

# Interview with Katherine Eissner, General Manager

## Andean Region, Hospira Colombia

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05.04.2013

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**Prior to Hospira, you worked for a number of years in several positions at Bayer. What opportunities did you see in moving your career from Bayer to Hospira?**

During my career I worked in general in the chemical and healthcare industries, most of the time in pharmaceuticals. I started with Hoechst, which is now Sanofi-Aventis, and also worked for a number of years with GSK. Most of my work experience in these companies was with classic pharma and consumer care. When I moved to Bayer, I also concentrated my working experience in the classic pharma business, but also had the opportunity to learn more about the Consumer Care and Animal Health businesses, especially when I worked in the United States. I moved from Bayer to Hospira after thirteen years working in the multinational mindset. Inside Bayer, I also had the opportunity to work with radiology and other more hospital and clinic-based business segments. I had the chance to work at in planning and controlling, lead business units at country level, and work for a regional hub; I moved abroad 2 times and worked at Bayer's headquarters with the CEO, learned about the corporate world and its requirements. It is like working for a general as a soldier. With all this experience, it was nice to return to a business of so-called high-cost products. While the economic crisis was in full swing, I decided to go for a change and I do not regret it at all. Budget restrictions, among other issues, are changing the way multinational pharmaceutical companies operate, and I wanted to do something different, as well to decide the future of a business and to be empowered to lead a larger team with success. I wanted to go back to the American culture, and the chance to make my own strategic decisions as well as some flexibility

and speed that was missing in my daily working life Hospira is only seven years old in Colombia, and I am still building the affiliate up.

**You started with Hospira just over a year ago. Could you describe the initial goals you set for yourself and how your expectations have lived up to reality over the last twelve months?**

The company started seven years ago when Abbott decided to spin off its institutional business. I believe that Colombia and Chile were the first countries in Latin America where Hospira decided to build an organization directly rather than via a wholesaler. When I arrived, I found that Hospira had strong image and reputation, sustainable sales and profit, market leaders in key segments, low rotation of people and a committed group. I was brought in as someone with a different background to reorder the organization for the next 10-15 years with a new view. The pharmaceutical industry has been very focused on ethics and compliance in recent years, and this is a theme where I'm a strong believer and that I am stressing. This is still an affiliate of an American company and as Hospira is in the stock market, some things are not negotiable. Nevertheless, in addition, I was hired to move the affiliate into a new direction of strong, healthy and profitable business ready to set a tone for the next decade.

**Accessible healthcare for the Colombian population has favoured the use of low-cost pharmaceuticals. As the government has indicated a revamping of the national healthcare system, in what ways is Hospira leveraging its comparative advantages to be favoured by the public system?**

What Hospira offers at the global level is exactly what the Colombian affiliate has in smaller proportions. Hospira is the strongest injectable provider in the United States and has a heritage of antibiotics, oncology and other segments, and the Colombian population will have the opportunity to obtain best in class injectables in terms of price, quality and accessibility. The company is also renowned for its pumps and consumables business as well as in the sedation market. Hospira is focused on patient safety and the cost-benefit of working with the right consumable for the right pump for the right patient, leading the way in the modernization of pump technology in Colombia.

Hospira is the market leader in pumps and it has the best-in-class models and will continue to innovate. I would also add that innovation does not necessarily imply high cost; it means cost-benefit, i.e. what I am willing to pay and why. Why is the system willing to pay, what are the benefits for the system and patients? I think that the whole sector understands that the patient ultimately makes decisions and is starting to understand better his/her rights and making choices based on that. In Colombia you can change your EPAs whenever you want, or change doctors or choose between one clinic/hospital and another. There is no excuse for not having the best.

Hospira is working on these three segments to be one of the most competitive companies in Colombia, where the market is very aggressive and our competitors often challenge us as market leaders. We love to make the difference.

