

Interview: Mario Muniz – General Manager, Chiesi Mexico

Our successful approach to the Mexican market has essentially relied on our affiliate's most important asset: our people

30.09.2016

Tags:

[Chiesi](#), [Mexico](#), [Neonatal. Pharma](#), [Pharmaceuticals](#), [Regulatory Reform](#),

Mario Muniz, general manager of Chiesi Mexico, explains how the affiliate looks at becoming a comprehensive solution provider in the neonatal field, highlights the dramatic consequences of the health budget cuts recently released by the government, and shows how empowering its employees has led the affiliate to recently win a prestigious award for a mobile app that strengthens the physician-patient relationship.

Chiesi's affiliate in Mexico only opened at the end of 2012, but its penetration strategy has been extremely successful, in both the respiratory and neonatal fields. What have been the main pillars sustaining this success?

Our successful approach to the Mexican market has essentially relied on our affiliate's most important asset: our people. Over the last four years, we have been striving to provide them with the freedom to implement new initiatives and projects that now largely contribute to set us apart from the competition and play a crucial role in increasing our market share in the therapeutic areas you mention.

Talking about the respiratory line, we have just reached a peak market share of 6.1 percent with our key product Innovair, 23 months after we have introduced it into the Mexican market. Commercially speaking, we are a focused company and this has been a key success factor to our strategy: we proudly stand as the most productive company in the respiratory field in Mexico based in audited prescription data. We concentrate our main efforts on the most important and strategic physicians in the country, with a high frequency of medical visits. In Mexico, being able to build a strong and sound relationship with these partners is absolutely crucial, and our rapidly increasing market share truly demonstrates this approach is paying off.

Finally, we hold a very innovative product, Innovair, which is of course critical to sustain our commercial strategy. The combination of these three factors (employee's empowerment, commercial efficiency and our innovative product Innovair) has been at the core of our successful penetration strategy, allowing us to reach the aforementioned market share in only 23 months, whereas the respiratory market is particularly competitive in Mexico.

[Featured_in]

In the neonatal field, one of your objective is to obtain a reimbursement code from the General Health Council for Peyona. How are you progressing in this endeavor?

We will make the submission by the end of this year. We have already collected the pharmacoeconomic data and conducted expert panel reviews. We have been working with some of Mexico's most reputed hospitals and best research institutions that are already using the product to produce these data.

Even though this product doesn't yet have the national product code, hospitals are already using their own local budgets to purchase it and treat their patients with Peyona - which clearly highlights that the physician community recognized the utmost quality and unique features of this product. Additionally, Caffeine Citrate (Peyona) is one of the most used treatments in the neonatal intensive care units in the USA and Europe. In Mexico, we are already present in almost all states.

This orphan drug is highly needed: it is the first Cofepris approved product that has been truly developed to treat apnea, and this product's safety is absolutely unrivalled. There is no reason why our physician community should use other products that haven't been specifically developed to treat this affection and moreover don't display similar level of efficacy and specially safety for this critical patient population, the premature babies.

Finally, Peyona allows physicians and their parents to tremendously reduce the time the baby has to spend under a ventilator in an NICU (Neonatal Intensive Care Unit) or a hospital. Babies can then be treated at home, which is particularly cost saving for the Mexican public health system, but above all stands as an inestimable added value for the parents and relatives of the patient.

[related_story]

Neonatal care has been a priority in the agenda of the current government over the past few years. What has been the impact of the public health budget cuts released in 2015, 2016 and expected for 2017 on this public commitment?

Neonatal care clearly remains a priority of the government and other public institutions, which truly acknowledge the crucial importance of this therapeutic area in our common endeavor to raise health outcomes in this country. Nevertheless, these budget cuts have already started to impact the Mexican public health eco-system, which is indisputably experiencing very worrying times, although it is still difficult to precisely quantify the significance of the current crisis.

First, we see the impact of these budget cuts on the industry sales, as the number and value of public tenders have truly been decreasing over the past two years. This impact however goes beyond product sales and has been delaying distributors' payment collection, which further underscores the importance of the current crisis and the growing tensions it is generating throughout the entire value chain.

More importantly, we see in certain States of the country that physicians are now producing written statements to disengage their responsibilities from the expected deaths of their neonatal patients, because they don't hold anymore the resources to treat them with the needed treatments. In these geographical areas, which include regions that have never experienced such problems previously, the situation is getting particularly critical.

Beside dramatic outcomes for the patients and their families, this crisis also puts the physician community under tremendous pressure, as they have to treat babies without the resources they

need. In one of these states, product consumption has been reduced to only 20% of the consumption level of the previous year. In hospitals, there are now a higher and increasing number of babies under ventilators, because these hospitals have been forced to reduce their purchasing of the effective and cost saving treatments we provide.

