time was not sufficient to compromise the excellent reputation of the Upstene.

The articles published on the subject were usually short (from simple inserts of a few lines to articles of one page maximum): the journalists, who saw the honesty of Pharmuka and the difficulties that the firm had to bear, did obviously not desire to add a media crisis: instead they expressed some regret at Pharmuka's non-deserved situation. Moreover, in order not to interfere with the joint work of doctors and the laboratory to mitigate the adverse effects of a change of treatment for patients, the press has avoided any alarming statements that could alter the relationship between doctors and patients.

No competitors' reaction had to be reported, especially given that these competitors were advantaged by the disappearance of Upstene.

Because of the void it left in the product portfolio and in the accounts of Pharmuka, Rhone Poulenc and the laboratory managers finally nick-named the drug "Downstene". This drug actually died as it was most successful and was missed by those who knew, prescribed or used it, so it eventually emerged as the James Dean of French psychiatry.

B. Mediator: Late Withdrawal and Lasting Crisis

The Mediator, which received an AMM in 1974, was marketed from 1976 to 2009 by Servier Laboratories, now second French pharmaceutical group behind Sanofi-Aventis.

Originally developed to treat diabetes and obesity, the Mediator was then prescribed to many patients for weight loss.

In 1997, the New England Journal of Medicine published an article on the dangers of this type of medication for heart valves. In the same year in France, the Medicines Agency suspends marketing authorization of Isomeride, another Servier drug belonging to the same family as the Mediator. The laboratory managers decided to withdraw another drug of the same type, the Ponderal, but not the Mediator.

The Medicines Agency has waited twelve more years and seen several complaints against Servier before they decided to prohibit permanently the Mediator, as well as any other appetite suppressants containing Benfluorex (active ingredient of the Mediator and its generics).

In June 2010, a survey book was published by Irene Frachon "Mediator 150 mg: How many deaths?" Servier has demanded that the book be censored, but got only the censure of the subtitle, the words "How many deaths?" did not appear on the book cover any more. This censorship was then cancelled a few months later by the Court of Appeal of Rennes.

Reservations and warnings that were known since the 80's, and particularly surveys conducted between 1991 and 1994 at the request of Servier (Abenheim, 1994), showed the risk of a major media crisis. This crisis is now a threat for the Servier Laboratories with consequences that overwhelm the financial aspect. The image of the firm is severely tarnished by the legal procedures launched against it, while the publication of accusing articles continues.

According to a study conducted at the request of the French Agency for Sanitary Safety of Health Products (AFSSAPS), the Mediator has caused the death of 1000 to 2000 people since its launch in 1976 (Jouan, 2010). Considering those serious charges, one can wonder if Servier's managers have or have not had an irresponsible or even criminal policy.

Before making such assertions that still do not appear in any official judgment, it should be recalled that many elements may also contradict the hypothesis of culpability, starting with the difficulty of assessing the real causes of the evoked deaths (Vincent et al., 2011).

The popularity of anorectic drugs among the general public and many doctors should also be taken into consideration. Before these products were all withdrawn from the market, that is to say very recently, the various competitors involved have played a game of musical chairs. For example, the Acomplia created by Sanofi-Aventis was withdrawn from the market in September 2008, though its AMM only dated from June 2006.

We should also remember that despite the many prior experimentations and precautions taken at the launching of drugs called active, a risk remains for the patients undergoing the related treatment. The risk associated with the "active principle" of a drug is routinely estimated using an indicator called "lethal dose 50" (or "DL50"), that is to say the amount of drug which causes the death of 50% of the treated population. Thus, taking an active drug can not be free of risk, even when it has had favourable long-term statistics.

Moreover, it is important to consider the commercial success of Servier in a popular class of drugs, which could have been targeted and efficiently attacked by some of its competitors. This kind of strategy is not only well known and practiced in less

sensitive domains than health, but it should also be noted that this is indeed an argument officially used for the defence of Servier for the ongoing trials. Finally, in addition to the competitive aspect, political issues were also discussed.