**When we were in Chile we kept on hearing from the industry that the market for medical devices was quite saturated, and that 80-90 percent of all hospitals were properly equipped. Is there a similarly saturated market in Colombia?**

Chile's market is different in a couple of ways. Firstly, Colombia has larger cities. Regardless of the geography, you have universal coverage. You have the same competitors in Chile, as we do globally...New clinics and hospitals are being built and of course the market forces are changing. Technology has also changed dramatically in the last couple of years and will continue to change over the next five. Even with the highest market share, Hospira is always innovating and outpacing the market, either with new developments or alliances. Intelligent pumps will definitely be a trend in the near future. According to different segments, one pump will be suitable for a particular hospital in a smaller, medium, or larger city. Segmentation and targeting are key. Hospira is not only innovating by itself, the company is investing, buying and searching for newly developed pumps outside of its own business as part of life cycle management and expanding the existing portfolio on a global level. Hospira is the market leader in Colombia and we as leaders need to be best in class. We always say we are at the maximum of the market and I would say that it is a common paradigm. Every single year I still see new placements, either due to new hospitals and clinics or from positions gained from competitors.

**Alexander Papanikolau of Hospira Austria said that he was building up his affiliate through much vertical integration, special partnerships with logistics companies. How important is this to Andean operations?**

Hospira Colombia is looking for long-term partnerships, especially with insurers, hospitals/clinics, and providers. The affiliate is looking for three to five years partnerships as well as some short-term partnerships based on a case by case analysis. Hospira invests in partners that are enthusiastic and see a larger, sustainable and shared future. Usually they are the sorts of companies that are investing in the country or have been here for a long time and share our view of quality, safety and sustainability.

**What is the strategic importance of Colombia in the Hospira regional world?**

In the region, Hospira Colombia is currently market number 2, behind Brazil. We are even larger than Mexico, which is unusual in other private or institutional businesses. Globally, we are ranked

in the top 25 worldwide. The Colombian affiliate is a sixty-person organization, with a strong brand image and market share in all the segments. It is a success story, due to an experienced, empowered and committed team. The setup of the business is unique, so it is difficult to compare even inside Latin America because this affiliate is significantly “older” than almost every other Latin American affiliate. Therefore, this is not representative of the potential of the market. Brazil’s market should be five times that of Colombia and Mexico three times. However, Colombia still very important based not only on Hospira business, but also on the political and economical stability.

**Given Colombia’s status as an important hub for the Andean region, are there any opportunities that you see in penetrating these markets in other countries over which you have jurisdiction?**

Yes. The Peruvian organization started 18 months ago with a Hospira office. We see opportunity there, and if you look at the macroeconomic environment of Colombia and Peru in the recent past and near future, it is a small but stable market. Ecuador and Venezuela are very interesting markets; we are growing at double-digit rates there, although with a wholesaler. So far the business setup is working well. We are still monitoring Venezuela very closely. Ecuador, while small, is a very healthy business with interesting opportunities for our business in public and private hospitals and clinics. I imagine that the current structure set up will continue for the near future. However, we are constantly monitoring the markets and finding better ways to bring our products to the market.

**If we were to return to Colombia in three or four years, what would you personally like to have achieved by that point?**

You will see new launched products in the 3 current segments (pumps, sedation generic injectables) as well as new complete product lines like oncology, managed by an ethical, professional, efficient and profitable organization. The structure will mainly grow in sales people and Colombia will be still responsible for the Andean Region You will see more mid-term and long-term synergies with targeted partners.

**What is your personal mission in Hospira?**

There are three key objectives on a global level that apply well for Colombia, which I believe and pursue on a daily basis. First, our mandate is to Fix the Foundation in the first year, which takes some time to do, but is a must to establish a solid ground. Second, continually improve and make the difference. Colombia has a competitive market with many choices. The opportunities you have to differentiate are really the details that make the difference. Last but not least, we need to Turbocharge Growth in a sustainable manner, guided by ethics and compliance to provide the best

in class products to our markets.

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