As a company, we are helping some institutions by giving them some of our products for free, in the most urgent situations.

How is this context impacting your commercial strategy in Mexico?

It obviously affects our strategic approach, and we are currently amplifying our efforts in the private sector. Nevertheless, increasing our involvement in the retail market could only be a temporary solution.

The public, institutional market remains and will remain at the core of our business in Mexico, given the socio-economic profile of most of our patients. Neonatal issues primarily affect babies whose mothers have not been following all the prenatal tests and exams before the delivery. In the private sector, families usually have more resources, so neonatal issues are less frequent and less severe than in the public sector.

The public, institutional market remains and will remain at the core of our business in Mexico, given the socio-economic profile of most of our patients

How do you plan to expand your product offering in Mexico?

In-licensing partnerships will hold a crucial importance in fulfilling this objective. In Mexico, Chiesi already is the industry leader in neonatology, and we are now looking at both developing and leveraging this expertise in a comprehensive way. This strategy will not only encompass pharmaceutical products, but also medtech solutions. In the long term, we want to become the preferred, holistic provider of the NICUs in this country.

At a corporate level, Chiesi has been developing a comprehensive project, which aims at assessing all the potential medtech products, services, bio or chemical pharmaceuticals that could strategically complement our current portfolio and benefit to our patients. Of course, developing a complete set of solutions also brings its inherent challenges: product training is more crucial for medtech solutions than for pharmaceuticals, for example.

In this strategic approach, the Mexican affiliate clearly stands as a frontrunner. Chiesi Mexico had already identified back in 2014 that our affiliate should follow this comprehensive approach, which means we are now well advanced in terms of market assessment and partnership negotiations. As a matter of fact, Chiesi Mexico is already negotiating with some medtech companies, including another company specialized in the respiratory area. Although I cannot reveal any name yet, we expect to close an agreement by the end of 2016, while we might become the very first affiliate to truly implement this groundbreaking vision.

Chiesi Mexico has been particularly successful in its penetration strategy. What are your key strategic priorities to make a success of the consolidation phase that the affiliate is now pursuing?

It is an important question. We need to start building the in-house capacities that will allow us to be prepared for the next three years. Although we have been particularly successful so far, this year clearly stands as a tipping point in the life of our affiliate.

Some employees for example can exhibit a great fit for their position during the infant phase of the affiliate, but their capabilities start to decrease as soon as the company reaches a critical mass or a significant level of corporate structure. When an affiliate is displaying impressive growth rates, this mindset change may occur within a very short period of time. As a result, we strive to carefully hire our collaborators, looking at high-potential candidates that would be ready to keep up with the growth rate of the affiliate and foster its further development.

In the meantime, this context also means we need to evermore develop our people. In this regard, we have been implementing strategic training sessions, job rotation plans and anticipated exposure to some of their superiors' tasks, in order to ensure our best employees will be ready to handle larger responsibilities as soon as their time will come.

One of the best ways of keeping our people highly committed is also to set the bar high in terms of growth targets. The affiliate's sales have surpassed the 200 million pesos mark [more than USD 10 million] in 2015, a 27.6 percent growth in comparison to 2014. Despite the challenging situation we face in the institutional sector, in 2016, we want to reach a sales volume of 244 million pesos [USD 12.4 million].

Despite the challenging situation we face in the institutional sector, in 2016, we want to reach a sales volume of 244 million pesos [USD 12.4 million]

Are there other inspiring initiatives or projects that Chiesi Mexico has been recently developing?

The Mexican affiliate recently won the Innovation Prize during the 2016 Chiesi Marketing Award for a mobile app we have developed. This app aims at fostering a stronger relationship between physicians and patients, including communication channels, educative videos for better treatment use or digital tools to increase patient adherence and physicians' medical education. We are very proud that such a young affiliate, which I had the privilege to join in 2013, was able to compete against all Chiesi's 30 other affiliates, which display bigger resources and more sophisticated structures and ultimately managed to win this prestigious prize.

The next step we want to reach is allowing patients to purchase their treatments through the app. I am very glad to say this feature will very soon become a reality, as it is currently in its late-stage development phase. The first time we brought the idea to the table, corporate headquarters were particularly skeptical, notably due to compliance issues. We however found a way to ethically develop this service for the 1.000 physicians and the thousands of patients that already use our innovative app.

This ongoing success story perfectly showcases the difference it makes to truly empower your employees and collaborators, giving them the opportunity to be innovative in the way they address the needs of their clients, partners and patients.

[See more interviews](#)
