Vincenzo D’Elia – General Director, Alfasigma Mexico



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Vincenzo D'Elia discusses the creation of Alfasigma’s Mexican affiliate – now solidly established after 14 years – and the company’s local strategy and market approach. He emphasizes the importance of understanding market dynamics for localized portfolio selection, highlights the company's decision not to engage in government contracts, and comments on the need for flexibility in ever-changing markets like Mexico.

Can you start by telling us about your experience setting up Alfasigma Mexico, and explaining some of the initial challenges you faced?

I was entrusted with the task of establishing our operations in Mexico from the ground up. It was in 2010. Over the past 14 years, as the General Manager, I have had a unique opportunity to witness and contribute to the remarkable growth of our affiliate, which has now become one of the most successful within the Alfasigma Group. For sure, the most important challenge and proudest one has been to build up a winning managerial team.

Embarking on this journey was both challenging and enlightening. Transitioning from a position at a large multinational company with extensive infrastructure to creating a business from scratch presented numerous obstacles. Of course, some mistakes were made at the beginning relating to logistics and the ability to retain people. These early challenges were compounded by the need to manage all aspects of the business independently, from customs and tax declarations to securing

necessary permits, tasks that were previously handled by specialized departments in my former roles. However, these experiences were invaluable. They provided me with a comprehensive understanding of the intricacies involved in starting and running a business. It has been immensely gratifying to see our efforts come to fruition and to be recognized as a leading affiliate. This journey has not only been a professional triumph but also a source of profound personal satisfaction.

What motivated you to transition from a multinational corporation to establishing Alfasigma in Mexico?

The decision was driven largely by personal reasons. My father, who was living in Venezuela, became ill and expressed a strong desire to return to Italy. This was a deeply emotional time for me, and I wanted to honour his wishes. Fortuitously, I received an unexpected call from Alfasigma, an Italian company, offering me the opportunity to start their business in Mexico. This seemed like a serendipitous alignment, as it provided a chance for me to facilitate my father's return to Italy while advancing my career. Working for Alfasigma meant that I would need to travel to Italy multiple times a year, which conveniently allowed me to visit my father more frequently.

Can you provide more details about Alfasigma's presence in Mexico, now 14 years after you first established the affiliate here?

The Mexican market is unique and differs significantly from others. For instance, there is a common misconception that Mexico's market consists of 130 million people. In reality, for our type of products, the actual market is closer to 30 million people—those in the A, B, and C+ socioeconomic segments. Approximately 60 percent of the population lacks proper purchasing power to afford certain products, so it is very important to fully understanding the different levels of patient purchasing power when selecting a product.

Since we started this business, our focus has been on primary care, therefore offering our patients a good price alternative at high quality standards. Even though the company made a strategic shift to high-specialty and rare disease about three years ago, we continue to offer competitive products. We fully intend to build a business in the specialty premarket segment sector, but it is a gradual process.

That said, we are also exploring new business options, such as a consumer business unit, where price accessibility, quality product, consumers appeal, medical satisfaction, and geographic distribution are key elements for decision making to maintain business momentum. We believe it will complement our existing offerings and help us diversify further.

How exactly did you approach building Alfasigma's product portfolio in Mexico, considering the company's extensive global offerings?

One key element in entering the market was portfolio selection. We carefully selected products that we believed would succeed here and planned a commercial strategy that proved to be a successful one. Of course, beside the launching of global products we also adopted a localized approach when building our product portfolio. It was also relevant to look for additional products that fit our strategic therapeutic segment and build up a leadership position.

From the beginning, we set clear guidelines for product selection. We rigorously evaluated our global portfolio against these criteria and assessed their potential success in the Mexican market. Today we compete very effectively in the gastrointestinal and vascular category. This selective approach has been instrumental in our success. Understanding the unique characteristics of the Mexican market and tailoring our offerings accordingly has allowed us to build a strong and successful presence here.

Considering the unique market dynamics in Mexico, can you describe how Alfasigma has positioned itself?

When establishing Alfasigma in Mexico, one of my key strategic decisions was to avoid selling to the government due to the nature of our product portfolio and the fact we did not have the logistic infrastructure to deal with government health institutions. Also, it was a fact that the government was not keen on innovation. Instead, they were focusing primarily on price rather than the value of technological advancements in healthcare, therefore it was natural for us to direct our efforts and investments towards the private distribution channel. This approach insulated us from the uncertainties and bureaucratic hurdles often associated with government dealings and has allowed us to circumvent many of the challenges faced by other companies operating in Mexico.

You mentioned the decision not to engage in government contracts. What other important strategical decisions have contributed to your success in Mexico?

The second critical decision was to establish clear criteria for selecting products to launch in the Mexican market. The third one was to define a commercial/marketing engagement strategy to maximize operations and build trust among medical and patient community.

In today´s changing environment adaptation is essential, and Mexico has been a land of constant challenges and policy changes during the last decade, therefore it is fundamental to properly assess those changes and make quick decisions since many changes are disguised opportunities.

We recognized the importance of adapting to global trends while considering local readiness. For example, while digital promotion and virtual representatives are increasingly popular worldwide, we determined through extensive market research that Mexico was not yet ready for a complete transition from face-to-face interactions. We found that a significant portion of our market still prefers traditional methods, although there is growing acceptance of digital approaches among younger healthcare professionals, which we are gradually incorporating into our strategies.

Overall, our success in Mexico is a testament to these strategic decisions and our ability to adapt to both global and local changes to establish a strong and successful presence in Mexico.

How do you plan to leverage Alfasigma’s operations in Mexico to expand into other Latin American countries?

We have become a premier and solid organization and the company recognizes this. Consequently, they are looking to expands operation for the rest of Latin America, seeing Mexico as a hub. No question it is an exciting new challenge for us, and we are working on this plan to develop a smart entry strategy.

We have developed several excellence centres in Mexico; therefore, we plan to leverage them for the rest of the region. Innovation is at the core of our strategy. We strive for excellence in everything we do and to keep ahead of global trends. This philosophy is instilled throughout our organization and today is an integral part of our ADN. Currently, we are focusing on artificial intelligence and preparing our organization to integrate it.

No doubt, managerial agility and continuous adaptation, along with a forward-thinking approach ensure that we remain at the forefront of the industry and can translate this to the rest of LatAm.

Do you have any final message to our readers?

Mexico is a fascinating and highly attractive market with tremendous potential that has yet to be fully realized. To succeed here, it is crucial to thoroughly understand the unique market dynamics and what drives business in this country, which can differ significantly from other markets. Having the right team to manage these nuances is essential. Additionally, I want to emphasize that the future will always hold more promise than the past. It is important to embrace change as a natural part of life and adapt accordingly. Change can lead to growth and new opportunities, so it is important not to afraid of it. By understanding the market and remaining flexible and forward-thinking, businesses can thrive in Mexico and beyond. By adopting this mindset, you can turn challenges into opportunities and drive success in this evolving market.

In Latin America there are constant ups and down. Changes can lead to instability but as you adapt and find patterns within these fluctuations, they become more predictable.

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