Interview: Carlos Rábago – Founder and General Manager, Alliance SFA – Mexico

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Starting a new business is no easy task. The general manager of Alliance SFA shares his experience, how he decided to focus on second-tier and niche players to offer tailor-made CRM solutions to optimize sales force performance and innovative channels to approach an increasingly informed patient.

What was the vision behind the creation of Alliance SFA?

The company was created in 2009, but the idea goes further back. We realized that CRM, sales force and marketing solutions were mostly targeting large pharmaceutical companies, leaving a large segment of the market unattended. At the beginning we thought about bringing solutions already available in other countries to Mexico and Latin America, but we soon came to understand that back then most solutions providing companies were not interested in Mexico and Latin America, and it would be too costly to adapt them to local needs. So we decided to create our own platform and combine with consulting services.

What services are you offering today and what kind of companies are you targeting?

We provide companies with the CRM platform, help them with its implementation and provide advisory services with regard to sales force optimization and performance tracking (for the team as well as on a sales rep basis). Most global companies already have global solutions in place, so we mainly target second-tier Mexican companies and new international niche players interested in entering Mexico. Given the stricter Mexican regulation we also help companies with compliance. Whereas in global companies compliance usually comes from the headquarters, many small and medium-sized companies do not have strict regulations with regard to their sales force so we support them to establish a set of basic rules. We really take them by the hand, provide personalized solutions to their needs and help them develop their sales team.

Sales force is increasingly using technology to approach the medical community. What kind of trend have you witnessed?

Companies are increasingly understanding the advantages of providing their sales reps with smart phones. Smart phones are the first choice, as they fill two gaps: communication and reporting. Companies are also increasingly adopting tablets to show visual aids to the physicians. As for platforms, companies are split among iOS and Android. We work with all platforms, as it depends on the preference of the customer. However, we have noticed that the platform and devices chosen highly depend on the positioning of the product to be promoted. Companies that are selling high-end brands and products usually opt for Apple products because of the premium image they convey.

Globally we are witnessing a trend of companies towards downsizing of sales force. What has been your experience with your customers?

Since we are mainly targeting second-tier players and new niche entrants, this trend is not really affecting us. We are seeing big companies downsizing, but we also have new companies coming in every day to compete in niche markets, such as oncology, cardiology, dermatology and ophthalmology. The abolition of the requirement to have a manufacturing plant in Mexico opened the doors for new players to enter these high-margin markets in Mexico. For instance, we recently started working with a new company from India that do generic products for diabetes and developed for them an online training platform for physicians. They provided us with the contents and we advised them about how to localize them.

What would you say are the some of the most important challenges companies face today in Mexico?

The patient is increasingly requiring more information. The new generation of patients does no longer accept what physicians prescribe: they question the product, the price, what other patients say about it. That’s a big change. On the other hand, we are not really able to track the results of the efforts of the sales team. Today, even if you do a good promotion with the physician, he or she prescribes your product, when the patient gets to the pharmacy they often substitute the prescription with a store brand or do not have the product available – especially true for independent pharmacies, which usually do not have large inventory. We need to connect that. We need to convince wholesalers, pharmacies, drug manufacturers and doctors that we need to track the process to ensure the product gets to the patient. Today it's not the case. In Europe and in the US you have a prescription database. In Mexico we only have a sample, so we are working with estimates which may be accurate for some products, but not for others.

You recently started operations in Colombia and Ecuador. What opportunities did you envision in these markets?

We basically replicated our Mexican business model. Especially in Ecuador you have less participation of global big pharma. It's a similar situation as it was here in Mexico twenty years ago, where local companies were mainly selling generics to the government and then started entering the more profitable private market. The same is happening in Ecuador and Colombia. So we mainly focus on local generic companies that are entering the private segment.

What are your ambitions for the company for the next five years?

We want to consolidate our business within the region maintaining our focus on niche segments. We have started reaching out to Ecuador, Colombia and even to Brazil, but are still providing the services through our Mexico office. To do so we are currently seeking for venture capitals to take the company to other global markets, including the US. We also want to develop new solutions to approach the patient. We recently created a patient loyalty program for an international drug company focusing on CNS whereby the company offered three-months free treatment and physicians had to track the progress of patients over time. At the end of the three months, the patient was invited to join a loyalty program whereby he or she received the product directly at home and with a discount. The program offers benefits both for the patient, which maintains adherence and has discounts, as well as for physicians, who can keep track of the progress of their patients. A further solution we developed was an app for closed period treatments for pregnancy, which provides tips about why to use and maintain the treatment to increase adherence and even a purchasing channel.

What are you the most proud six after having established SFA Alliance?

It's not easy to start a business. We had to start knocking many doors and at the beginning it was hard, as you needed to find clients who would trust you without having previous experience. But we found companies who were ready to believe in our services and it paid out. Six years later we have a consolidated client base here in Mexico and are expanding into the region. A positive trend we are witnessing is that more and more often general managers do not come from the commercial side of the business, so they are more open to new ideas and models, which helps us approach them with innovative solutions.

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