

Argentia - Esteban Echenique, General Manager - Argentina



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Tags: [cardiology](#), [Roemmers](#), [antibiotics](#),

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eneral manager of Argentia weighs up the factors that have led to his company consolidating its different business lines and becoming one of the fastest growing companies in Argentina.

What was your main objective upon joining Argentia?

In 1995, Argentia was acquired by BMS and was sold to Roemmers ten years later. Today, Argentia has a very good reputation among physicians, and we are investing in growth as much as possible. Argentia was purchased by the Roemmers group, which acquired the company in order to dissuade other players from entering the markets in which Roemmers and Argentia products compete. My mission, as simple as it sounds, was simply to develop and grow the company.

Which strategy did you put in place?

The main strategy was to focus on chronic products, mainly the cardiology area. Upon my arrival, Argentia was mainly focused on antibiotics. We started to develop the cardio branch, increasing our market share from the 13th largest to the eighth (and climbing) at this point in time. Argentia is the fastest growing company in the IMS ranking of the 50 biggest companies in Argentina.

At a human level, although our team at that time was much bigger compared to the results Argentia was bringing in, I decided to keep the number of employees steady, but moved to professionalize the company. Motivation increased. My management style became more aggressive. There was an urgent need to change the company culture: Argentia's team had been created from many different cultures. In 2005, there were more than 30 people coming from BMS, and later, we bought products from Roche, Valeant and Sandoz, which also included bringing in people from those companies. There was a mix of business cultures, and we had to work very hard to translate the Roemmers culture into the organization.

Today, our culture is built around the idea of proximity, dedication and service to physicians. Consistency in the long-term and a commitment to the future are also extremely important for the group.

What have been Argentia's main growth drivers in recent years?

Our most important and consistent growth driver is our leading position and consolidation as an antibiotic company, where we are currently holding second position in the market, right after Roemmers. Cardiology is another area in which the company is doing great. Recently, we started to develop some other lines like gastroenterology, pain and, finally, we are pleased to announce that we will soon incorporate Menarini's products into our portfolio.

In October 2013, we launched a very complete line of infant formulas to compete in the market with companies like Danone, Mead Johnson and Nestle. Argentia has very ambitious expectations when it comes to its nutraceutical line: we are already strong in paediatrics, as our antibiotics are well used in this space. We are hoping that one will follow the other. This is a very important and interesting market, not only in Argentina but in the rest of Latin America as well; we are about to launch our products in some countries around Latin America.

What was the reason behind the acquisition of Metabolic Cla, a product bought in 2012, and what have been the results until the day of today?

Argentia bought Metabolic Cla as an entrance into the nutraceutical market, and as such it was the first nutraceutical product that we commercialized. At that time, it was a totally new market for us, not only because it wasn't a regular medicine, but also because we started with advertising and promotion in mass media. The product was a great way for us to build our knowledge of the nutraceutical segment.

Today, we are very happy with the product. At present, the market is much more challenging than before because of the arrival of six or seven new players, but it is still a very good market which, on top of that, has helped us to develop some other skills such as the use of social networks. It has helped us to find new ways to promote our products.

How does Argentia work within the Roemmers group when it comes to manufacturing?

Within the Roemmers group there are many centralized areas such as human resources, IT and manufacturing. Argentia is a regular customer of Roemmers, the company who produces for us: we place our orders and they provide the final products.

What are your ambitions when it comes to exports?

Argentia is today only just beginning its efforts to internationalize: we plan to start exporting our nutraceutical products on a regional level. Our plan is to start introducing some of our top selling products first, and then to follow with the rest of our portfolio once we've built a foothold. Our first target markets in this area are Mexico, Colombia, Ecuador and Peru. After this, we will enter in Venezuela and Brazil, which we plan to achieve by 2015.

What is your professional background, and when did you join the Roemmers group?

I am an accountant. I have more than twenty years of experience in the Roemmers group in which I started to work when I was only 23 years old. Within the group, I worked in several departments. Upon the arrival of Eduardo Machiavello, Roemmers CEO since 2002, there was a shift in the strategy of the group, and the company started to become more professionalized. I joined the acquisitions team and took part in many different and interesting negotiations. One of those was the acquisition of Argentia from the multinational Bristol Myers Squibb (BMS).

Some years later, Mr. Machiavello invited me to take over the CFO position in the Andean region. I started the operation in Ecuador and later on in Colombia. After three years, I came back to Buenos Aires with the consolidation of the company, who had over 500 employees, and two pharmaceutical plants from where we were reaching six countries and a total turnover of USD 65 million in sales. We performed nearly ten other acquisitions within the Andean market during this time period. In 2011, I decided to come back and Mr. Machiavello asked me to take over Argentia.

What is the future that you foresee for Argentia in the next five years?

I'm very positive and confident when I think about future. Argentia has many good products with almost no market share: there is a lot to develop and plenty of space within the market to grow. On

top of that, our team is already well consolidated. Our future couldn't be brighter.

In addition, the company is targeting chronic products. Argentia is looking to be the provider for those products that a patient will have to consume for the rest of his life. Here, again, there is a lot of margin to grow.

Lastly, speaking about ranking, Argentia's commitment is to bring the company to the place it had in the past. In the 1970s Argentia was in the top five in the market. When BSM bought Argentia in 1995 it was in tenth place. Ten years later, when we bought, it was approximately in 40th position. Now we are 25th in value and 20th in volume. My goal is to bring back Argentia to the top ten companies in Argentina.

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