Whatever the outcome of the trials against Servier, even if the people accusing the laboratory eventually succeed or not, our purpose remains limited to strategic considerations, in terms of communication risk management. In this way, it is now appropriate to detail the method that allowed us to estimate and compare the relevance of the policies followed by the laboratories that created the Upstene on one hand and the Mediator on the other.

IV. COMMUNICATION RISK MANAGEMENT

What stands out particularly through the two examples we just mentioned, is that in a business domain as sensitive as health, a company's image is a major strategic issue for its managers. "Reputation... Years to build, minutes to destroy!" (Binneman, 2011). So nowadays, "having a crisis communication plan in place is simply prudent risk management" (Enright, 2011).

If Pharmuka had managed to isolate and eliminate the causes of Upstene side effects, the new version of this drug would have certainly been very well accepted. In contrast, the current situation of Servier made the laboratory's activities suspicious, despite its continued investment in research and development (nearly 25% of its turnover). It seems also credible that the recent decision of the AFSSAPS to review the risk / benefit ratio of the Vastarel (another drug marketed by Servier in 1965) is related to the Mediator issue.

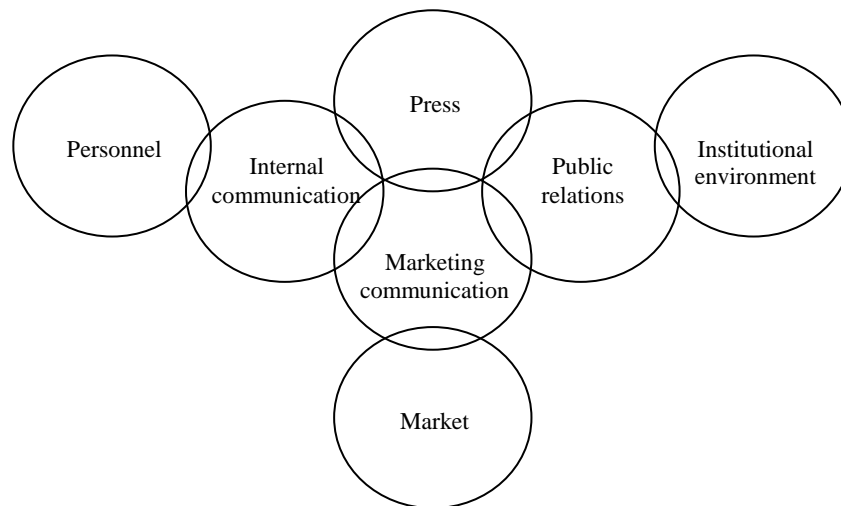
A. Communication Policy

The communication policy of companies in general and of pharmaceutical companies in particular is basically conceived and implemented on the functions and actors that appear on the pattern shown in Figure 1.

The implementation of this pattern can be adapted according to the following activities: Environmental studies, psycho-behavioural research, competition analysis, internal communication (information, internal training on risk perception, management of panic and crowd, safety at the workplace, personal safety in a collective consideration), marketing communication oriented to opinion leaders, edition (press information packs, brochures and booklets, reports...), direct and continuous relations with the medical profession, the press and the public authorities, risk management policy, and preventive crisis management (which is essential in the health domain).

Even today, only a minority of companies has a systemic approach to crisis management (ENRIGHT, 2011); these firms are then "prepared for crisis", compared to those that are "crisis prone" or "crisis threatened". What differentiates them is their overall perception of crisis management. Companies prepared for crisis do not consider crisis management as a cost but as a strategic necessity that enhances the company's competitiveness. In many domains, as in the pharmaceutical industry in this case, companies should no longer be considered only as "productive" systems but also as potentially "destructive" systems.

Figure 1
Pattern of systemic corporate communication



B. Potential Risk Diagnosis

As they can not be eliminated, risks require companies' awareness. Risks will appear at several levels:

- company itself: bad internal climate, poor financial situation;
- commercial part: product launch stained by an accident on the production site, poor relationships with opinion leaders;
- technology: industrial site disaster, tolerance accidents; and
- image: direct indictment by opinion leaders, compromised results, endangering of the company's existence.

