

Interview: Gabriela Baez Corporate Development Director, UpPharma Mexico



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The corporate development director and business development manager of UpPharma explain why Market Expansion Services (MES) model represents a unique business opportunity for firms looking to establish themselves in the Mexican pharmaceutical market, why small and medium sized companies are now considering investing in the country and how the vision is to help in delivering niche products to the patient.

Can you introduce UpPharma to our readers? What were the opportunities that you saw in the market when setting up the company?

UpPharma is the gateway for international companies, with innovative products with clinical trials and evidence, looking to establish themselves in the Mexican market.

We offer clients help through a number of means, ranging from a limited number of services to a more integral model, namely Market Expansion Services (MES), where clients can have their own specific model of commercialization, and we take care of all the multiple details of the implementation process.

We have innovated the outsourcing business process industry by introducing to the Mexican pharmaceutical market to the MES model in 2012. We have learned from the outsourcing contract sales business through our umbrella brand BacherZoppi, the leading RX contract sales forces company in Mexico. UpPharma could benefit from these capabilities and experience, and enhance the offer to an end-to-end outsourcing services platform commercializing innovative and differentiated products with clinical support in Mexico. The inspiration behind this concept came from abroad, in particular from European and Asian markets. In 2012 the shareholders of the group decided to create UpPharma with all the skills and know how to help companies penetrate the Mexican pharmaceutical market with our MES model.

The UpPharma MES model in its current form is today possible due to changes to the Mexican law in recent years. Foreign investors and pharmaceutical companies no longer require a production

plant in Mexico in order to be able to sell their products within the Mexican market. This opens the door for foreign companies who are considering potential investment in our country. Before this regulatory adjustment came up, it was quite a challenge for a small or medium player with niche products to conduct business in Mexico. Today we offer through the platform of UpPharma, an opportunity to enter the Mexican market with transparent and efficient solutions.

UpPharma offer innovative solutions supporting growth strategies of pharmaceutical companies, with a portfolio organized around three strategic business areas, Entry Services, Operational Services, UP Sales and Post Sales Services. Can you tell our readers more about the portfolio of services which you offer?

Our entry services are more widely known globally as hosting, where UpPharma manages all procedures required by the Mexican authorities to get the permits to import and commercialize products. Through our entry services platform we define the best regulatory strategy, represent legally our client-partners, and take care of all regulatory and legal aspects to be able to sell the products in the local market.

Meanwhile the Market Expansion Service model is a fully integrated distribution solution including the entry services. We can help companies to evaluate the market for their specific products, to identify opportunities, market potential, risks, and how to promote and best distribute their products. UpPharma has the flexibility to adapt regional or global strategies specifically for the Mexican Market, developing and implementing a tailored business plan for our client partners taking into account the level of required or disposable investment. Our operational services include a full supply chain including importing, warehousing, quality control, distribution, invoicing, collection and financial reporting. Additionally UpPharma generates sustainable growth through its sales and post sales services for our client-partner's Rx and OTX brands through physician calling as well as strategic pharmacy point of sales promotional efforts. Our model is flexible and modular, allowing companies to choose the best strategy and select services that optimize their return on investment and/or brand value.

Can you explain the benefit for companies in using such a service?

MES is a unique business model that we offer to pharmaceutical manufacturers. An opportunity to enter the Mexican market by designing together a winning commercial strategy for achieving sustainable growth. It is an operating contract service where we represent our Client-Partner and help him to develop his business in a new market. Our service platform is modular, it can include just the regulatory aspects and processes, considering that Mexico is a particular market, or we can work on the whole set of operations up until commercialization of products in Mexico.

Our MES model delivers a geographical expansion through services, a long-term sales growth and ROI, an immediate local know how sharing to high level brand performance (a deep understanding of the complexity of the Mexican pharmaceutical environment), a continuous operating expenses optimization (economies of scale), a strategic partnership facing all Mexican authorities and market changes and is an intelligent investment. We offer a best in class execution through high quality services providing exclusivity in tracking and assuring regulatory implementation, distribution and commercialization. Our UpPharma MES model provides visibility, control and efficiency to generate sustainable growth and speed time to market.

What added value does UpPharma offer to its clients? What is your competitive advantage?

We have a background and history of 19 years in the Mexican pharmaceutical and healthcare industry herefore our added value is that we fully understand the Mexican market, from regulatory aspects, to distribution and commercialization. We also have experience with many international

firms, meaning we truly know how to set up a strategy for an external company and translate it into a Mexican operating model.

We are also the first company to provide such innovative service in Mexico. We bring the best of the distribution model in Mexico as well as allowing our client-partners to develop their own strategy which they remain in charge of throughout the entire process. We foresee an enormous need for small and medium sized manufacturers, with differentiated products, to enter the Mexican market and take advantage of niche areas. We believe that a market expansion services (MES) model is a unique opportunity not only to generate sales, but to participate in the go-to-market strategies, building long term relationships, and helping to maximize brand value.

What sort company are you primarily targeting?

With the MES model we are targeting small to medium manufacturers with innovative products. Our aim is to bring new treatments to the Mexican market that have been clinically approved.

Can you tell us about the partnership you have with The Ceuta Healthcare Alliance, an alliance network offering global outsourcing solutions in the world of health and beauty?

We became member of Ceuta Healthcare Alliance in 2012 and it helps us to refine our MES model translating their experience into the Mexican market. Through Ceuta Healthcare Alliance we also had access to a study of a similar model bringing European products to Asia to gain learning and applicable know-how to Mexico.

The experience of Ceuta Healthcare Market and some of its members were majorly oriented for the OTC market; in UpPharma we work in specific needs for Rx, OTX and OTC markets. This adds an extra challenge, as an OTC product is easier to commercialize as compared to the pure prescription model, which also has added regulatory aspects to deal with. Nevertheless, the concept remains the same, allowing small and medium companies to export their products to a new and unfamiliar market with minimum risk.

What is your five-year vision for the company?

We want to be known globally as the best option for small and medium sized companies looking to enter the Mexican healthcare market, helping to bring niche products not previously available to patients.

You spent a number of years working at GSK, what did you learn from this experience and how does this help in contributing to your success at UpPharma?

I have been working in the Mexican healthcare industry for more than 16 years. With GSK I learned how a large company works in the pharma industry; all their product and business standards and how a global strategy is developed. However for such big companies it is particularly difficult to develop specific market strategies. Now with UpPharma I have been able to bring standards and applicable guidelines but also the flexibility of generating strategies that work for small and medium companies in the Mexican market.

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