Bernardo Kanahuati – General Manager, Bayer Healthcare Pharmaceuticals Mexico



16.04.2015

Tags: Bayer, access, market,

Worldwide, Bayer is experiencing a strong business momentum thanks to an avalanche of innovation. The general manager of Bayer HealthCare Pharmaceuticals in Mexico shares his perspectives about the recent developments of the market, how the company is partnering up with authorities to promote access and how the company is preparing the launch of the next wave of innovation.

You were appointed as general manager in Mexico in January 2012. What have been your key priorities over this time?

When I came back to Mexico in 2012, it was a great momentum for Bayer because we were about to launch new key products in several therapeutic areas such as oncology and cardiology. My main and first priority at that time was to have our innovations on the market as soon as possible so Mexican patients could have access to them. The second priority was to keep our leadership in the market ensuring what I call “excellence in execution” and with the aid of a very well-trained team, addressing and attending the needs of the market and the medical community.

This is definitely not an easy task, as the Mexican market is a highly competitive environment and sees an increasing penetration of generic drugs. We decided to give a lot of importance to organic growth and take the next step asking ourselves questions such as: “What can we do beyond what

is asked from us?", "How can we take things to the next level to prepare ourselves for the future?".

Globally Bayer is experiencing a strong business momentum. Business in the HealthCare subgroup expanded by 5.6 percent in 2014 to almost USD 22 billion, mainly driven by the Pharmaceuticals division. How would you assess your performance in Mexico for 2014?

Mexico is among Bayer's top ten markets, second in Latin America only after Brazil, but representing a huge contribution for our growth in the region. As everyone knows, 2014 was a very complicated year for the pharmaceutical industry in Mexico. If you take a look at the audited prescription market the figures show a 3 percent volume loss and a meager 0.7 percent growth. Besides the natural complexity of the market – which is in constant evolution and change – a number of factors were key to its performance. One of the most important drug wholesalers, Casa Saba, went out of combat and its absence required an additional effort from the industry to re-channel the volume and get sure patients could receive all the products in time at their respective points of sale. Also, the tax reform implemented in January 2014 affected the purchasing power of the population, which resulted in the birth of alternative (non audited) channels where the bulk of the volumes go. It is rather obvious that patients are still there but the audited channels are not "capturing" them as they used to. Fortunately for Bayer, in 2014 we were able to outgrow the market: it was an amazing year because we had an avalanche of innovation.

Talking about innovation, Bayer must have attracted envious glances from competitors in recent years for your success in bringing new drugs on the market – Xarelto®, Eylea®, Stivarga®, Xofigo®, Jaydess® and Adempas®. How were these product launches welcomed by the Mexican market?

In 2014 we generated a total of five registrations: Eylea® (Wetlia® for the Mexican market), which treats wet age-related macular degeneration – one of the main causes of legal blindness; Stivarga®, a drug that has had a great impact on the treatment of colorectal cancer and gastrointestinal stromal tumors; Xofigo®, a new product for the treatment of patients with castration-resistant prostate cancer with bone metastasis; Jaydess®, the smallest and most innovative intrauterine system, suitable for young women who want a contraceptive protection for up to three years; and lastly Adempas®, a very special product because it is the only drug in the world that addresses chronic thromboembolic pulmonary hypertension, which is non-operable. This product is the only solution available by the time we speak, so doctors in Mexico as well as all around the world have welcomed it very well, as it addresses an unmet need. These products are added to a portfolio of innovation, which is headed by Xarelto®, our oral anticoagulant indicated

for venous and arterial thromboembolic diseases, which recently received approval for its five indications, such as venous thromboembolism and prevention of stroke in atrial fibrillation.

Many patients got a direct benefit with the launch of these new drugs and it was really exciting to see how people in Mexico –and worldwide– were interested in having them as soon as possible on the market. All the public interest gave us as a company an additional thrill. It is really hard to have a beloved member of your family or a friend suffering from a medical condition. So, a great force that drives us is the urge to help him or her as soon and efficiently as possible. We know one week of delay in a product launch can have a huge impact, while one week in advance can *really* make a difference.

Sexual and reproductive health are high on the government agenda and the oral contraceptive (OC) market has huge potential for growth as the utilization rate in Mexico is still very low. How do you communicate on contraception and sexual health in Mexico, especially outside of urban areas?

Unwanted pregnancy is a key topic in our country. Bayer is the most important player in contraception worldwide – and Mexico is not the exception — and we do feel responsible to contribute and work closely with the authorities to improve the level of education of Mexican population, not only in terms of contraception, but also for overall sexual health. Over the last couple of years we have made important investments along with the medical community to raise the level of awareness with one simple objective: we want women to go to gynecological consultation and demolish the huge cultural wall that avoids them from having that healthy habit. On the other hand, we have also launched several worldwide contraception-related campaigns, one of them in collaboration with the Bill and Melinda Gates Foundation, which has led to ensure long-acting contraception for more than 27 million women in developing countries. Also in the future we want to continue being very active in the corporate-social responsibility paradigm but also raising awareness-campaigns in Mexico.

When we interviewed Nelson Ambrogio, managing director of Bayer Portugal, he told us that “The main objective at Bayer right now, independent of country, is to make our innovative products available for the local population.” How does this translate in Mexico where access seems to be the big common challenge for R&D-driven companies?

We are very supportive of the government’s plan to implement universal coverage to provide healthcare services to a broader spectrum of the population. However, the challenge is not only to cover more people; we want people to have access to a larger number of drugs –not only generic,

but also innovative ones—, more education, better infrastructure as well as better training for doctors, among others. Despite improvement, drug access to a public healthcare institution in Mexico still takes in average 4.5 years, while in other countries the waiting period is usually one year. For this reason, we are closely working with the authorities to increase effective access and make them understand the long-term impact of innovative drugs on patients' health and on budgets. We are also interested in involving an increasing number of Mexican patients in global clinical trials to allow a faster registration process in the country and, thus, benefit a larger portion of the population.

What kind of legacy do you want to leave behind, as the affiliate moves towards its first century of business in the country?

Innovation is in our DNA. The only way to keep our leadership – not only in Mexico, but throughout the rest of the world – is by keep launching innovative products. As we speak, we have five drugs in the pipeline, all of them about to enter Phase III. These products represent our latest developments in oncology, cardiology and women health, among others. The future is around the corner, so the first step is to make our innovations available on the market and, of course, to patients.

Your experience in Bayer has taken you to a variety of countries in Europe and North Africa before coming back to your home country. How is your past experience at Bayer helping you in your current tenure as general manager in Mexico?

At Bayer we always have a common denominator: the patient. The patient is the one, who ultimately drives and directs our efforts. In every country where I have worked, there is always an intimate relationship between the patient and the doctor and we should always do our best to offer the proper medical education, the best quality products, with the highest safety and efficacy.

The interesting part of this is that you can always take learning points, experiences and ideas from other parts of the world and bring them here. For example, there are some similarities between certain Northern African regions, Turkey and Mexico. Also, today we are in a total-communication era; this means we can always cross-fertilize good practices all around the world. The complexity of the Mexican market gives a lot of space to creativity in the commercial area. Bayer, as any other big company, should be known for helping millions of patients all around the world. Having a positive impact someone's life is the best retribution we can get.

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

See more interviews