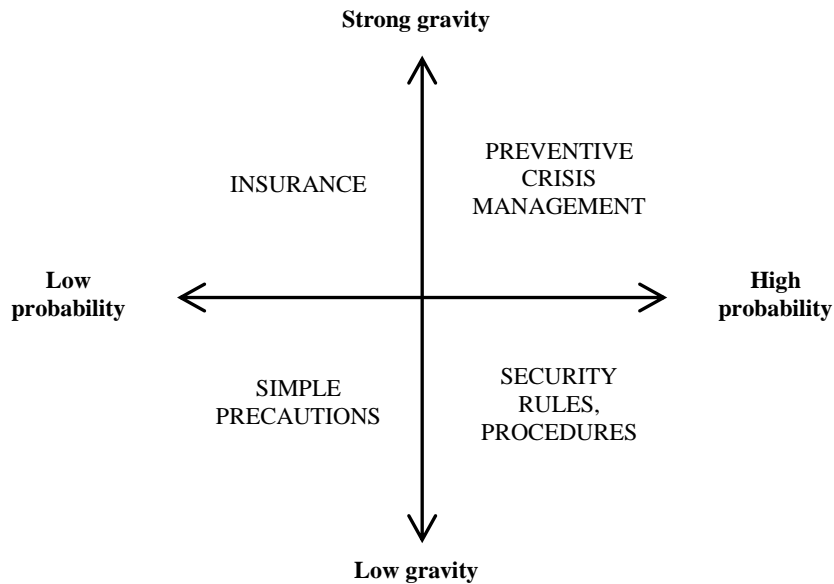
It is not always possible to foresee, about a possible event, if it will happen or not. However, its potential severity and the corresponding probability can be estimated, even subjectively. We must therefore establish a typology of possible events and observe their evolution as they arise.

C. Risk Positioning

Events related to a company's situation or activity, representing a risk for it, must be identified and located on the chart shown in Figure 2, so that we can determine what to do for each of them.

Implementation of an effective risk management policy requires regular monitoring, with a frequency that varies according to the type of business activity. In the health domain, this monitoring must be continuous and give a privileged place to pharmacovigilance (results follow up and evaluation of drugs side effects after launching).

Figure 2
Axes of risk positioning and corresponding general measures



Regular observation of changes in positioning should allow: detecting risks of imbalance with the environment, taking appropriate corrective measures, managing without amplifying, preventing (if possible).

D. Preventive Crisis Management

Developing a policy of preventive crisis management involves the definition of two risk levels (Clerc de Marco, 1993):

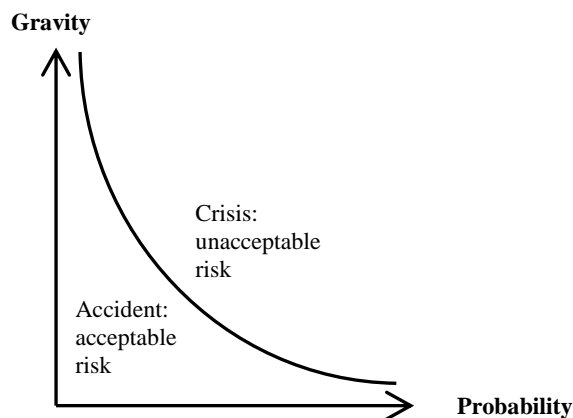
- accident, which lies in structural, mechanical or physical level (incident, problem)
- crisis, that reaches the social, psychological or existential level (social conflict).

So crises and accidents must be not confused; a crisis can follow an accident, depending on the way it is managed. A crisis stems from an accumulation of events impacting globally and negatively, in the short or medium term, the environment, the organization and the individuals. All this might occur at a physical, economic, social or psychological level. A crisis consists in an ontological reversal, i.e. a perception reversal of the company's values or axioms.

