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Long Promised, Self-Care Is ‘Real’ With Opportunity

by [Malcolm Spicer](#)

Fred Hassan, a director with private equity firm Warburg Pincus and an OTC industry veteran, recalls when consumer health meant nonprescription drugs and when self-care was a concept, not a description for consumers' health care choices.

Fred Hassan has seen the OTC drug industry from the manufacturing side and currently views it from the investing side in a career that goes so far back he remembers when the industry's trade group was the Proprietary Association.

Hassan, a director with private equity firm Warburg Pincus LLC and a board member of several health and medical product firms, also recalls when consumer health meant nonprescription drugs and little else, and when self-care was entirely a concept, not a description for an expanding health care category.

“In those days, there was a lot of focus on problem-solving, hard-sell advertising, and only RX-to-OTC switches, not much else. Coming to the values of today, we're talking about nutritionals, devices, we're talking about appeals to consumers around authenticity, social good, real appeal to values,” he said on 17 March at the Consumer Healthcare Products Association's annual conference in Ventura, FL.

The Proprietary Association began operating in 1881 and transitioned to the Nonprescription Drug Manufacturers Association in 1989 before becoming CHPA in 1999, a year after it expanded its membership to include dietary supplement firms, a sector that already included some members which made and marketed vitamin, mineral and supplement products in addition to OTC drugs.

“I really think our industry has changed for the better, I think we are now making a much better connection with the consumer than ever before. That's why I'm so glad that that term Proprietary

Association has disappeared. Many people don't even remember that anymore, which is wonderful,” Hassan said in comments opening a panel discussion on the state of the industry.

Hassan, who moved to consulting and investing after a career in pharma executive posts including CEO of Schering-Plough Corp. before it merged with [Merck & Co., Inc.](#), has worked in Warburg Pincus' investments, including with two consumer health companies in China, ophthalmology products firm ZSM Pharmaceutical Co. Ltd. and health care online platform HTDK (Shanghai) Co. Ltd.

He said venture capital and other investors' interest in consumer health is as at least as strong as ever. “VCs have been coming to this meeting more and more every year. Because there are opportunities, deals to be done.”

Investors' interest combined with expanding routes for brands to access the marketplace are creating opportunities for new entrants in the consumer health space, too.

“This is a good time for entrepreneurs to start their own businesses, because they have a better chance that they might have had two or three decades ago, entrepreneurs, because of the fragmentation that's building up is actually have a better chance,” Hassan said.

“In the old days, you had to go through past three or four big retailing gatekeepers to get your product on the shelf. Now, you can find online platforms like Amazon, Walmart online, and have at least a chance. If you can be innovative and creative. you have a chance to be very successful as a small company. That's also all very good for us.”

'Inflection' Toward 'Empowered Consumer'



FRED HASSAN: "IF YOU CAN BE INNOVATIVE AND CREATIVE. YOU HAVE A CHANCE TO BE VERY SUCCESSFUL AS A SMALL COMPANY."

Source: Source: CHPA

Bayer And Consumer Health, Like Hand In Glove

By [Malcolm Spicer](#)

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“This is an amazing time to be in consumer health. Why would you get rid of an amazing business?” says Heiko Schipper, Bayer's consumer health chief since 2018.

[Read the full article here](#)

Opportunities in the health care market also extend to consumers. While OTC drug, VMS product and personal care product providers long have talked of providing consumers with self-care choices, the broad and expanding variety of products available combined with higher consumer interest and rapidly expanding market access is establishing self-care as a marketplace category.



MURRAY KESSLER: PERRIGO "GOT INTO PHARMA AND HAD A GREAT SUCCESS FOR THE FIRST FOUR OR FIVE YEARS AND THEN, BECAUSE IT WASN'T THE COMPANY'S FOCUS, IT WENT AWRY AND GOT ITSELF IN SOME TROUBLE." *Source: CHPA*

"This is really a golden era for consumers, consumer health care, the empowered consumer, the self-managed consumer. We've been hearing that in the past, but now it's becoming real," Hassan said.

"This is an inflection point. In many ways. I think, when we look back, many years down the road, we will remember this event as probably the inflection point, when we really started to say the empowered consumer is for real."

The CHPA has been emphasizing a self-care products market for several years, including starting in 2020 changing the name of its annual spring event from Executive Conference to Self-Care Leadership Summit.

The trade group doesn't argue that a day at a spa or a glass of wine to unwind after a workday, that practicing meditation or canning vegetables and fruits aren't self-care. Instead, it prioritizes educating US consumers about health and economic benefits from

OTC drugs, supplements, digital apps and other products and services available at stores and online. Another priority is ensuring the consumer health products industry has regulatory pathways that facilitate bringing to market additional drugs, supplements and other products that enhance self-care. (Also see "[Innovation, Education Are CHPA Priorities To Help Consumers 'Own' Their Health Through Self-Care](#)" - HBW Insight, 7 Nov, 2021.)

Rx Sent Perrigo's Consumer Core 'Awry'

One of the executives on the panel, [Perrigo Company PLC](#) president and CEO Murray Kessler, recalled making self-care the focus of the firm's work when he took the helm in 2019. Even though he didn't move to Perrigo with experience in the health care product sector, Kessler said it was obvious the firm needed to return to its roots, consumer health products.

"I didn't come from the pharma world. I've been a consumer person and different companies, whether it was food, tobacco, wine, household products. ... I came with a broad perspective,"

Kessler said.

The firm, launched in the US but headquartered in Dublin since 2013 through a merger with Elan Corp., had been in business for 135 years, working entirely in consumer health for 115 of those years.

“Then it got into pharma and had a great success for the first four or five years and then, because it wasn't the company's focus, it went awry and got itself in some trouble,” Kessler said.

He's led Perrigo through 13 deals – five divestitures and eight acquisitions – to narrow its focus. A big step came in the July 2021 closing of the sale of its Rx specialty generics business. (Also see ["It's Official: Perrigo's Entirely Consumer Health"](#) - HBW Insight, 6 Jul, 2021.)

“We're back where we started. We are a dedicated, pure-play consumer self-care company today,” Kessler added.

Returning to its roots for Perrigo also came with its first-ever approval of a new drug application for an OTC drug switch in the US. Its Nasonex 24HR Allergy also will be the first nonprescription mometasone furoate product available in the US, with launch expected later in 2022. (Also see ["Perrigo Debuts On US National Brand Stage With OTC Switch Approval For Nasonex 24HR Allergy"](#) - HBW Insight, 17 Mar, 2022.)