

Mario Rovirosa - CEO, Ferrer



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Ferrer's CEO, Mario Rovirosa, outlines how he and a new management team have been building the foundation of the Spanish mid-cap's transformation to become a specialty pharma company, a 180-degree shift that entailed the divestment of its generics portfolio, new affiliates across the world, and a more focused product pipeline. In addition, the Catalan executive highlights Ferrer's commitment to standing out as a socially responsible company, spending over 50 percent of its profits during the last two years on social and environmental projects.

Mario, can you begin by briefly introducing your background in the pharmaceutical industry and how you became involved with Ferrer?

My background is in economics, and I studied at Esade in Barcelona for both the undergraduate degree and the MBA. Following my studies, I started in pharmaceuticals joining Prodesfarma, before it was acquired by Almirall, and worked there for 16 years across many different positions. That experience allowed me to spend time working internationally, learning from other systems and cultures.

I returned to Spain to join Chiesi as the general manager of their affiliate; it was my first opportunity to have a large impact, working with the team to transform the Spanish subsidiary from an old-fashioned and commercial model to a medical, data-based, and modern approach.

My next big opportunity was at Ferrer, a company that was also looking to transform for the future. In the role of COO, I became involved in research and development (R&D) for the first time.

This responsibility over commercial and R&D aspects of the business was another point to leverage my experience on, and after two years, I was appointed CEO in 2018.

Can you further explain the company's transformation you were tasked with executing in terms of internal reorganization and product portfolio?

The first task at Ferrer was to completely change the management team and design a new strategic plan to re-focus the company's sales. Due to Ferrer's size, it was crucial to modify its operations in order to be competitive; as a result, the business divested profitable parts of its portfolio that were out of scope and closed the non-profitable parts of the business that did not align with the strategy. The scope was to be a pharmaceutical, branded, innovative, own-products company.

Today, mid-size companies have to rely on their own products which adds risk to the company while simultaneously providing the opportunity to maintain the minimum profitability able to sustain the company in the long-term.

The second change to the company was to link the owner's vision with the company's vision. The vision of the owner is to be responsible for the environment and to give back to society which requires resources for developing social projects for vulnerable people and being respectful of actions that may impact the environment.

The transformation was managed through transparency and being open to questions to offer those in the company the full picture, allowing the staff to participate in the future of the company.

Ferrer decided to focus on two specific areas. The first is debilitating lung diseases with no treatments available that have a need for hospital-based products. The second focus is on neurology and is related to neurodegenerative diseases and movement disorders.

The company is currently conducting a phase III study for an ALS drug and is about to begin a phase III study for apomorphine. Additionally, Ferrer recently signed an agreement to launch a product for pulmonary hypertension.

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point. In certain cases we are also open to conducting collaboration agreements.

Given the company's current size, Ferrer tries to develop incremental innovations, assuming less risk than companies that are developing breakthrough innovations.

What remains of the business internationally following Ferrer's divestment of its generics business?

In LatAm, for example, Ferrer is selling products from the "legacy" portfolio as the region is open to these types of products. The objective in the short- to medium-term is to enter the institutional markets in the region.

For Europe and the USA, the strategy is to focus on hospital products with the exception of Spain, where we sell a broader portfolio. The strategic plan outlines that the new pulmonary products will be launched in Europe in 2024; Ferrer needs to be ready for the five biggest markets in Europe as well as other markets where the company is present such as Greece, Austria, Poland, and the Czech Republic while the remainder will be covered by partners.

In 2025, the company expects two additional launches, one for pulmonary hypertension and the other for ALS. Additionally, in 2026 the company hopes to launch a product for Parkinson's disease in the US.

Ferrer will consider any opportunity that comes from a specific healthcare provider in another country if it aligns with the company's focus. However, Ferrer is predominantly considering opportunities in the US as there are a number of companies in that country that are not willing to come to Europe.

When the time comes to launch in the US, are you planning to build your own sales force or find partners?

Ferrer plans to build its own subsidiary and sales force in all of its strategic markets within Europe as well as the US. The business is present in over 120 countries and therefore needs to create a balance between establishing partners and managing the company's own presence.

You mentioned earlier that the owner's vision is to be responsible for the environment and to give back to society. Can you share a few examples of how the organization is working towards that vision?

Over the last two years, the company has spent over 50 percent of its profits on social and environmental projects.

For example, at the beginning of the pandemic, Ferrer used the staff from a restaurant that had to close for the lockdown in Spain to prepare meals for homeless or vulnerable people. Although the numbers began low, the project is expected to deliver close to one million meals this year. This requires significant collaboration with churches and charities to deliver the meals as well as the complexity of the supply chain for these meals, it also requires two recently purchased orchards to supply vegetables for the project and is managed by the newly created Ferrer Sustainability Foundation.

Furthermore, the Ferrer-Salat Music Foundation offers talented individuals the opportunity to join the Liceu Higher Conservatory of Music to receive the highest level of training to become professionals. Additionally, Ferrer offers one thousand children from lower income areas of Barcelona full training in primary and secondary levels of school for training in music. This is relevant as music is the only subjects that develops both sides of the brain and has positive cognitive development for the future of the children.

Another interesting example of Ferrer's social responsibility efforts is the recent B Corporation certification it obtained. Can you comment on what it means?

It is extremely challenging to receive the B Corp certification. A company must pursue an eligibility process prior to beginning the auditing process to have the certification which is challenging due to B Corp's negative view of the pharmaceutical market. The majority of companies that try to get the certification do not receive the certification.

Ferrer received the highest score among pharmaceutical companies and among Spanish companies in all sectors above \$100 million in revenue. The company is proud to receive this recognition as confirmation from experts that the business is having a positive impact in the world.

What advice would you give to other CEOs or general managers about how you viewed the pharma industry?

The most important part of my management process that benefits both my position and the company is to surround myself with the best talent in the world. The team at Ferrer is extremely talented and by surrounding yourself with talented people, it helps you grow and challenges you every day.

Moreover, strategic thinking and its execution is particularly important in the pharmaceutical markets. The sector is risky with large sums of money invested and therefore strategic thinking needs to be limited to create a greater focus on the execution of this plan.

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