

# Pierre Fabre - Karel J. Fucikovsky, General Director

## Mexico & Central America

---



---

22.01.2015

Tags: [oncology](#), [primary care](#)

---

*In the Mexican pharmaceutical industry change is the name of the game. The general director of Pierre Fabre Mexico and Central America expands on how the company has adapted its go-to-market strategy and has succeeded in positioning itself as a top player in women's health and primary care, lead by the Group's new Trajectoire 2018 strategic plan.*

### **The last time we met was 2012. What major changes have you witnessed in Mexico's healthcare sector and pharmaceutical industry over the past couple of years?**

The major change I'd like to point out would definitely be the new government that took over since 2012, as this has deeply changed Mexico and the sector. President Peña Nieto has done a great job in maintaining a good level of focus on healthcare to avoid big disruptions in the public system and has chosen very talented people to manage the healthcare sector - starting with the Minister of Health Dr. Mercedes Juan. It was also a great decision to maintain Mikel Arriola as head of COFEPRIS (the Federal Commission for the Protection against Sanitary Risk) because, although there still is a lot of work to be done, he had inherited a mountain pile of issues he has been able to tackle and improve brilliantly. I have been in the pharmaceutical industry for over twenty years now, and I had never seen a commissioner working so closely with all stakeholders of the sector -the authorities, the different associations and international as well as local pharmaceutical companies.

Big changes are also taking place in the private segment: we are witnessing international drugstore chains entering the market and the emerging power of physicians at the different points of purchase and pharmacies – a trend pretty unique to Mexico and the Latin American region and growing incredibly at the moment. This has been a phenomenon that no one in the past has been taking into account very seriously, but that will eventually make pharmaceutical companies refocus their strategies to understand this dynamic and emerging market, as to better work with it rather than against it.

This said, there are still two question marks that await answers. First of all, the future of the national health insurance program *Seguro Popular*, as there is still a lot of uncertainty when it comes to access and budgets. And secondly, the level of reliability of the move towards universal coverage that different institutions such as IMSS (the Mexican Social Security Institute), ISSSTE (the Institute for Social Security and Services for State Workers) and other entities are promising. I see very positive and dramatic changes happening at IMSS and ISSSTE. However, the voice of the ordinary citizen on the street is that the healthcare system remains pretty much as it was in the past, with low level of service, insufficient medical attention, difficult drug access and insufficient prescriptions for treatments, especially for chronic diseases.

Clearly, many changes are taking place in order to move the public healthcare system towards universal coverage, but I think a lot still needs to be done especially in terms of guidance, education and communication to ensure the Mexican population knows what it means to have a single healthcare system: the benefits of a consolidated system of procurement, the positive results of prevention campaigns such as PrevenIMSS and PrevenISSSTE – just to name some examples. Mexico is culturally rich and very diverse, but still a big part of the population finds it challenging to be updated on the healthcare system and the true benefits it already offers and will offer in each and every region.

**In 2012 you told us that the goal of Pierre Fabre in Mexico was to be recognized as a major player in the industry through the introduction of new products in women's health and by improving the sales force performance. How did you progress on these plans since then?**

For Pierre Fabre it has been a mix of strategies and activities. In Mexico we kept focusing on developing the segments of women's health and oncology with key products such as Fabroven®, Tardyferon®, Ossopan® and Navelbine® — with very positive results. Besides organic growth, we strongly believe that a way to renew ourselves and continue growing is also via business development and successful win-win partnerships. So, the positive trend has also been possible

thanks to strong and very constructive alliances with other international pharmaceutical companies, such as Janssen and Ferring, that granted us their confidence and trust to promote and distribute some of their most important pharmaceutical brands in the above-mentioned segments. Within the next months we also plan to continue working with our long-term partner Takeda to deliver line extensions for Ossopan®.

Today we are recognized by the market as a serious and ethical player in primary care, women's health and oncology. We did not have this reputation in the past, but after three years of very hard work, physicians, gynecologists and oncologists finally perceive us as a top tier player, that offers products and services that truly satisfy patient's needs. Accountability and team spirit are the two big premises that support our positive performance: each Pierre Fabre employee is responsible for writing this huge success story, no matter how big or small the responsibility is - everything which is done is important to all of us.

