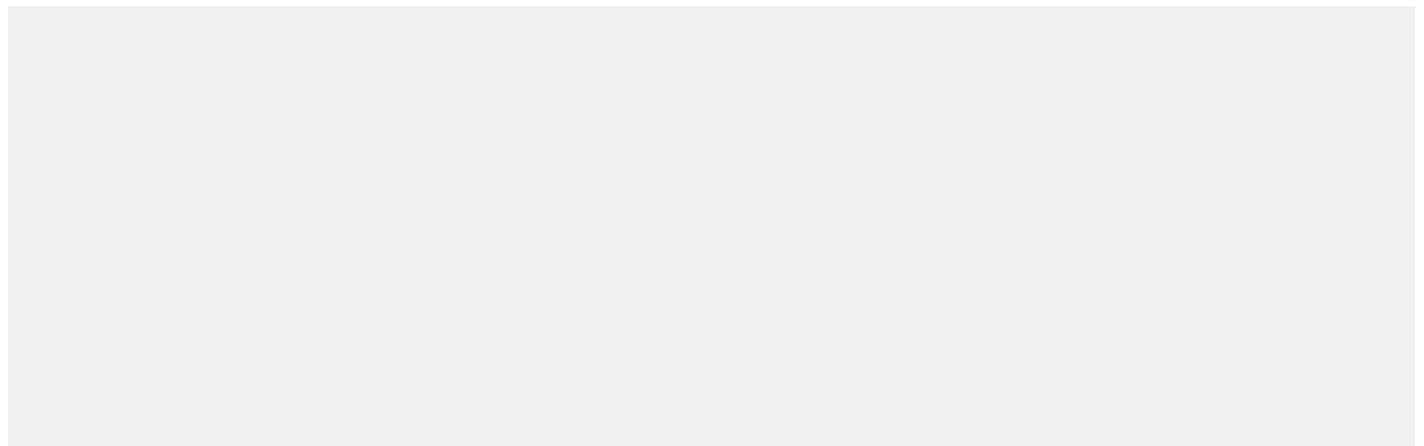


Interview with Jesus Loreto, General Manager, Pfizer Argentina



29.09.2009

Tags: [Pfizer Argentina](#)

You were General Manager of Pfizer Peru and Pfizer Venezuela before taking on the challenge of the Argentinean market. How difficult was the experience of adjusting to this unique environment?

One of the things that a manager learns quickly in Latin America is how to deal with the volatility and ever-changing nature of the markets. The capacity to adapt rapidly to changes is something that can be used all over the world, but particularly in Latin America. Coming to Argentina helped me to realize that learning through experience helps a manager to better understand the customer needs and the government regulations in new countries.

With Pfizer focusing increasingly on emerging markets, what is the importance of the Argentine market and Latin America in general? Argentina has a very unique access situation, which is different from the rest of Latin America, and not the same as the one we would use to define an emerging market. This access situation makes the Argentinean very privileged compared to their neighbours, especially for specialty products. The health system allows access to state-of-the-art medication. Take cancer patients for example: whilst it might take a little longer to receive treatment at a public hospital than it would under the pre-paid HMO system, there is still access, and this is excellent. Access is not perfect for the majority of everyday pharmaceutical products, where access is limited to the basic pharmaceutical basket, but in specialty care – which covers the major catastrophic diseases – most of the Argentinean population has access.

Pfizer recently conducted a very interesting trial in a poor neighborhood in Venezuela where the company trains a local resident to provide the neighborhood doctor with the latest information on treatments, thus improving the service he offers to the community. This is a very good approach to access, and as a result we see that people respond better to offers of treatment made by a known person in the area. Pfizer Argentina is assessing a similar program, but I would say access is one of the areas that we're really concerned about in emerging markets.

Within the Latin American region, and at Pfizer Worldwide, Argentina is considered to be a very important global centre for R&D, with more than 30 clinical trials ongoing in the country. The company is investing not only in the manufacturing side of the business, but also in developing and training researchers. As a result, some of them have become globally well-known key opinion leaders in pharmaceutical research. We're very proud that Argentina is one of Pfizer's centres of excellence in research and we take into account such factors as clinical practices, qualification of the researchers, involvement of patients and the cost. It's an equation.

