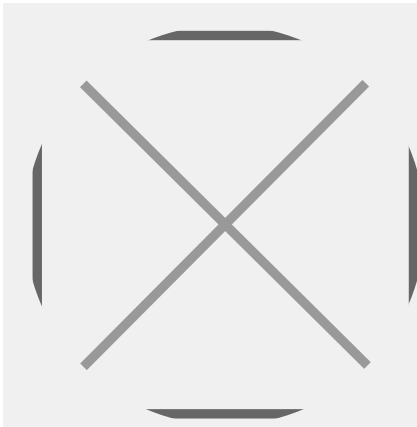


Interview with Monica Zerpa, General Manager, Pfizer Chile



29.07.2012

Tags: [Pfizer Chile](#)

Last year Pfizer consolidated its position as the world's largest global pharmaceutical company by acquiring Wyeth, of which you were previously the General Manager here in Chile. Given your privileged position as head of the combined company, how would you evaluate the integration of the two companies in Chile, and what synergies were created?

Pfizer's main goal in acquiring Wyeth was to diversify its portfolio of products and thereby enter new markets, particularly in the biomedical segment. This acquisition is one of a series of measures that Pfizer has taken to strengthen its position as the world's leading pharmaceutical company and to remain competitive in today's highly challenging market environment. Those challenges are stronger than ever, especially when you consider that R&D and the development of new blockbuster products has been quite slow in the past few years for the industry as a whole. This is in fact the third M&A in which I have participated. From my experience, the top priority following an acquisition is to ensure that the integration occurs as smoothly as possible so that disruption of business operations is minimized. Above all, this requires helping all employees to understand the rationale for the acquisition and the vision for the integrated company in coming years. It is essential that all staff understand and buy into this vision, without losing sight of the company's larger goals. For example, my legacy Pfizer colleagues faced the challenge of understanding the vaccine business which came as part of Wyeth's portfolio, because this was an area in which Pfizer had not previously been involved. Nevertheless, Pfizer has learned a great deal from its previous acquisitions about how best to fuse the advantages of both companies, and the Wyeth integration has been extremely well-handled. We have succeeded in motivating people

and giving them a vision of Pfizer as a dynamic company with solid growth prospects. I don't want to make the process sound easy, but despite the challenges and difficulties we have managed the integration with considerable success.

When I was appointed General Manager of Pfizer Chile, I saw that the company had been limited in the past by an overly introspective and restrained vision. Rather than looking at what was happening in the market and what our competitors were doing to maintain an edge in the industry, Pfizer Chile had taken a purely operational approach focused on improving processes and cost-cutting. This is clearly important, but it cannot be the sole consideration of a company. With this in mind, I have tried to provide a fresh new mindset and encourage my colleagues to offer new ideas and take more risks so that creativity becomes a core element of our daily work and decision-making becomes more efficient. I like to say that it is not the biggest fish that will eat the smaller one, but rather the fastest that will eat the others while not getting eaten itself. In a sense, I was lucky to be an outsider with an objective point of view that allowed me to bring fresh new ideas and build the confidence of my employees by empowering them and showing greater trust in them. Even though the change has been quite drastic, I am convinced that it was necessary, and so far the integration has been a success.

What is the relative importance to Pfizer of its Chilean operations in the Latin America region, considering that you were the first multinational to establish itself in the country back in 1959?

The Chilean market is quite small, especially when you compare it to other large markets in the region such as Mexico, Brazil, Venezuela, Colombia and Argentina. Nevertheless, I am confident that a lot more can be done in Chile. One of my priorities is to increase our presence in the market and enhance Chile's contribution to Pfizer's overall performance in Latin America. We have many opportunities here, thanks to the solid regulatory framework for the pharmaceutical market and to the country's economic and political stability. Even though the local pharmaceutical market is extremely competitive, due to the strong presence of local manufacturers of generics and similars, Pfizer is still one of the main players in the industry. Among multinational companies we are number one in market share, and overall we are in the fifth position.

One of our biggest challenges in Chile involves the government's dominant role in regulating the healthcare system, exemplified by the GES program that guarantees access to certain health services and medicines. Because of budget constraints, the government favors low-cost generic medicines produced by local laboratories. Nevertheless, the institutional market represents a large and growing part of our sales. CENABAST, the state agency that purchases medicines for use in the public system, is one of our most important clients. Pfizer previously did not have an adequate commercial structure for meeting the needs of the institutional segment. One of the changes that I implemented upon my arrival was to create a sales structure with representatives specially trained to support our institutional clients, such as hospitals, patient programs and CENABAST. This sales

force will become operational in December 2010. The Chilean government has been modernizing the public healthcare system over the years, and we must ensure that our services take these reforms into account so that patients have wider access to our products. I am confident that this will also make our products and services more competitive vis-à-vis low-cost generics.

Aside from this initiative to create a sales force dedicated to the institutional market, how is Pfizer positioning itself to remain competitive in the Chilean market?

Our first priority is to improve the service that we offer to our clients so that they perceive not only the exceptional quality of our products but also the added value of the services that we offer. Another priority involves clinical trial investment in Chile, which allows us to familiarize the local medical community with our investigational products and reinforce Pfizer's commitment to high quality standards. Pfizer was the first global laboratory to conduct clinical trials in Chile. Today, Chile represents the 4th largest market for clinical research in the region. I know that several other companies are conducting clinical trials in Chile, something that Pfizer has done from the outset. The best evidence of our competitiveness in the local market is the commercial success of our leading brands: Celebra for inflammation, Lipitor for high cholesterol, and our pneumococcal conjugate vaccine Prevenar.

