

# Interviews: Alberto Martínez, General Manager, Mundipharma, Spain & Portugal

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*As general manager of Mundipharma Spain & Portugal since 2007, Alberto Martínez has been witness to an interesting evolution of Spain's pharma industry during some tough times. He talks about the steps he took to recover the subsidiary's stagnant sales growth and establish key relationships with stakeholders in academia and patient groups, while highlighting the importance of partnerships in Mundipharma's unique company structure.*

## **What steps did you take to adapt when the crisis was in full swing?**

The main strategy has been to have a responsible management approach. The situation has been very different for the company compared to most in Spain. When I took over in 2007, Mundipharma Spain's sales were stagnant, and the key product launched in 2004 had not performed as expected and therefore the company needed a new approach. Since then we have been growing very significantly increasing our sales by seven fold in seven years, and Mundipharma has been one of the top three fastest-growing companies in the retail market. We have strongly focused on ourselves in terms of hiring the right people, establishing good processes, focusing clearly on sales force effectiveness and market access. All of that enabled us to launch two products of our current focus in hematology and analgesia in 2011. The results have been solid; these products have already been market leaders in their respective areas for the past two years. Our headcount has also increased from 32 in 2007 to 113 today. We are preparing a new launch in respiratory as soon as we get reimbursement clearance, and this is expected to sustain our double digit growth in the coming years. We have also participated in the Great Place to Work survey being ranked #1 in both

2014 and 2012, which has facilitated talent attraction and has reassured our people that they are at the right place.

**Spain and Portugal have their own unique difficulties for reimbursement. How do you manage both using the Mundipharma strategy?**

Historically, Mundipharma has had a very limited structure in Portugal and has proven unsuccessful in getting our drugs reimbursed there. Since I took responsibility for Portugal in 2012, we have partnered with well-experienced and solid-structured local companies like Ferrer that are succeeding in getting our products to market; thus the strategy in Portugal is markedly different from that in Spain.

In Spain, our approach has been focused on providing “affordable innovation”, consisting of a responsible approach in terms of pricing whilst understanding innovation needs to be balanced with all our investments. We have consistently applied for the lowest pricing in Europe and have been conscious of the need to contribute to local GDP, which is a controversial topic from a European perspective. Mundipharma Spain is indeed a local company even if we share the benefit of a global network of companies with shared R&D and manufacturing capabilities. This is a Spanish company that dedicates more than nine percent of its revenue to R&D projects certified by the Ministry of Industry and needs to be put in perspective despite not having laboratories or manufacturing capabilities here. We commit to R&D by using Spanish resources to invest in local and European projects and we also have partnerships with local product suppliers based in Spain, such as Alcaliber (morphine and oxycodone API suppliers), and Inke (formoterol exclusive worldwide supplier). The growth and development of local pharmaceutical companies like these are also dependent on the development of companies like Mundipharma Spain. For middle size Companies like Mundipharma, it is not always affordable to establish R&D or manufacturing capabilities in every territory, but we hope our Authorities would recognize our firm commitment with innovation, with a growing contribution to the Spanish GDP and towards a sustainable healthcare system.

**The bigger a company becomes, the more it loses focus, and therefore companies like Mundipharma have to be picky about choosing the right opportunities. What opportunities exist in Spain that you perceive to be the low-hanging fruit?**

We are convinced that there are opportunities to maximize innovations through partnering with other companies. Such opportunities require both a deep understanding of the market niche and a proven track record. In recent times, we have established partnerships with Ferrer, Archimedes and

Faes Farma with different goals but with a common denominator: a win-win approach.

With Ferrer, a reference company in pain management, we started a successful co-promotion of our analgesic product that has taken it to market leadership in only three years after launch. This partnership has also allowed Ferrer to fully utilize their sales force capabilities with a leading product whilst enabling us to maximize the return of an asset without compromising our financials.

And, most important, a win-win partnership like this opens the door for new opportunities like our partnership with Archimedes around their innovative intranasal fentanyl product for the treatment of breakthrough cancer pain. This partnership enabled us to better exploit our current sales force capabilities by promoting two complementary products, our chronic pain leading analgesic and their acute pain analgesic, providing doctors with a full solution for cancer pain patients.

More recently, we found in Faes Farma our ideal partner to maximize our innovation for rheumatoid arthritis in the private market, a market where Mundipharma currently has no presence.

Consequently, we feel obliged to maximize the innovative drugs that can provide value to patients and thus partnering is an ideal route to make it happen. Obviously, finding a partner with a similar approach to business is critical for success and, so far, we trust we have made the best possible choices.