Another example of the importance of Argentina for Pfizer Worldwide is that the company is creating a local internal support centre here for some of Pfizer's business technology systems. Initially it will provide support for Pfizer Mexico and later for other Latin American countries. The talents that are to be found in Argentina speak very well of the country.

Pfizer is focused on bringing innovations to Argentina, and most of the products that the company has launched worldwide can be found in the market today.

Unfortunately, the Intellectual Property situation in Argentina is not as we would like. The IP law is in force since 2000. The first patent have been issued during the year 2005 However, it is unclear how enforcement will work. The INPI takes too long to examine patent application, 8 to 12 years, depending on the subject when the international standard is 5 years.

Another area of concern is smoking cessation policy. There is a correlation between smokers and cardiovascular diseases and some other diseases. It's not just about quitting smoking – it's more than that, namely health problems associated with smoking, and this is an area where Pfizer tries to take an active role in education across the globe. However, Argentina is a large tobacco producer, which makes it difficult for policy-makers to suggest a nationwide ban, or higher taxes on tobacco sales. I am also the Country Manager of Pfizer Uruguay, and the difference between the two countries is distinct: Uruguay today is a smoke-free country.

For Pfizer, 2009 will be remembered as the year of the Wyeth acquisition. How is the company's restructuring in Argentina going and how has 2009 been so far in terms of growth delivery?

One of the guidelines passed down to both Pfizer and Wyeth senior managers at the time of the proposal of acquisition was to focus on keeping the business running. Both companies are doing an excellent job in Argentina and Latin America. One reason for this is that Wyeth brings a lot of complementary therapeutic areas to Pfizer, so there is not a great deal of concern about this being a merger with overlapping and duplication, which can lead to job losses. There will always be duplications, especially in our supporting areas. However on the commercial side, which is critical to the success and growth of the business, both companies complement each other, and we are very happy the merger took place.

Pfizer Argentina is definitely ahead of their 2009 targets; I think there's a time lag between in the global economic situation and the climate in Argentina. In 2010 there will be economic slowdown. Pfizer's concern is that economy slows down, unemployment grows, more and more healthcare will be financed by the government, and as a result there will be less money to be spent per capita. However, we don't feel that Argentina's GDP will decrease as much as it has in other countries. Inflation has been coming down more as a result of deceleration of the economy.

We've seen Pfizer is one of the few multinationals that still has manufacturing facilities in Argentina. What's your long-term vision for growth in Argentina despite this temporary economic slowdown?

One of the things that Pfizer has done differently in Argentina is local development: Ibupirac is manufactured locally by Pfizer and IMS figures show it to be the number two product in the Argentinean retail market. One of the reasons that Pfizer Argentina have continued with local manufacturing is that our facilities are mainly dedicated to the production of local specialties, such as Ibupirac, which are relatively unknown outside of the country. This strategy has its advantages: when sales of analgesics such as Ibupirac jumped as a result of the spread of the H1N1 virus in Argentina, Pfizer were able to have our plant rapidly responding to the unplanned demand.

Pfizer's manufacturing structure divides plants into different categories. One of the visions for the future growth of the company was market support: plants oriented to support the local market, specialized in manufacturing popular local products, such as Ibupirac and Aldactone. Assuming that the economic situation improves after 2010, Pfizer Argentina has a very promising future in terms of what we see in the economy and marketplace. Combined with Wyeth, Pfizer will be a very strong company.

Argentina has a very unique market, where local companies have a dominant position; to be honest, it is very unusual not to see Pfizer at the top of the country rankings. The Argentinean market is essentially a generics market. As a multinational and an innovator, what are your strategies to compete?

The important point here is that the pure generics market, consisting of own- non-branded generic products, has a very small share of the Argentinean market, which is dominated by brands. Generic penetration is very low in the retail market. Pfizer is considering entering the generics market in Argentina, and if we do, we feel the best strategy would be to introduce branded generics that would complement our portfolio. For instance, we might bring in products to supplement our cardiovascular line, where Pfizer have a dominant position in the market, but where we need to complement our portfolio with new combinations. Some of these products would come from our plants in Argentina and some from our partnerships worldwide.

The real competition is among brands. Taking into account that local manufacturers are extremely good at formulation and pharmaceutical development, we face the fact of competing with our own product but done by someone else.

