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The general manager for Cegedim Mexico, Central America and the Caribbean discusses how the company is diversifying its product portfolio to tap into new business segments and attend new clients in the ever-changing Mexican healthcare market.

What are some of the most important trends that are taking place in the healthcare industry and you are also witnessing in Mexico?

One of the most important trends we have observed at global level and today is also impacting Mexico is the downsizing of sales force. In the past the local Mexican pharmaceutical industry used to have a huge sales force base; today the need to focus efforts on cost reduction, optimization of product portfolio and growth-driving therapeutic areas has forced companies to drastically decrease their number of sales reps. This is equally true for big pharma players such as MSD, Sanofi, Pfizer, GSK and Novartis – just to name a few–, as well as for local manufacturers. A further trend, which we have seen since 2012, is the skyrocketing participation of generics, which today represent more than 50 percent of the market in terms of value and more than 75 percent in terms of units.

Cegedim is the global leader of Customer Relationship Management (CRM) solutions for the healthcare and life sciences industry. What business segments are growing most in Mexico and how does Cegedim's portfolio of services look like today in the country?

Today OneKey and Direct Marketing are our most important services to clients: both have been growing with a compound annual growth rate of 100 percent over the past few years. However, the trends taking place in the market place have forced Cegedim to diversify its offer to leverage products we already had in our portfolio, but had not promoted in the past. In Mexico we decided to relaunch services in the market research business segment, such as direct marketing, surveys as well as KOLs and physician networking at city, state, national and international level. Moreover, we started promoting our OneKey healthcare professionals database as well as interactive marketing solutions. Last but not least, thanks to the acquisition of Primeum, we are now able to provide cloud-based incentive and compensation solutions. Primeum's offering, Incentive Manager, already in use at many companies around the world, allows businesses to have a better control of compensation plans featuring an innovative scientific-based approach and expert knowledge at building employee motivation through sales-based incentives; moreover, it allows users to leverage incentive calculation models that deliver real-time increases to sales force efficiency.

Over these years we have also had a very positive experience with Xtelligence, a business intelligence tool we had recently launched when we met back in 2012 and which combines our CRM with data from other sources (such as product displacement and prescriptions) to provide clients with a complete overview of their business in a very fast way and the possibility to break it down at national, district and even sales rep level. It features a traffic light system, which allows clients to review KPIs to benchmark and improve performance.

How did you adapt your go-to-market strategy to offer new services to clients?

It's interesting to point out that our clients did not know that Cegedim had such a broad product portfolio – they used to know us only for CRM and OneKey. As a matter of fact, when our sales staff started promoting other services most of them were pretty surprised. The main challenge we faced was that our people were not used to sell marketing and product-related services, as they mainly have an IT background. We had all to leave behind us the image of a solely provider of technology and information services to become a real partner to the healthcare sector. I actually also rely on an IT-related background and must thank several former bosses for introducing me into sales and marketing.

First and foremost, we trained our personnel in sales and marketing as well as product cycles within the pharmaceutical industry so they could approach and understand the challenges marketing people face within the industry. Second, we reviewed and optimized our processes in order to improve the quality of our deliverables and optimize our costs. Today, we have a minimum margin we need to be profitable. Last but not least, we revised very thoroughly the business and

what we were doing wrong to create new opportunities and a new approach to the market – we started a small internal revolution.

Besides diversification of products, today we are also looking at different segments of the industry, such as OTC and medical devices, and even at industries not related to healthcare and life sciences, but which may be interested in implementing the tools we offer. As I once said to my boss: 'I prefer to sell 50 percent of something, than 100 percent of nothing.' Today we have clients we would have never thought of, such as Coca Cola, Nestlé and Danone, and we are talking and creating new opportunities with Pepsi, MetLife, Grupo Fármacos, Farmacéuticos Maypo and the beer manufacturer Cuauthémoc Moctezuma. The efforts paid off: since we started back in 2011 our Direct Marketing business has grown more than 100 percent and it continues growing.

You have been working within the pharmaceutical industry for more than 15 years. What advice would you give to executives operating in the Mexican market?

Lots of people look at Mexico as a country of opportunities – and it's definitely true. However, I would suggest to people interested in setting up a company or a business here in the country, to understand the market in advance, define the product portfolio, understand how difficult it has become to include a new drug in the national formulary of public healthcare institutions. Everyone wants only to reduce costs now, even when approaching a new market, but – as we say here in Mexico – '*lo barato sale caro*', you get what you pay for. We have had clients coming back to use after using the services of competitors, which could not deliver high-quality results. This is what I always try to transmit to my staff – the value added of our services.

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