The process of a crisis in the pharmaceutical industry is typically one that reverses the axioms of a company that saves lives, by transforming it into a company that takes lives. For example, after the intrusion of AIDS in our societies, there has been a transition from the statement that "blood means life" to the feeling that "blood means death". In the same vein, one may recall the crisis caused by the misuse of the Nestle milk powder that engendered one day the assertion that "Nestle kills babies".

In order to be precise with the proposed distinction between crises and accidents, we focus on the area in the chart above (Figure 2) that represents the most sensitive situations and events (as they combine a high level of probability with a high level of severity). The curve that appears on the next graph (Figure 3) defines a boundary between accidents and crisis, such as we have defined them:

Figure 3
Graphical representation of the potential risk



On the occurrence of events that engender a crisis, without anticipating it, the typical psycho-behaviours (Clerc de Marco, 1993) will generally follow one another as described below:

- refusal and dismay,
- denial and flight,
- isolation and withdrawal,
- protest and vehemence,
- fear and instability,
- sadness and inhibition,
- irritation and arbitrary,
- concern and doubt,
- bargaining and frenzy of action,
- acceptance.

A crisis often comes from a withholding of information; therefore, the role of communication must be to prevent market failure, production crash, or human drama. It is primarily an investment that increases the company's development step by step (Nifle, 1994).

The advocated methodology is designed to anticipate crises, and even prepare for a possible day to day crisis management, through an analysis of feedback and perceptions of the problem, in terms of strategic options, objectives and motivations. The way it has to be implemented is as follows: determine interest groups, rank by

distinguishing emergencies and priorities, identify the axiomatic ideas, test these axiomatic ideas for each interest group (what do I assume to be "true" for each interest group, in order to derive my strategy from this "truth"?).

An efficient preventive crisis management will then be based on questioning and testing in advance the axiomatic ideas. Crises anticipation must be based on the idea that crises are most often a predictable phenomenon, i.e., "a slow disease pathology".

V. COMPARATIVE ANALYSIS OF STRATEGIES: FROM PHARMUKA TO SERVIER

This section focuses on an analysis of the strategies used by both laboratories to assess the positions, actions and their consequences, according to the methodology proposed above.

A. Partners and Strategic Choices

The risk of crisis in a business sector is primarily related to the critical actors and interest groups of this sector. Concerning the pharmaceutical industry, we have seen in the first part that they mainly consisted of: medical professionals, government officials, the media, competition, general public and patients.

In the following analysis, we are also interested in some pharmaceutical partners. For most laboratories, research of potential allies has long been limited to lawyers, whose importance is already proved. The legal aspects of a sensitive activity as health should actually be considered from a "preventive" as from a "healing" point of view.

However, required skills for implementing the methodology we propose exceed the legal framework. Be they physicians, managers, or people who manage to combine the specific skills of both these domains, the main decision-makers in the pharmaceutical industry often need, like their counterparts from other sectors, an external opinion. Thus evolved the role of consultants entrusted with the communication policy and preventive crisis management in certain laboratories.

Table 2
Analysis matrix of critical actors risk

		POTENTIAL AGRESSIVENESS			
		Strong	Average	Weak	Null
I M P O R T A N C E	High	Authorities Medical profession			Consultants Lawyers
	Medium	Press Competition Public			
	Low				

Strategies followed by Pharmuka on one hand and Servier on the other hand, initially distinguished on this point. Having interrupted, on the advice of the cabinet ACdM, the process that could lead to a crisis situation, Pharmuka did not need to defend its position about the Upstene on the legal plan. On the contrary, Servier had to massively appeal to lawyers to deal with the ethical, media, even political crisis, triggered by the late withdrawal of the Mediator.

B. Communication Policy and Critical Actors Management

Pharmuka's communication policy was very intense to accompany its medicine withdrawal. Without advertising about the event, the laboratory has maintained its role of informant by soliciting and managing media involvement:

- Mails, press releases sent directly to physicians (psychiatrists, then general practitioners), to pharmacists (in pharmacies and hospitals), to the press (with the "Agence Centrale de Presse" (ACP), "Agence France Presse" (AFP) and the medical information press).

