Interview: Nestor Lumanas – General Manager, Sannovex, Philippines

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19.12.2016

Tags: Philippines, Sannovex, Pharma, Pharmaceuticals

In an exclusive interview with Nestor Lumanas, the founder and general manager of Sannovex in the Philippines, he highlights their impeccable sales force and consistent values that have led to accelerated growth for the generic injections company over the past six years.

With over 25 years of experience working in multinational companies, could you provide our international audience with the aspirations behind Sannovex?

Our aspiration is to be one of the top Pharmaceutical companies in the hospital business. As part of our mission we want to provide alternatives to doctors and paramedical staff that are both high quality with affordable prices and with fast delivery to hospitals

I started as a medical representative for a multinational company in the early 80s, and after five years I became the district manager for Visayas based in Cebu, after which I became the regional sales manager for Visayas and Mindanao. In these positions I worked directly with the medical representatives and was directly involved in prescription generation of the company. We encouraged the district managers to provide technology transfers to the medical representatives, so that they could work on their own. After two years I was promoted to national sales manager and had lots of exposure in marketing, logistics, HR and finance functions. As a Certified Public Accountant it made it easier to understand the business cycle.

Could you elaborate on the greatest milestones of Sannovex since its founding in 2010?

The turning point of our business was when we signed a contract manufacturing agreement with three Chinese manufacturers, two of which belong to the top 20 pharmaceutical companies in China. We started selling our own brand, not distributing for another company. In the same year 2010, we started our own field force of 10 medical representatives and now in 2016, we have a field force of 66 medical representatives and 8 district managers of which 90 per cent are mobilized.

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In 2012, Sannovex had already penetrated more than 60 per cent of the private hospital market and some government hospitals doing regular business.

In 2013, Sannovex was already in the top 100 companies based on IMS figures, though, they only monitor 20-25 per cent of our actual sales as our distributor is not included in the IMS sales audit.

In 2014, Sannovex had signed contract manufacturing agreements with companies in Turkey, Spain, Italy and Portugal. Included in this agreement were oral preparations that we expect to be approved by our local FDA by 2017.

The company has since grown and expanded partnerships with other manufacturers and has expanded its product portfolio. What are the main decision criteria for you when you are choosing which manufacturers to do business with and which products to provide?

First I look at the IMS data of the top 100 brands. The majority of these are vitamins and over the counter products, but I look only at the injections. We started with injections because at the time we did not have significant capital so we needed to focus on a growing and large category to build a reputation. We chose to start with injections because it is an enormous market with high growth and it also means that our medical reps could build a relationship with the large hospitals rather than smaller clinics. For manufacturers, we usually select the top ten in their respective countries usually in Europe.

You also mentioned launching oral medications. What is your strategy and timeline for the product expansion?

Launching orals has been a slow process because it can take between two to three years to approve the registration. Right now we have more than 100 products in the pipeline for four divisions, including injections, antihypertension, cardio metabolic, and oral antibiotics. Our strategy is very simple. We promote our products based on their prescription habits and know what will it

take to get the prescription.

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What advantages do you see from being a fully-owned Filipino company?

Multinational companies initially have an advantage because people do not doubt the quality of their products; however, this is the only advantage that they have. Filipino companies build their advantage once their brand is established, after we have built a relationship with the doctors. We are more flexible and able to adapt to the needs of the Filipino market.

What differentiates Sannovex from the competition?

The thing that makes us stand-out the most is our customer focus and our sales force. Some medical reps will just visit, but we build the relationship and get to know the doctor including their prescription habits and what their needs are. This allows us to adapt the way we sell to what the doctor most needs from us. We find out what the most prescribed medicines are for certain doctors and then we compare it to what we offer. To put it simply, Sannovex knows how to get the job done.

Another difference is speed and decision making. Since we have a doctor profile and hospital data bank, we can decide major transactions in minutes. We have cut out bureaucracy and we make decisions in real time. Speed is very important and many large companies lack the ability to make decisions quickly.

If we come back in the next five or ten years, where do you see Sannovex?

Our goal is to reach the top five in the hospital business. We also plan to expand our product line to oral drugs and we are constructing a new building to house our new divisions. Sannovex is growing and we are preparing for the growth. This year we are forecasting 40 per cent growth. Growth in the pharmaceutical industry has been averaging 2 per cent, with last year growing 7 per cent.

Do you have a final message that you would like to share with our international audience?

It is our mission to supply quality alternative medicines. We want our partners in Europe to invest and trust in us and our ability to navigate this competitive industry.

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