Close Up International – Norberto Bonaparte, Founder and CEO – Argentina



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The founder and president of Close Up International shares the story of the genesis, evolution, and growth of both his company and the prescription auditing industry, as well as his perspective on how the Argentinian pharmaceutical market differs from others in the region.

What opportunities did you see in the market that motivated you to create Close Up?

Since my youth, I was very much interested in the pharmaceutical industry and after spending a couple of years doing research in this field, it was clear that there was an unmet demand from laboratories for market research, so filling this gap was the logical step to take.

Everything started when me, and a couple friends, a group of professionals from the chemistry and pharmaceutical industry, founded a pharmaceutical lab, back in 1964. Shortly after, we realized that we didn't have the right tools to recognize and understand the standards and trends in physician prescription habits. Getting to know our "customer" -the physician- was a key concern that was not addressed, it's a necessary tool in any line of business.

Back then, the Argentinian pharmaceutical business was undergoing critical times, so we put the project off.

Later, we resumed along that path and we pick up again the idea of bridging the service gap that we had observed in the pharmaceutical industry.

That’s how we developed our Prescription Auditing and founded Close Up, the first company in the world to provide audits and reports in the prescription market. As any new undertaking, positioning Close Up as an indispensable tool in the market required a great deal of effort, dedication and perseverance.

How have prescription audits evolved over the last 46 years, as the pharmaceutical industry has become increasing complex and the technology available has advanced rapidly?

Prescription Audits provided systematic and objective knowledge on physician behavior, habits and needs, and this knowledge brought about better and more dynamics responses from the pharmaceutical industry, and challenges to address the growing demands in the prescriber/ lab relationship.

To tackle those challenges, we have constantly renewed and modernized our research, expanding our activities to cover the latest developments and trends in the market, and have worked tirelessly to advance our capabilities by incorporating the use of new technologies. Our philosophy as a company is to maintain a culture and process of continuous improvement and innovation.

Our first project involved the quantification of the audit market, to know how many prescriptions were written by Argentinian doctors each year. Second, we worked to generate a multidimensional, quantitative model of the market by collecting and incorporating data connected to different statistical variables.

The increased sample size, which required a significant investment, was steady and allowed us to calculate the impact of the prescriptions on specific therapeutic and geographical areas within the industry.

Once the targeting was accomplished, we created innovative tools to analyze productivity and impact of sales forces on the generation of prescriptions, i.e., how successful marketing activities were at achieving their intended goal.

How does the Argentine pharma market differ from other Latin American markets in terms of marketing activities and regulations?

The generics market has been steadily growing around the globe. Argentina has not had as much participation as its Latin American neighbors. Until 2002, physicians could legally prescribe a specific branded product, and today a brand name is usually included alongside the generic name on the prescription. This had resulted on a highly professionalized environment in the pharma industry, and brands are well recognized by physicians because most labs carry out extensive and dynamic marketing strategies and actions.

An example of the diversity of the Argentinian industry is PAMI (Comprehensive Medical Attention Program), a public health insurance agency managed by the Ministry of Health; they provide their services to retired people and therefore represent a great portion of the Argentinian pharmaceutical market. We also have the union-sponsored health insurers; this happens to be a very important affair in the market share of our health system because of the large amount of people that are involved in those unions. Finally, we have the prepaid or private health systems, consisting of companies that provide medical assistance and contribute towards payments for prescription drugs. Our country has by far, the most complete and advanced system in public health care in Latin America.

How important is Argentina for Close Up, in terms of business and as the company's country of origin?

The internationalization process began right after the foundation of the company in 1968, when we challenged ourselves to go to Brazil and Mexico.

Now, our company audits prescriptions all around Latin America and Spain, and we have developed CRM systems for customers around the world, in around 70 countries. Argentina represents roughly 7 percent of our global business, but it provides a great deal of innovation and technology.

Our CRM software is constantly being upgraded, and we provide support to customers in Latin America and the rest of the world, with development centers in Brazil and Spain.

Our growth is driven by innovation in data collection and analysis, and powerful tools for laboratories to use the information. Data audits represent the bulk of our business but our software systems are also one of our strong points.

On the other hand, Close Up is a well-respected company throughout Latin America and has a wide percentage of coverage in the region; our goal, however, is still to expand globally, especially in northern hemisphere.

In what way did Close Up's acquisition of IMS Health Prescription business in Latin America in 2009 contribute to the strength of this portfolio?

Certainly, that was a very important milestone for us that can be seen as a Harvard case study! We diversified our portfolio in the eighties while being pioneers in the CRM software, which is a system for strategic management of visits to physician and promotional interactions. CRM involves using technology to organize, automate and synchronize promotion, sales, marketing, customer service, and technical support.

Thanks to all this great innovations, many lab reps have mobile devices that have all the necessary information regarding promotions, among some other important data, thus providing lab's sales force with crucial information on how to optimize their work and profitability. This is a technological advancement that complements market information and reports.

Those developments helped Close Up acquire IMS in 2009 and strengthen its growth, by leveraging forces and combining the services offered, thanks to our new technologies.

Can you tell us about the diversification of the services of your company, that you started in Brazil?

As of this year we have incorporated a new sales audit division. We started it in Brazil because it is the main Latin American market and the fifth in the entire planet. There are many variables that make Brazil one of the most complex markets and a great driver for growth in the continent.

To generate the data that we need for the sales audits in Brazil, we need to survey around 800 information providers, whereas in Argentina, for example, there are only around 30 information providers; this is indicative of the heterogeneous and complex nature of the Brazilian market.

We have recently acquired a company called CID Latina from the Knobloch Group, devoted to sales audits in Argentina. We also have a strategic alliance with Mexico, so that our sales audits cover almost 70 percent of Latin America.

It is worth mentioning that the Latin American market is growing at a much more aggressive pace than Europe or the USA. We want to expand our sales audit system to every region in Latin America; this will be a short and mid-term challenge.

What values define Close Up?

Being innovative is in our DNA; so one of our main goals is to differentiate ourselves by analyzing our competition and finding a way to improve our available services and technology.

Our human resources are the most valuable asset that we have. In terms of motivation, we have a lot of passion and energy to overcome any situation that may arise. There are many entrepreneurs in Argentina, many great people to work with, and despite the macroeconomic challenges, which we have become adept at overcoming, we are going to continue to demonstrate the creativity and innovation of our people and to fight to reach our objectives and goals.

As we speak we are participating in the Great Place to Work contest in Mexico, and our scores are superior to the top 100, a benchmark that we'll use for the rest of the company.

How are you planning for the company to be managed following your retirement?

Many people and companies from the US and Europe have approached us to create an Initial Public Offering (IPO). Our company has followed the way of prioritizing the real economy, and in that sense, our main objective is to professionalize the company by creating the necessary mechanisms that ensure continuous development towards our main corporate goal: sustainable creation of value. This will be a major challenge, one that brings along a lot of excitement and motivation!

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