Interview with Rafael Hizon, Chief Executive Officer, Hizon Laboratories

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Hizon Laboratories has been present in the Philippines for more than a century and several generations of Hizon have been at the head of the company. How has the company evolved from its origins as a drugstore to where it stands today?

Although my grandfather had a drugstore before putting up Hizon Laboratories, we went into manufacturing in 1898. That is the year we say the company started. We started as a manufacturer for drugstores; we specialized on galenical products and compounding, but we were also manufacturing injectibles, tablets, and liquids. We continued manufacturing even during the Japanese occupation.

Over the years, we moved to several places until we built our current manufacturing plant in 1991, located in Antipolo City. We started with one building for oral products. At present, we manufacture different lines of products for our clients while they do the marketing. At the same time, we continue to sell our injectibles through hospitals.

Today, we are focusing on contract manufacturing.

As the oldest pharmaceutical company in the Philippines, what do you think have been the main factors that allowed you to be the leader for so many years?

Over the long period that we have been serving the needs of hospitals, we have earned an image of quality and of service. We have developed a reputation for manufacturing quality products comparable with other countries. Indeed, we have been following international pharmacopoeias and standards. I believe that the factors propelling us forward are: our clients' trust, the reliable service we provide and the experience that comes with our history.

The industry has become increasingly competitive in the recent years. Where does Hizon Laboratories position itself in the Philippines and how do you support both the local players and the multinationals?

Competition in the industry is comprised of first, the local companies who manufacture products in the country and secondly, the companies that import.

Belonging in the first category, we develop and manufacture products which compete in different market segments…namely generic and branded. By providing products with high quality and priced competitively, we are able to support both local and multinational players. In the end, it boils down to the value they are able to pass on to the patient or the consumer.

Hizon Laboratories has always been focusing on quality. How do you ensure to consistently maintain your high quality standards?

We work on continuous improvement based on local research, on foreign consultancy, as well as on some technology transfer from our clients.

Equipment wise, we are still partial to US and European models, since they allow us to manufacture at high speed, with precision.

In the last year, the Government started a campaign for reducing the price of medicine. How do you manage the trade off between lowering prices and maintaining the quality of the products?

At Hizon Laboratories, quality is built into the entire system of producing each batch. Manufacturing in relatively high volumes or big batches has helped us keep our prices competitive. There should never be a trade off when it comes to the quality of our products.

The Philippines are focusing on harmonizing manufacturing practices and standards. The ASEAN common market is set to be reality in 2015, while the FDA has already applied to join the PIC/S scheme. Is Hizon Laboratories ready to comply with the new standards?

We are working with the ASEAN pharmaceutical working group on harmonization. Philippine industry delegates are attending the conferences with different ASEAN Food and Drug

Administration authorities.

As part of our continuous improvement, we have already incorporated some PIC/S standards into our system so as to be in stride with the Philippine FDA.

We have also adopted most of the requirements of the ASEAN harmonized standards except those that have not yet been clearly defined.

Do you think the ASEAN harmonization for Hizon Laboratories will be an opportunity or a threat?

It could be both. It could be a threat because there will be more companies bringing in products. On the other hand, there could be an opportunity because some of our clients have operations in the ASEAN region.

Hizon Laboratories is also doing product development. How important do you think it is for local companies to enhance product development activities to be more competitive?

I think it is becoming increasingly important because there is now acceptance of both branded and generic products. For us to capitalize on this market situation, as well as contribute to price reduction for the benefit of the consumer, it is imperative for us to accelerate our product development activities.

When established, Hizon Laboratories had the mission to serve the needs of the Filipino people. How are you serving and improving the quality of life of the Filipinos today?

We strive to maintain the highest quality products at affordable prices. Furthermore, we support and work with several organizations that are taking care of less fortunate people in different parts our country.

The company has been around for more that a century, so looking long term, where would you like to see Hizon Laboratories in the next 25 years and what kind of a legacy would you like to leave to the next generation?

I hope I will still be around in the next 25 years!

We look forward to working in the same direction, and I am transferring responsibilities to the next generation so that they understand the importance of our foundation. I am sure that they can successfully move forward.

I would like to leave them the same mission of service. Having the life and the welfare of the Filipino people in mind.

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