**Mundipharma also partnered with the Autonomous University of Madrid to help students understand cancer research. Is this part of a trend to focus on all components of the health ecosystem, or is it more natural?**

It is in our genes, and it is what the owners of Mundipharma encourage us to do. This is a family-owned network of companies with 60 years of history worldwide and with a real commitment to improve patients' lives. Mundipharma Spain did not start off as successfully as other European subsidiaries did, but by 2010 we had achieved the essentials and started doing what we came here for.

Mundipharma is not only about selling innovative drugs but having an impact ultimately on the environment. This of course can take shape in the form of partnerships; as an example, in collaboration with the University of Salamanca, we provide a free flow-cytometry service to hematologists across Spain which enables them to have an early diagnosis of tumor infiltration in the central nervous system. This early diagnosis is critical for tumor treatments and we have proven that flow-cytometry is the most accurate diagnostic method.

Another relevant contribution is our *Instituto Mundipharma*. With limited resources but huge passion and creativity, in the past couple of years we have created a much greater sense of pain awareness that was in need of much attention. Many individuals are suffering from chronic pain and they do not know that pain units exist. Hand in hand with the Spanish Pain Society, we are helping these people out. Simultaneously, and in collaboration with specialists, our *Instituto Mundipharma* has undertaken the largest effort ever made in pain clinical research and training of healthcare professionals. More than 22,000 patients have participated in epidemiological studies to better understand chronic pain while more than 3,500 healthcare professionals have attended and completed our pain training programs. There is still a lot to be done to improve pain management in Spain but we at Mundipharma feel proud of contributing with innovative drugs, with research, with training and raising awareness about the burden of chronic pain.

**What has been the community's response to Instituto Mundipharma's efforts in reducing social stigma in the pain area?**

We have received a great response from the media, pain specialists and medical oncologists who really appreciate this opportunity to talk about and place pain in the spotlight. We have a massive amount of positive feedback that reflects the need of millions of pain patients to take their pain seriously as a disease in itself.

**As the pharmaceutical industry continues to evolve with big pharma outsourcing their R&D pipelines more and more, will more companies adopt the Mundipharma strategy in the future?**

Big Pharmaceutical Companies can still afford huge R&D budgets to develop new drugs, while other companies like Mundipharma need to be very focused on their business development and research activities in order to identify and polish rough diamonds that can later be brought to market. Both models are likely to continue in the future but only for those Companies that are competitive and dynamic.

Mundipharma has proven that it can successfully bring an asset from Phase I to market on various occasions. Our "affordable innovation" approach is critical for market access in these times of budget restriction. However, we still need to improve our communication lines with similar companies to maximize our innovations through partnerships at various stages.

**There is also some stigma surrounding narcotic products in the pain area; how is this being combated here?**

Narcotics may produce side effects like other drugs, and should certainly not be abused, like any other drug. However, we also need to be aware that narcotics are the most potent analgesics we have available, and people in severe pain need them to get a relief and have a life. While some barriers have been lifted and the situation is generally improving, we must continue fighting.

Part of the stigma lies around the need of a separate prescription for narcotics which stigmatizes the pain patients. In early 2013, the Ministry of Health issued a decree to make prescription of narcotics easier for doctors in an effort to improve accessibility. This decree has not yet been implemented across the whole country but is clearly making a difference where applied.

Efforts in education around opioids and pain management are also critical and have certainly improved this situation in the latter years. As recently shown in the APPEAL study (promoted by Mundipharma across Europe), graduates in Medicine only take an average of 12 hours of pain management education during their degree and this is clearly insufficient. That's why the role of companies and medical societies is critical to fill this gap through post-graduate educational programs and by improving communication flow between primary care and pain specialists.

### **What would you like to achieve in the short to medium term for sales growth and product launches?**

We want to continue being a growing company that provides value to the patients.

Internally, we want to continue being one of the best places to grow for our people.

We also want to become the best partner in Spain, expanding our collaborations with other Companies and sharing the outcomes of innovation for the ultimate benefit of the patients.

And we very much want to see more and more initiatives like *Instituto Mundipharma* and partnerships with Universities to be closer to society and make them feel as proud as we are of the work that we do.

Hopefully, in the coming years, pharmaceutical companies like Mundipharma will no longer be seen by our Authorities as an enemy but rather as an ally to foster growth of our economy and improve the quality of life in Spain.

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