For instance, LYRICA was a product that Pfizer introduced in Argentina around two years ago, and it was very innovative. At that time, the neuropathic pain market was very underdeveloped and this is something that the company started to develop. There was very little understanding of the issues that caused neuropathic problems, and Pfizer took on the responsibility of educating the physician about neuropathic pain: what to do, what to look for in the patients. This situation is unique to Argentina.

You mentioned that clinical trials are a major part of Pfizer's Argentinean operations. What are the advantages for Pfizer in conducting clinical trials in Argentina? Do you believe the country has the potential to position itself as a clinical trial hub for Latin America?

Most of the multinationals that are present in Argentina believe, as Pfizer do, in the importance of the country for clinical research. All of the larger CROs are present in the market, thus recruitment become difficult due to the population of 40 million, which is relatively small in Latin America.

There are several reasons why this is the case, and why Argentina has the potential to become a hub for investment in clinical research: there are many investigators, operating at world-class standards; the involvement rate is very good, and assertive regulatory authorities have been helping, despite some delays more related to H1N1: they temporarily stopped enrollment for new studies, but they are now starting up again.

Your collaboration last year with Instituto Leloir was a major turning point for positioning Argentina as a centre for R&D. At the time, you said that the partnership "reaffirms that Pfizer supports science and innovation beyond clinical research." What are the factors behind your belief in the Argentinean scientific community, and your commitment to it?

There have been 3 Nobel Prizes for science won by Argentineans, which indicates that research has always been engrained in the people here. There are many young and experienced

Argentinean scientists worldwide doing research. We really believe we have the cadres for research that can improve with the financial support of private industry. In order to keep up this level of innovation, it has to be the case here in the country that all successful research is patented, in order to obtain more funds and revenues because currently, this does not happen enough in Argentina. Researchers do excellent basic research but there are no developed systems in place to help these scientific successes be translated into financial ones.

This was the reasoning behind our collaboration with Instituto Leloir: to work on something that might be commercially successful: obtain the patents, get funding, and generate more money to invest in other research areas. That's something that Pfizer believes in, and other multinationals are now following our lead.

If we were to come back in five years, what would you like to have achieved at Pfizer Argentina?

The fact that Pfizer are combining with Wyeth will definitely bring new products. The business was looking for an alternative to organic growth with the acquisition, because they saw that the Pfizer portfolio was somewhat limited in the short term. However, there will be some research coming into fruit around 2014-15, which will definitely accelerate Pfizer's worldwide positioning, as well as here in Argentina. The proper enforcement of IP laws in Argentina will also give Pfizer the capabilities to propel the organization to the top of the country rankings in this time. It will allow leadership in areas where we are the renowned innovators.

Over the next five years, we would also like to develop vaccines, which is an area that Pfizer wants to see improvements. Our organization believes that all children in Argentina should have access to vaccines.. My understanding is that in order for the national vaccination program for Argentina to include a vaccine, you need to have minimum of serotypes covered. A vaccine which Wyeth currently has awaiting approval will achieve that level, so when that vaccine is approved, it is most likely to be included in the national vaccination program. Today in Uruguay, it is used in the national immunization program and children are covered with the current vaccine. We'll be able to provide access to all levels of population when the new vaccine is approved.

What role did you play in the success that Pfizer Argentina is seeing today?

I had a very tough time when I first came to Argentina. I realized in the few months that I was here that I did not have the right team: all the people I wanted to lead the company were already a part of Pfizer Argentina, but not in the right positions. I changed the strategic direction of the company, which brought a lot of new energy and diversity, and made Pfizer Argentina richer in achievement, commitment, passion, and engagement, which are some of the key ingredients to success.

We were able to turn the organizational structure around in such a way that we were then able to have one unit dedicated solely to the customer. The field force is not involved in direct relations

with distributors, in order to avoid a conflict of interests. Pfizer Argentina began serving needs of the customers individually, whilst making sure that the organization had a specialty business unit to attend to the needs of the customers in each particular market. The success of Pfizer Argentina was a combination of restructuring, introducing a new leadership, a new strategic direction, making sure through real actions that people were really engaged, and above all, the belief that Pfizer was the best place to work.

[See more interviews](#)