Interview with Roberto Alvarenga, General Manager, Ferring Pharmaceuticals Brazil

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Tags: Ferring Pharmaceuticals Brazil

Yesterday the Ministry of Health released an article stating that chronic diseases now account for 70% of all deaths in Brazil, and welcoming suggestions for the national plan against chronic diseases for when the UN next addresses the General Assembly in September. What would be your suggestions?

One of the things I believe they have to do is review the reimbursement list every year or every two years. What we don’t have now an updated list of reimbursed drugs, so those drugs cost a lot of money for the government. As a result, there are many legal requests.

I would also recommend the government has an open negotiation with pharmaceutical companies regarding pricing and patents. One thing which will help a lot is speeding up the process of clinical trials. Clinical trials in Brazil are really, really difficult. We have good physicians and good patients, but it’s very bureaucratic. Sometimes, Brazil loses other opportunities to other countries, because if it’s a competitive clinical trial, all the other countries will already have it approved. This costs a lot of money to the government and could help, not only in the chronic diseases, but other diseases.

Taking clinical trials for instance, why do you think they have been lagging behind?

Mr. Barbano at ANVISA seemed keen to showcase reductions in waiting times, especially in areas like medical devices.

I think the industry needs to be fair with the government. There are some mistakes from pharmaceutical companies. Sometimes the quality of the dossiers submitted is not good enough. We need to be fair here; often the industry fails in this basic regard. Companies need to, at minimum, prepare good enough dossiers to approve, although this is only a concern for some

companies.
Yet another issue is I don't believe the government has the right size, in terms of numbers and quality of staff, to evaluate all the submissions.

Ferring entered less than one month ago into a partnership with Biominas Brasil. What role can such partnerships play in lessening the bottlenecks you mention?

Biominas is a kind of liaison between public institutions and the private sector. There is a lot of ongoing clinical activity within Brazil's public institutions. They do not have all the investments necessary to speed up clinical investments, so they look for some other partnership in the private sector. Ferring is very interested to have partnerships with public institutions in the therapeutic areas we work with. Since we don't have a manufacturing site in Brazil, and don't invest a lot in clinical trials, we want this kind of partnership with a public institution. It's a great opportunity on both sides. By the end of August, Ferring hopes to define the exact kind of partnership this will evolve into.

We read that in January 2010 you had hoped to triple revenues and invest $50-100 million in Brazil. How has that panned out?

For the last two years, Ferring Brazil has had the highest gross among all Ferring affiliates. We were able to grow sales 25% in 2008-2009, 35% in 2009-2010, and I believe we can achieve around 25% again this year. Ferring in Brazil intends to almost triple sales in two years. In terms of acquisitions, we are still looking for the right target, and the plan remains to make a good acquisition, not only in plant but product.

There was the Dupomar acquisition in 2004 in Buenos Aires. What type of opportunities do you see in Brazil?

It's very difficult now, because Brazil is a buyer's market – in the sense that everybody wants to buy! The prices are crazy. It's not easy to find the right target. If possible, Ferring wants to find a target which fits with existing therapeutic areas of gastroenterology, reproduction, urology, and maybe, in the future, oncology. But it's not that easy, so we're still looking for the opportunities, and it's one of our goals in Brazil – but we're still struggling to find the right target.

Though you certainly haven't struggled growing. How does Ferring compete against much bigger biopharma?

The secret is to find the right niche. Of course it's difficult to compete with Big Pharma, but opportunities are in the market for all players. Ferring was able to grow almost 100% on the human reproduction area, just by focusing our resources on the right target.

Are there any particular case studies you'd like to highlight?

Ferring has been able to launch products in Brazil which were not part of the current pipeline when I joined the company. One example is the probiotic BioGaia in partnership with a Swedish company also called BioGaia. Ferring has also launched FemLab, a diagnostic medical device for vaginitis. We launched Firmagon, a hormone for prostate cancer we are planning to launch in October for which we have just received price approval and registration. There are also several ongoing activities in terms of new product launches and possible acquisitions. Ferring grew its sales force in Brazil from 40 to 70 sales reps in two and a half years. We hired a medical director and built a medical infrastructure in Brazil, and for the first time one clinical trial is ongoing in Brazil.

You seem very relaxed and happy – what keeps you up at night, checking your Blackberry? What's at the top of your priority list in terms of challenges to address?

The main challenge is how to sustain the level of growth in Brazil and keep our employees motivated to really push through our aggressive growth. One area is remaining competitive in terms of salaries and benefits for our employees. By 2013 Ferring wants to be considered one of the great places to work in Brazil. This is our goal and we are working hard toward it. We have a very good HR department in place and are performing a lot of benchmarking against our competitors to see what kind of benefits we can implement in Brazil.
Another thing that keeps me all the time worried is to find the right acquisition in Brazil. This is something that takes at least 50% of my time. It's not that easy.

There's a buyer and seller in any transaction. What makes Ferring an acquirer of choice?

Ferring has an excellent reputation in its therapeutic areas and institutional image not only here but in Europe. There is also a history of very good partnerships with different products such as Propess and BioGaia. We have a very open policy here. Everyone knows what we want and what we're looking for.

In terms of keeping those people and attracting the best and brightest, how would you define your management style?

I am very sales-oriented and people-oriented. I believe people are responsible to make our results in Brazil. If Ferring has people who are happy and motivated, I believe we can hit our targets. We have monthly telecoms or breakfasts with employees at all levels. We are very open to discuss all the issues and opportunities we have. Everyone can speak up, and we listen to them. Probably the fact that we are not that big helps us to be in touch with all employees almost every month. This is something people really value in Ferring.

Where do you want to bring Ferring here in Brazil in five to 10 years?

I want Ferring to be a larger organization and I hope to see some recognition as one of the best places to work. I expect to see many more products available to attend to our patients. That's it – if in five to 10 years you come back and see all those things I'll be a very happy man!

You talk about motivating others, but what keeps you motivated?

The challenge at Ferring is totally different compared to my past positions at Lilly, Novartis, and Abbott, which were very well-organized and big companies. Ferring is not that big, however, we have an advantage here in the liberty and freedom to make decisions. Of course we're accountable, but the bureaucracy is not there. The challenges we have are very straightforward: find the right acquisition, and continue the growth of the last two or three years. It's all very motivating. It keeps me happy to come to work every day at Ferring.

What's your final message to Pharmaceutical Executive readers?

Ferring wants to be part of all the changes the government is trying to implement in Brazil. We want to be a valuable partner and a voice in this movement, and we want to be recognized as one of the best companies to work with.

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