# Interview: Gabriela Báez – Chief Commercial Officer, Up Pharma, Mexico

***"The national companies have played an important role in recovery by increasing their sales forces and launching generics and branded generics."***

11.04.2017

Tags: Mexico, Up Pharma, Pharma, Strategy, Investment, Market Access

*Gabriela Báez, Chief Commercial Officer of Up Pharma, elaborates on the company's unique business model that supports small to medium sized pharmaceutical and preventative health companies in entering the Mexican market.*

**In terms of your portfolio, what is the breakdown of your services and where do see the most growth?**

We provide market entrance services including registration, representation and hosting for organizations from the moment they consider entering the Mexican market up to when they define the preferred distribution or business model for this country. We can also be integral end-to-end partners in terms of creating the right commercialization strategy. The most demanded services that we provide tend to be those relating to hosting because many small to medium sized companies are aware that Mexico is within the worldwide top pharmaceutical markets, but they do not know the local market dynamics, and how to operate here in terms of pricing and selecting the adequate commercial strategy. Our business model is flexible and normally our clients contract first our hosting services and then they begin to evaluate how our model can help them with their short or midterm goal of establishing themselves in Mexico.

Right now, we provide hosting & regulatory services to 13 companies and 3 of them are moving to our market expansion services, which involve full commercial operations. This is the normal progression: it begins with hosting, then with product registration, the we start the commercial operation with a first import to Mexico. Normally our clients prefer to initiate with a smaller pilot in the Mexican market to reduce risks and to better understand the local pharmaceutical environment. With that initial experience, they can then decide with more confidence on the final commercial model, product positioning and level of investment. After that we can roll out the commercialization to a national level. Our services are modular and sequential, we are a facilitator for companies to enter Mexico.

We are experiencing each time more synergies for our clients to the extent that they take advantage of the economy of scale and collaborate with us and further clients to build efficiencies in their operations. This is something that we did not expect to that extend in the beginning of our adventure, but we see it now as a powerful argument for companies to initiate their journey in Mexico with Up Pharma.

**After the slowdown between 2012 to 2013, the healthcare industry is expected to grow an average of 5 to 6 per cent according to Deloitte, moving from 16 billion in 2013 to nearly 22 billion by 2018. What in your view needs to be done in order to achieve such growth?**

A few years ago, the Mexican pharmaceutical industry had a slowdown in growth starting in the public sector and then affecting the private market. The national companies have played an important role in recovery by increasing their sales forces and launching generics and branded generics. Today the penetration of generics in Mexico is as high or higher than in most developed countries and the products are well accepted by the patients. Since 2016 we have seen a stabilization of the market and now we foresee a stable growth in units and values, we do believe this trend will continue for the next years due to the changing needs of an aging population in Mexico.

[Featured_in]

**One of the main objectives of the government is their financial stability and perhaps this is why Mexico has such high generics penetration; however, the focus on diabetes and oncology treatments needs biosimilars and innovation. How do you see Mexico approaching the treatment of these diseases in a financially feasible way?**

There have been important reforms by the health authorities regarding biosimilars and we have seen several companies trying to introduce these products more effectively into the market. Mexico is beginning to open the doors to these types of opportunities because there is a need for new products and therapies. Today there are clearer guidelines and rules for biosimilar registrations and for biotechs. Now that we are strongly linked with the rest of South America in terms of regulations, many of our clients are looking to register their products in Mexico with the plan for expansion. With the distribution channels in Mexico to access Central America, products can be easily moved throughout the region in a short period and this attracts more companies to use Mexico as a hub for the region. With one registration process, they are able to access much of Central and South America more easily.

**What are the most outstanding trends that you have identified in the healthcare industry over the past five years?**

Of course, we see an increase in chronic diseases in Mexico, both heart disease and diabetes especially. We also see a positive trend in food supplements, vitamins and OTC segments, people are becoming more aware of what needs to be done in terms of prevention and health maintenance. Another segment we see with a good growth potential are products for beauty and dermatology which we believe is an emerging trend in Mexico.

**What do you see as the most prominent needs in terms of partnerships between the public and private sector?**

The Mexican government is making efforts to build win-win agreements with the private sectors. They are interested in developing innovative models where the pharmaceutical industry not only sells the products but also delivers after-sales services such as providing integral treatments to the patients, as a result the government will pay for the positive outcomes. Investments in healthcare need to be more efficiently allocated and increased on a whole.

**How do your solutions and services help the industry gain efficiency?**

Up Pharma was born out of one critical decision made from our secretary of health, which was to eliminate the required local manufacturing site for pharmaceutical companies to be able to register and /or distribute their pharmaceutical products in Mexico. This change opened opportunities not only for medium sized companies, but also for smaller players. Before this change was implemented, the interested companies had to license their products to established companies with local manufacturing sites, which in the long-term was not always the best solution for those foreign companies which were interested in building sustainable brand value. Our business model was precisely built on this opportunity, interested companies can now introduce their products by keeping control of the marketing strategy without investing in a local manufacturing site. Up Pharma can now act as the legal representative and the interested companies can register and commercialize their products through us, while they maintain the ownership of their registrations. They keep control over their brands, decide the level of marketing and sales investment for each brand. It is a win-win model for everyone involved. They invest in our market and bring innovative products to Mexico.

[related_story]

**What partnerships and collaboration does Up Pharma participate in to attract new companies to Mexico?**

We are participating in international forums such as CPhI and other trade shows for the pharmaceutical industry. We are also frequently invited from different countries to participate at their commercialization hubs. However, the biggest stake of connections and recommendations come from clients and prospects who have experienced successful collaborations with our group.

**What are the differentiating factors that make Up Pharma a partner of choice?**

Our Market Expansion Services model is what differentiates us. It allows small to medium sized companies to efficiently introduced their products in the Mexican Market. Our client partners can choose from a modular service portfolio, define their total investment and maintain control over the marketing strategy, this is our key value proposition. A unique model in our market and perhaps in Latin America.

Our client partner can also take advantage of a solid infrastructure of our group with more than 20 years accumulated experience as the leading contract sales and marketing organization in Mexico. This allows us to guarantee the implementation of sales teams with maximum speed and in a highly cost-effective way.

**What are the three key objectives that you are looking to achieve in the next few years?**

Our objectives is that Up Pharma will be recognized as the leading company and the preferred partner for small to medium sized businesses coming to Mexico. It is also our goal to convert 30 per cent of our market entry clients to full commercialization solutions.

Mexico is a stable market with strong growth and an aging population. This new growing segment is more aware of their health and more keen to take preventative measures. This opens opportunities for pharmaceutical and preventative health companies to commercialize their products here. Regarding Up Pharma we have market know-how and capabilities to work closely with innovative companies looking to bring their products to Mexico.

**See more interviews**