- Press conferences: those about the withdrawal were made by the same animators as those about the launch. Pharmuka managers were able to show their high level of responsibility by accepting and assuming the difficulties as they had accepted the laurels.

- Advertisements in the specialized press.

Servier's attitude in communication seems to be diametrically opposed to that of Pharmuka. First, Servier has hardly communicated, giving "carte blanche" to anyone who wanted to fill the gap they left free. This example is a perfect illustration of the principle that not communicating, is not to leave the game of communication, but to lose this game.

1. The medical profession

In the case of the Upstene as in that of the Mediator, the medical profession should be seen as the first strategic target. It includes in order of importance, specialists (psychiatrists, endocrinologists, pulmonologists), general practitioners and pharmacists. Pharmuka's strategy towards the medical profession has been to demonstrate maximum transparency. For Dr. Frank Stora, Pharmuka's attitude has been exemplary, "a decision that should forever silence the detractors of the pharmaceutical industry, and through it, of medicine in general. We must congratulate the laboratory for their choice of clarity in this case, since at no time, the affair has been hidden, physicians were always kept informed of the results of pharmacovigilance" (Tonus, June 21, 1985).

Although it cannot be said that Servier has properly hidden information, its slow reactions and its opposition to physicians who questioned them about the Mediator eventually caused disapproval by most of the medical profession.

2. The authorities

The government has been sufficiently informed about the Upstene by Pharmuka not to launch new investigations in addition to those conducted by the laboratory itself. They did not really get the opportunity to do so. Information disseminated by Pharmuka was

superior in quality and quantity to those issued by the regulatory authorities, allowing the laboratory to keep the initiative and not be overwhelmed by events or media.

In the case of the Mediator, the Medicines Agency imposed the removal while the AFSSAPS was responsible for announcing the decision on November 25, 2009. Servier has appeared as conspicuously absent from the multiple media that spoke about it.

3. The press

The press quoted the professionals who were impressed or even surprised by the dedication and prudence of Pharmuka, sometimes considered excessive, while the general or economic press published the bare minimum on the subject (Coupat, 1985). In general, the non-medical press has shown little interest in the withdrawal of the Upstene, or they were sensitive to the argument of respect for the relationship between doctor and patient. So they simply repeated, sometimes with some inaccuracies regarding the facts or names, the information already available. It can be assumed that they would have been very aggressive, only if the health professionals and the medical press had done so. Le Figaro has even echoed the Upstene advocates: "A majority of psychiatrists are protesting against the decision of the laboratory Pharmuka SF to withdraw its drug from the market. According to them, the advantages were superior to the disadvantages" (Le Figaro, June 27, 1985).

On its side, Servier has failed to "keep control" in the withdrawal of the Mediator. Once the decision was imposed, the general press has seized the subject, often in harsher terms than those of the medical press.

4. The competition

In 1983, psychotropic drugs were growing by 13%, which was better than the average of all specialties combined (11.7% Source: IMS), other laboratories were therefore particularly interested in that domain where the Upstene was succeeding. In addition, competition could eventually accelerate the fall of Pharmuka through the fall of its product. The question was obviously to avoid implication of this actor. A pure and simple withdrawal was then an expensive but secure way to reach this objective.

Anorectics have long represented a class of drugs coveted by all the involved competitors. Attacks against the Mediator could be initiated in one way or another by competitors. In this case, we can consider that Servier has "stood firm", since its product has disappeared along with the whole class to which it belonged, and not before. However, without advocating any systematic flight before adversity, it is now obvious that this competitive win was not worth the price that is being asked today to Servier.

5. The public

Faced with the withdrawal of Upstene, the general public was very little mobilized by the press that was mostly grateful for an honest laboratory that facilitated its work. There has been no reaction on that side, as the event was presented as harmless. Patients were taken over by practitioners to whom Pharmuka provided the necessary information to continue current treatments and to substitute competitors' products to Upstene.