**How did you adapt your go-to market strategy considering the changes occurred in the public sector with consolidated procurement and in the private segment with the strengthening of big drugstore chains and the financial problems of wholesaler Casa Saba?**

Recent times have been very challenging for all players of the pharmaceutical industry in Mexico, mainly because we have lost the balance of share the wholesaler Casa Saba used to have in the distribution chain. They used to have more than 30 percent of the market and, due to their financial problems, it went down to less than 5 percent. The big challenge was to support the other players, such as Nadro, Fanasa, Marzam, Grupo San Pablo and Farmacias Guadalajara, so they could grasp part of Saba's lost share. Fortunately for the sake of the market, Saba is slowly recovering and last semester started recuperating some lost accounts. The company will try to come back, perhaps not with the same strength and capabilities as in the past, but they may even get back to a 10 percent market share during 2015. The big issue is that there still is an estimated 10 percent of that has not been recovered by any wholesalers so far.

What we decided to do - independently of the market situation - was to improve our internal productivity by becoming more efficient throughout the organization, re-directing our investment and expenses, focusing our resources on permanently training the sales team and back office, implementing full sales force automation and an own in-house sales technique called DNA, Dynamic Negotiations on key Arguments. We have strongly improved our forecasting processes and supply chain with the headquarters in France. In collaboration with finance, HR, marketing and the sales teams we have recently developed a new and fair well-rewarded compensation plan, that

is perfectly in line with our targets as well as different strategic and operational objectives. As we care for our team members as a whole, we have also developed *Escuela de Gerentes* (management school), an intensive two-year program aimed at training our top performers to become the best district managers and at developing advanced sales representatives for our future activities.

**What role do Mexico and Central America play today in Pierre Fabre group's global strategy?**

The importance of Mexico for the Pierre Fabre Group is huge: we currently represent the 6<sup>th</sup> top market outside of France. We have been following the corporate strategy plan given by our headquarters step by step. The *Ambition 2020* plan developed some years ago by Frederic Duchesne, president of the pharmaceutical division of Pierre Fabre, has suffered some changes and has been renamed *Trajectoire 2018*, whereby Mexico and Central America will focus on specific objectives. First of all, we aim at continuing the organic growth and the business development we have achieved during the past few years, focusing our resources on operational excellence. Secondly, we will be increasing discipline and productivity in sales, marketing, administration, finance and logistics. Thirdly, as people are key to the company's success, full attention will continue to go to our talent detection and retention programs.

Central America is also considered a region with interesting business opportunities, as it relies on a relatively stable economical, social and political landscape. Today it represents 10 percent of Mexico's size of business. Panama, Costa Rica and the Dominican Republic will surely be potential investment countries and we plan to set the base for a new model of distribution and supply for the region and for other countries in the North of Latin America via Panama and/or Salvador – this is an immediate priority for our strategic expansion in the region.

**The Pierre Fabre Group has a unique shareholding structure, with the majority shareholder being a foundation. What are the advantages of such a business model?**

Thanks to this structure Pierre Fabre prides itself with the beauty of speed, which is a result of the limited bureaucracy. The firm is pushing collaborators to be accountable for their own results and this is very important because each employee feels empowered and an active part of the company's success. Not only have we designed a great incentive scheme, but we are constantly trying to get people involved with the business dynamics. I would say that Pierre Fabre will continue to succeed as long as we remain fast in the decision making process. Being rapid is a useful asset to success in the marketplace.

## **What can we expect from Pierre Fabre in Mexico in the next years?**

Oncology is one of the biggest investment areas for the Group, where we expect to see continued development in the next three to five year period. We have the great opportunity to enter the OTC market with a wide range of products in the family care business, such as oral care. Following our founders' philosophy, natural products will also be a focus.

Pierre Fabre is not interested in becoming number one in the pharmaceutical market but rather number one in the areas we compete and are specialized in. With the right focus and the *Trajectoire 2018* plan, it is underlining this strategy. We will continue to be a fast and people-oriented company, strongly investing in R&D and business development, financially disciplined, bringing top quality products to the market while operating with the best practice models in perfect compliance with our code of ethics - this is how we will maintain our gained position in the long term.

To read more articles and interviews from Mexico, and to download the latest free report on the country, [click here](#).

**[See more interviews](#)**