Mr. Cousiño at CIF spoke passionately about patent violations within the pharmaceutical sector in Chile being a major obstacle for innovative pharmaceutical companies. Has Pfizer experienced any violation of its patents?

Fortunately, Pfizer has not experienced any violations of its patents in Chile in recent years. Our main concerns in Chile relate to inadequate protection of our proprietary test data and the absence of patent linkage, which is intended to prevent sanitary registration and commercialization of copies of patented products. Our intellectual property rights will remain vulnerable in Chile until the government fully implements its obligations under TRIPS and the U.S.-Chile Free Trade Agreement regarding data exclusivity and linkage. Here in Chile as throughout Latin America, Pfizer's ability to commercialize its innovative products depends heavily on adequate respect for intellectual property rights.

Nevertheless, Pfizer has managed to achieve the lead position amongst innovative laboratories present in Chile. In light of the upcoming expiration of several patents of Pfizer's blockbuster products, what is the company's strategy to maintain and further its position as innovative leader in Chile?

Upcoming patent expirations will not greatly affect our operations in Chile, mainly because there are already numerous products with the same active ingredients as our blockbusters available in the local market. This is especially true for Lipitor, since there are up to 20 different versions of atorvastatin available on the local market. This means that expiration of the U.S. patent for Lipitor

won't affect us. For now, Pfizer's priority in Chile is to maintain and expand its position as market leader through organic growth by leveraging our current products. As I mentioned before, we are improving our sales force in order to better convince doctors of the quality and efficacy of our products and to better target the massive institutional market. This has required us to redesign our internal structure to directly address the needs of the Chilean market.

Are you the mastermind behind this new vision and the redesigning of Pfizer in Chile?

Our new approach is something that I have designed together with my team. As I mentioned before, it was easier for me to see the weaknesses of the previous structure because I came from the outside and had an objective vision of the entire operation. When I stepped into this role I made these suggestions to my team, and they slowly began seeing things from a different perspective. Since then, we have been working together to implement the changes.

Chile offers a positive environment for conducting clinical trials. How has Pfizer been exploiting this opportunity? What do you believe is needed to expand the Chilean clinical trial market?

We already have a large number of trials underway in Chile, so I am not sure that we can expand much more beyond our current number of 49 trials. Most of our current research in Chile focuses on oncology, inflammation, and neurosciences, with most of the anti-inflammatory studies involving biological products. Nevertheless we have been investing in expanding and improving our clinical research department and the internal structure that manages this important work.

What does Pfizer do to attract and retain the best talent in Chile, and do you mostly recruit from within the pharmaceutical industry or do you also look beyond?

I am convinced that the most important factor behind a company's success is its management of human resources and its internal talent. One of my top priorities is to bring in people with innovative mindsets. Pfizer Chile used to focus too much on its internal resources and did not look much beyond its walls to bring in fresh talent. I think it is important to always have a balanced mix of internal and external people so that there is a constant flow of new ideas and perspectives. When we need to fill a position, we usually begin by looking for people from within the industry that have the necessary experience. Of course we don't always limit ourselves to this recruitment pool — it all depends on the nature of the job for which we are hiring and the competencies that are required. For example, if we are recruiting a salesperson for our oncology products, we will most likely want someone with previous experience in this segment in view of the specialization involved and the technical know-how required. For other more general products, we might consider a good salesperson from another industry, because at the end of the day a good salesperson will be able to sell you anything, whether that is a car or a pharmaceutical product. In these cases it is more about having the basic knowledge of the product and the right attitude to sell.

Regarding talent retention, I think Pfizer has had considerable success in developing and advancing the careers of the best-performing people. The company motivates its employees by offering a constant stream of new challenges and opportunities. We also strive to maintain a positive labor environment so that employees look forward to coming to work each day. Here in Chile we have some work to do in this respect, especially since our physical facilities have not been remodeled since 1990. We are now awaiting approval for a thorough renovation project for our office that will begin in January 2011.

Being one of the few women in a managerial position within the Chilean pharmaceutical industry, do you consider that this has been an advantage or a disadvantage for you?

I think that it has been both an advantage and a disadvantage in certain respects. On the one hand, being a woman has helped me to negotiate with and relate to my colleagues in the industry more effectively. I think women can be more flexible and spontaneous because they are allowed more freedom in the way they conduct their business. On the other hand, I have also experienced some resistance in managing a company like Pfizer simply because I am a woman. In this sense it is harder to prove oneself and gain credibility from colleagues and employees. Overall, I would rate my experience as a woman in the industry as positive, and I am confident that the challenges inherent for women in the male-dominated pharmaceutical industry will decrease more and more over time.

What is your vision for Pfizer in Chile for the next 3 to 5 years and what is your final message for our readers of Pharmaceutical Executive about the commitment of Pfizer to Chile?

The future for Pfizer in Chile is not going to be easy, mostly because of the intense competition that we face in this country. In order to grow, we must leverage our advantages and remain flexible in responding to our ever-changing local market. I think multinational pharmaceutical companies in Chile have remained very static in their approach and we must become more flexible regarding the prices, services and access to products that we offer. We need to learn how to become more agile and responsive to this dynamic market, and that's what I aim to bring to the company. Specifically in our pricing strategies, I think we need to diversify our pricing structure to move away from an entirely premium-price approach. This will be more of a priority for us than introducing new specialty products targeted at niche markets. The idea is to concentrate on improving what we currently offer and streamlining how we relate to our main clients, especially public purchasers. As my final message, I would like to say that a company is composed of the people who work for it — people who are motivated, qualified, and satisfied with their professional lives. Once you manage to accomplish this, everything else — the sales and the growth — will come naturally. This is what Pfizer Chile is now working on so that we can guarantee our future success in this challenging market environment.

[See more interviews](#)