

Interview: Alberto Hechanova - President, Drugstore Association of the Philippines (DSAP)



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Alberto Hechanova, president of the Drugstore Association of the Philippines (DSAP), discusses the competitive landscape of the country, highlighting the main challenges and opportunities for independent drugstores. In addition, he explains why being a member of the association can impact business success.

Mr Hechanova, could you please introduce yourself and the association to our executive readership?

I am born and raised Filipino. Just like the many members of DSAP I myself run a small independent drugstore, 'Wellness Pharmacy' in Baraca Subic. I have been active in the pharmaceutical industry for more than 20 years and I have been a director of DSAP for four years. At DSAP we represent small and medium sized pharmaceutical enterprises, promote good business practice and want to provide support to our members through our strong organizational structure and partnership with different stakeholders in the industry. For example, this September we are organizing a convention with all of our members and speakers from the government as an initiative to open dialogue and training. We have also established relationships with key agencies, advisory councils, the Department of Health, the Philippine Pharmacist Association (PPHA), the Food and Drug Administration (FDA), as well as other policy making bodies. Spread across the country we have almost 2000 members and more than 5000 independent outlets.

As an association, you stand for legitimacy and assess the legitimacy of your member companies. What makes a company legitimate?

Compliance is definitely a big priority for us; we cooperate with the FDA and work accordingly to their strict standards. The FDA now recommends non-members join our association due to the support that we can provide, and to be associated with DSAP is an advantage. We promote accountability and organize sessions on ethical and transparent practice.

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What does the competitive landscape of Philippines' drugstores look like? What are the strengths that independent drugstores have over the big leaders winning the market share game in the country?

Competition is threatening the sustainability of independent small businesses in Philippines. A lot of big corporations are acquiring local companies, for example, Ayala Group has acquired Generika. With ASEAN regional business potential and foreign investments coming into the country we need to strengthen the potential of our members. This is where we accentuate the importance of innovating and upgrading. As such, a number of our trainings focus on retail merchandising agendas, customer service and standardization of small independent stores. We want small retail drugstores to have the 'know-how' factor too.

On the other hand, the main strength of small drugstores is the relationship that is built between customer and pharmacist. Usually, patients are more willing to talk about their health problems and really seek advice from a pharmacist. Moreover, our members provide customer care which is personalized, built on trust and the human factor that big chains are missing. For instance, if a customer is missing a few pesos or is knocking on the door a few minutes after the shop is closed, it is not a problem for a small retailer; we are more compassionate in what are we doing.

How do you think the new administration in Philippines will affect small enterprises?

There are initiatives taking place to foster entrepreneurship outside the Metro Manila area. Most of our members operate outside the capital so having someone from the administration finally recognize the importance of local business is refreshing and promising. Moreover, President Duterte wants to ease laws and regulations related to doing business which means less paperwork and bureaucracy for business owners. Overall, the procedure will be simplified and the tax system will be more efficient.

What advice would you give to independent drugstore owners looking to generate commercial success?

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Compliance is the key focus and something that should be taken seriously by small independent business owners. You have to learn the trade but also be knowledgeable about the regulations that are expected from you. Obviously being part of the association helps, in a group we can achieve more, share experience, provide up to date training, and seek standardization.

One of the things that DSAP does is offer a discounting system for its members. In comparison to the Mercury drugstore chain, a small drugstore cannot afford to buy the same amount of stock and offer the same discount rate. This is only one example of how being a member of the association makes the independent business more competitive and efficient.

What will your strategic objectives focus on in the next few years as a president of DSAP?

For the next few months my main goal is to keep the association and its members responsive to market changes. Business through education is at the heart of what we do, we regularly organize seminars for pharmacy assistants and our own Continuing Education Program for Drugstore Owners (CEPDO) will help us adapt to the many challenges and problems in our industry. Furthermore, we make sure that our members are following the highest operating standards and are ready for inspections from the FDA. Licenses are complied to prevent any regulatory mistakes.

In addition, we are applying technological innovation to our practice. We are using Connect Pharmacy app to collaborate with pharmaceutical companies such as Pfizer, Galderma and iNova when offering price promotions on specific products. We are also planning to launch an app and an online platform where our members can find exclusive news for the industry, training and compliance guidelines.

Finally, our most recent goal aims to establish a foundation that offers financial assistance and scholarships to young people seeking qualification in pharmacy studies. Unfortunately, there are not enough pharmacists that are educated to the required level in Philippines at the moment.

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