

Interview: Marcelina Itchon, President & CEO, Aspen Philippines

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Marcelina Itchon, President & CEO of Aspen Philippines, talks about what drives Aspen's success, why the Philippines was the first choice from which to build an Asian division, and the company's business strategy to maintain and grow its current level of success over the next five years.

Ms. Itchon, what factors do you feel are fueling Aspen's successful global expansion?

The engine driving Aspen's growth has been the discerning leadership of Stephen Saad and Gus Attridge. They are dynamic individuals, with great business acumen, who surround themselves with equally energetic visionaries. Stephen has not only earned great respect from within the Aspen Group, but also from his peers within the industry.

As a result of their leadership, Aspen has evolved into a highly esteemed, international company. Being chosen to develop Aspen Philippines has been a personal honor, privilege and an enormous responsibility. Stephen and Gus are the role models I strive to emulate in terms of managing people and growing the Philippine subsidiary. Stephen's favorite motto is: "To rest is to rust." Gus's favorite dictum, on the other hand, is: "Treat every cent as your own." These are the maxims I advocate and have tried to instill within the team.

Aspen is present in over 150 countries and manufactures a vast range of products, which are renowned for their high quality, efficacy and affordability. The Group's extensive basket includes branded, generic, over-the-counter (OTC), consumer and infant nutritional products.

As the Philippine subsidiary was being established two years ago, Aspen had 18 manufacturing facilities in 12 sites across the globe. With the recently announced acquisitions of manufacturing sites from GSK and MSD in Europe and the US, we now have 22 manufacturing facilities at 16 sites on six continents. We are striding forwards all the time and as such, it is impossible not to be proud of working for a company like Aspen.

When we launched, Aspen Philippines had a relatively low profile in this country. We were able to swiftly change that by leveraging our 160-year heritage and global presence. Moreover, conveying the message that we can deliver quality products at reasonable prices was important. Indeed, providing quality with affordability has been at the forefront of Stephen's business strategy.

Why did Aspen choose the Philippines as the destination from which to build its Asian footprint?

The Philippine pharmaceutical industry is one of the most mature in Asia and one that presents vast opportunities. Multinational companies have a tendency to focus on new brands. This is an acquisition opportunity for Aspen, and indeed, we acquired innovator brands from GSK as early as three years prior to setting up the local subsidiary. This gave us a sizeable volume with which to start local operations.

The Philippines is also a market where brand equity is flourishing even as the branded generics make their marks in the local pharmaceutical industry. Both scenarios are opportunities that Aspen can build on. We have the capability to prolong the life cycle of selected innovator products and a robust pipeline of quality and affordable medicines that we can bring into this market in due time.

How successful have both partnerships with GSK and MSD been?

Aspen has enjoyed a lengthy and mutually beneficial business partnership with both GSK and MSD. Early on we started a commercial partnership with MSD for their legacy brands. For some of these products, it was a great challenge to maintain the life cycle; yet, for a number, we managed to develop local level growth. At that time, as a five-month fledgling organization in the Philippines, this was an important step in our development.

At Aspen Philippines we have five core brands, which were acquired from GSK, and two of these brands form 20 percent of our sales revenues. When we were given authorization by the FDA to initiate promotion in June 2012, one of our antibiotic products ranked 47th in the list of the 100 most prescribed drugs by pediatricians. Through differentiating our medical representatives and implementing intense training, after six months of focused promoting and product messaging, the product was ranked 24th. Ultimately, it is our internal talent pool, tailored training system, and uncomplicated product positioning that give us a competitive edge.

The number of employees at Aspen Philippines grew from four to over a hundred in three months. Do you still manage this aspect of the business? What type of person do you seek to hire?

It is an area I continue to work closely in. It is crucial that we put the right people in the correct positions and this can be an arduous process. Most importantly, we look for passionate people with a positive attitude. Skills are transferable but shaping one's attitude is not always achievable. Today we have 111 employees. As we continue to acquire more products and launch more commercial alliances, we expect this number to grow, as well. This gives us a sense of pride in providing more employment opportunities for more Filipinos over time.

Who are your main competitors in the market?

We have managed to launch Aspen Philippines through its innovator brands acquired from a leading multinational pharmaceutical company. However, our ultimate goal is to bring products from our pipeline in South Africa, directly into the Philippines. As the South African and Australian pipeline is so robust and diverse with products from anti-infectives to antithrombotic to skin care, anybody can be our competitor. But I do not want to worry too much about competitors. At the end of each day, I only think of how we can do better tomorrow.

We recently launched an OTC product that is number one in eleven countries across the globe, and it is earning a positive response from the market. We anticipate launching the first ethical product from the pipeline in 2016, after which, the sky is the limit. The primary challenges towards bringing

these products into the Philippines, are the lead time from identification of what molecules we need and want to bring in, and the registration which takes a relatively long period of time.

Over the coming four years, do you see Aspen Philippines acquiring brands from other innovators? What will your business strategy be between now and 2017?

Commercial alliances will remain an essential part of our operations in the Philippines. However, sustainability hinges on acquisitions, organic growth and new product introductions. If we include the MSD partnership, we have doubled our sales revenue within our first fiscal year. Our next ambition, on an annualized basis, is to double our sales again so as to become one of the Top 25 branded pharmaceutical companies in the country on 2015.

Is Aspen looking to emulate the Aspen Philippines business model in other destinations in South-East Asia?

Stephen refers to Aspen Philippines as the "launch pad" to Asia. We are administratively managed from Australia and it is the Australian model we want to replicate but with a local twist.

Within the Aspen Group, we are widely considered the template in Asia, having been the first-born in this part of the world. We have expanded our presence in Taiwan and Malaysia, and soon in the other Asian countries. These younger affiliates are pursuing the same path as we applied in the Philippines.

To support their development, what advice can you give these new Asian affiliates?

There is a breadth of advice we can offer. Fundamentally, it is vital they build mutual trust. When dealing with difficult but potential partners, the more you push back on unrealistic demands, the more interested they become in you. Through that approach you develop a reputation as serious pharmaceutical player in the market. We are striving to deliver a track record of performance that is attainable through our highly skilled resources, quality product range and efficient systems and processes.

The Philippines is the number one country in South-East Asia with the highest number of women in senior positions. From your perspective, why is the Philippines a relative haven for businesswomen?

Having witnessed other cultures, I feel blessed to be a Filipina. In our culture there is no division between the sexes: males and females have equal opportunities in all walks of life. As the nation has evolved with the transition of external influences, the country has matured. The Spanish brought us religion; the Americans implanted education. Ultimately, the Philippines is an acutely maternal country, where women are held in high regard.

Considering Aspen is contributing extensively to the Philippine economy, do you feel you are getting recognition and acknowledgement from the appropriate authorities?

We invited the government to the company launch, and some official representatives did attend. We stated that we were going to employ a hundred Filipinos and that this figure could conceivably double over a couple of years. We also emphasized that we wanted to give back to the community and through assisting a children's foundation, this is something we have actively pursued. Additionally, last year we joined Aspen's global business units and the general community in celebration of Mandela Day by making a meaningful difference to less fortunate communities. One of our beneficiaries is a center for abused and abandoned children's.

Lastly, I want to add that it is vital that we continue to be true to Stephen and Gus's mission of providing high quality, affordable medicines to the market. Moreover, we want to directly contribute to the Philippines and we can do that by continuing to expand our Filipino employment base and contributing to the less fortunate ones through our CSR program. We are here to compete fairly while abiding to the highest ethical standards.

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