Gador – Alberto Alvarez Saavedra, President – Argentina



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President of the company, Alberto Alvarez-Saavedra, discusses the company's transformation into a professional organization, and the strategy which has driven remarkable growth in recent years, and will continue to do so as they expand across the region.

What have been your main achievements since you took over as the President of Gador in 2008?

Gador is a family-owned company, and, as such, the Balla family and its successors (Fabbri and Alvarez-Saavedra families) have been involved in operations since the beginning, back in 1940. We are not only shareholders—we have also been in charge of the company. As the company continued to grow over the years, family members started participating in business operations and on the board, until we decided to transform the company into as much of a professional company as possible.

Today, we can say that this has finally been achieved. We now have a CEO, who is in fact our-General Director. Besides that, the family is still present in approving the decisions to operate the business as it always has. We have a President, and a Presidential Advisory Board. Our responsibility, among other things, is to oversee all operations, making sure they are going in the right direction. We also maintain the relationship with the companies that have licensed out products to us. Furthermore, we are proposing new businesses—like growth in Latin America. These changes that took place were not easy, but they were necessary.

What have been some of Gador's more notable milestones in 2013, and what is the outlook for 2014?

Gador has continued to grow, positioning us in the argentine market as the number two company in units, and number three in values. We have also been growing in Chile and other Latin American markets.

The goal for 2014 and beyond is to keep growing not only in Argentina, but in all of Latin America as well. For the first time in its history, Gador's operating facilities are working three shifts per day, 24 hours a day. We now have the best premises in Argentina**,** and this year added a state-of-the-art segregated hormonal formulation plant that covers all our current Latin American needs, and has the capacity for us to triple our current output. We will also continue to look for new products, and develop our R&D division.

What is Gador's international strategy for sales; what are your main markets and missions today; and where do you predict further growth? Most importantly, what makes Gador the partner of choice?

We have two different areas outside Argentina: Latin America and the rest of the world. We are focusing on growth in Latin America because of the recognition of our brand in Argentina, which facilitates growth in countries like Uruguay, Chile, Peru, Bolivia, Paraguay, Colombia, etc. Outside of Latin America, we continue to launch products in Europe and Asia through agreements and joint-ventures with local companies

Gador, as stressed before, is an Argentinian company, born in 1940, that continuously grows amid national and multinational companies. **Why do you think Gador is successful?**

Simply put, we deliver. Perhaps our ideas and products are the same as the competition's, but it is the people at Gador that make the difference.

What is the strategy that Gador is implementing in Argentina?

As a large domestic company, and because we were able to overcome so many past economic hardships, we have learnt from past challenges and have the resources to react and take advantage of opportunities that we encounter. Our three manufacturing shifts and four manufacturing sites, give us an advantage to react to recessions or abrupt increases in demand. Our active principles manufacturing plant gives us independent access to difficult-to-obtain drugs or if there is a market shortage. Our R&D facilities, with a renowned well-trained team of experts

also offer us the possibility to select new products to launch, according to the needs of each country where we are present. Our broad portfolio of intellectual property rights allow us to have a better chance to launch our own products and to select partners in foreign markets. Our experienced senior staff is constantly analyzing the problems that arise in imports, exports, manufacturing, price controls, new regulations and other matters, and to react by changing our priorities as many times as needed, and as quickly as possible. This flexibility is an asset we permanently continue to nourish, as it is one of the main characteristics a domestic company has to have in this environment.

Competition in the Argentinian pharmaceutical market is as strong as anywhere in the world. There are more than 200 national companies, almost all the multinationals, generics, state manufacturing, etc. and for each important active principle you can find 10-20 competitors with different prices, exacerbating competitiveness.

In 2012 Gador signed a cooperation agreement with a European institution to launch an R&D program with the aim to produce the first anti-Trypanosoma cruzi vaccine.What share of your revenues is invested in R&D? Furthermore, what is the assessment of your R&D program?

Approximately four percent of our revenues are invested in R&D. Our history dates back to 1912 when Dr. Alexander Balla established Wander Laboratories in Hungary in partnership with Dr. Wander A.G., from Switzerland. The company expanded its activities to Austria, Czechoslovakia, Romania, Yugoslavia and Poland until the communists forced them out of the different locations of their group. With enough energy not to abandon the industry, they relocated in 1948 to the “promised land” of Argentina, where the Balla family settled, and partnered with Dr. Nicolas Gador. The Balla family brought with them all their knowledge, and the need to continue the R&D that they had already started.

Gador laboratories started investing in R&D in Argentina very early in its history. By 1950 we launched a unique long acting injectable Penicillin emulsion under the trademark Penemulsol®. In the 60´s Gador launched the first oral anticoagulant product in the Argentinian market. Afterwords, we devoted our resources to sex hormones, giving light to a broad line of new sexual injectable hormones in micro-crystal formulations, which created a solid marketing base in endocrinology. Another line of research has been and still is in bisphosphonates, with several novel products for bone diseases. Many international patents have been granted and through collaboration with domestic and foreign scientific institutes and universities we were able to build a broad IP portfolio. We received the UNIDO recognition for inventiveness, and other renowned prizes were granted to

our team. R&D is not so often observed among national pharmaceutical companies; only about three or four are currently investing significantly in R&D in Argentina. Due to limited resources, we concentrate our funds in few projects where we see a strong probability of success. One of such areas is in Chagas disease, an orphan disease affecting a large population (mostly in Latin America) for which there is currently no cure. We now have two R&D projects for potential Chagas vaccines, advancing simultaneously with different approaches, both in collaboration with European partners.

In five years' time, where do you see Gador?

In five years' time, I will probably not be Gador's President, so I hope that a family member will continue in this position—I would like to be a past-President member of the Advisory Board at that point. I personally think that Gador has all the resources to keep on growing in Argentina, in Latin America, and in many new markets. We intend to be a partner of choice for many multinational companies that cannot devote efforts to the territories where we operate, but that have very good products that can solve the needs of our population. We will try not to miss out on opportunities in primary care, in special treatments as well as in biologics.

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