The general public, regularly appealed by the indignation of the journalists about a large number of cases, should not necessarily keep the Mediator affair in mind in the long term. In addition, they were already suspicious about all pharmaceutical companies. It is then possible that the other Servier products will not be systematically boycotted. However, patients and practitioners who have founded associations for the protection of the Mediator's victims will remain virulent critics, whose long-term action can be very damaging to Servier.

C. Results Synthesis

In the case of Upstene withdrawal, the critical players' aggressiveness can be considered void. There was no long-term effect; all the articles on the topic were focused on a very short period. "A well managed crisis is a crisis that leaves no trace" (Clerc de Marco, 1993).

Table 3
Analysis matrix of critical actors risk after withdrawal of the Upstene

		AGRESSIVENESS			
		Strong	Average	Weak	Null
I M P O R T A N C E	High				Authorities Medical pro. ACdM
	Medium				Press Competition Public
	Low				

Table 4
Analysis matrix of critical actors risk after withdrawal of the Mediator

		AGRESSIVENESS			
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I M P O R T A N C E	High	Authorities Medical profession			Lawyers
	Medium	Press Competition Public			
	Low				

Removal of the Mediator did not emerge as a benevolent measure from Servier who has obviously not taken the decision, while the authorities are now accused of complacency toward the laboratory. Discontent and antagonism occurred intensively and are now likely to leave only resentment and suspicion.

VI. CONCLUSION

In this paper we have proposed an approach to risk management that aims to reposition corporate communication among managers' main concerns. In this perspective, we have analyzed two cases of large pharmaceutical companies which developed products that were withdrawn from market, though their real dangerousness is still controversial. Although the Usptene withdrawal occurred many years before that of the Mediator, it seems the last one did not benefit from the experience of the first one.

These two cases of crisis management show the necessity of a prior assessment of rupture probability in a sensitive socioeconomic context. We can see a particular manifestation of what Ansoff (1977) called "strategic surprises". In this way, we can consider today that Pharmuka which anticipated the possibility of such surprises has acquired the means to cope with them. On the contrary, Servier seems to have largely neglected the risk of crisis, though its managers were obviously sure to have taken all guaranties to provide the best product possible. The events of the past two years clearly showed that such a policy was not enough to protect its image.

Through its strategy, Pharmuka managed to achieve a perfect "coalition of actors". By partnering the Agency of Medicine at the launch of its product, the laboratory has proved its willingness of transparency and honesty. Then, upon detection of the first side effects, Pharmuka in association with the authorities, informed in real time the medical profession and the press of what was going on. By showing they were concerned with the interests of patients, of the medical profession and of society in general, even against their own interest, the laboratory's managers avoided any external social conflict that would have been detrimental to its image or to its future.

Their policy was a remarkable example of proactive attitude toward the events and the environment. This exceptional drug withdrawal was lived well, both by physicians and the regulators, however, it should not be considered as an achievement in itself, but only as a successful crisis management.

Synthesis that can be made of the policy pursued by Servier is obviously more nuanced. This policy has consisted in the end in maintaining its position against the opinion of many critical actors; the overall strategy emerged as suicidal. Even if Justice finally declares the laboratory not guilty, it appears that the actual controversy regarding the impact of the Mediator on the deaths it is charged with is inexhaustible.

Wrongly or rightly, a company can be forced to abandon certain activities allegedly or actually dangerous, only to show its honesty, prudence and good will towards the other actors.

Since no active drug can be declared safe, the launch and marketing of such products, assorted with certain precautions, can not be equated with malice. However, in firms which produce goods having an impact on public health, managers' honesty can be easily and quickly offended.

Indeed, the economic developments of the last thirty years put some industries, particularly the pharmaceutical industry, in an unstable or aggressive environment. "In

this context, silence is not strategic, it is guilty. No communication means progressive fade and disappearance" (Clerc de Marco, 1985).

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