

Interview with Armando Araya R., Commercial Manager, Kampar

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Kampar began its operations in Chile in 2005. What have been the main milestones and achievements of the company in the last five years?

Our main achievement since the creation of Kampar has been our strong market penetration. We have certified products coming from specific sources with norms and standards that allow us to also export to third countries directly from Chile. Our products are recognized for their high quality and for directly addressing the needs of our patients. This is the reason why we achieved so much growth in critical markets such as oncology where patients, doctors and hospitals consider that our products speak for themselves. Even though we are a small company with fourteen people working here we have a high market participation in the country and that is why international companies are interested in working with us. Apart from these fourteen people in the commercial and business area, we have a separate medical advisor working exclusively with our laboratory. Kampar's global staff, including production, regulatory area and pharmacovigilance reaches thirty-five people. We have managed to partner with several prestigious European companies to bring their products to the Chilean market. For example, we work with the German company, Medac, which is one of the leading manufacturers of oncology products in Germany, as well as a partnership with Helsinn that produces Gelclair an innovative medical device used in the treatment of oral mucositis. We have been growing a lot with this product and are planning to introduce it soon into the national public system financed by the AUGE plan. Our third partner is Gebro Pharma with whom we have already signed agreements and are now waiting for the registration procedure from the ISP.

How would you evaluate Kampar's development in terms of growth and market share?

We are the number one player in terms of sales for chemotherapy products in Chile. The field of oncology is divided into two different segments: the chemotherapy and the biological segment. We are not present in the biological market but only in the niche of new therapeutic products for chemotherapy.

As a company that specializes in commercializing and distributing pharmaceutical products, what are the main challenges and opportunities for Kampar in Chile today?

We have transformed the challenges that the Chilean market was posing into opportunities for our company. As a matter of fact, Kampar was created with the objective to fall under the AUGE program, the health reform that has been taking place in Chile. The Ministry of Health, who dictates the norms for both the public and private systems in the country, has created entities such as FONASA the public health insurance fund where 7% of people's salaries go in order to

provide health coverage to all of its beneficiaries. The implementation of the AUGE program, that is now called GES (Garantias Explicitas de Salud), was of great importance to the segment of severe catastrophic diseases such as cancer. This was when we saw a very good opportunity to address the demand of that market, by meeting the new state requirements.

What are the advantages for Kampar to outsource all of its production activities? Is there not a risk of quality being compromised considering that you do not have direct control over production?

We do have control over production in terms of ensuring that the manufacturing norms are respected. In addition Farindustria â?? the manufacturing company that we work with â?? does not produce the pharmaceutical products itself because they arrive already semi-finished. Our job is simply to package them and provide the correct labeling according to the standards of the country. This is how all laboratories in the country work because in Chile there is no technology for the production of products for chemotherapy.

Our core business at Kampar is to commercialize the drugs â?? we consider ourselves specialists in marketing medicines. Our products comply with all the highest international standards and certifications, for example GMP, which is a basic requirement for us. Unfortunately, Chile does not count on a national agency that is as stringent as the FDA or EMEA, for this reason as a company we do our best to apply the best international norms available.

Do you fear that the products you distribute on behalf of international innovative companies might be copied? What does Kampar do to prevent imitations?

We represent international production houses on the Chilean market; we do not buy drugs internationally. For example, the most important product we have â?? Paclitaxel â?? is one of the thirteen Paclitaxel products available in Chile. Our product is ranked second in terms of price at a considerable distance from the most expensive product by BMS. After us there are only the very low-cost imitations.

Obviously we are being copied and this is a reality of the generics market; companies are either mass-producing generics as if pharmaceuticals were a commodity or they offer generics with quality assurance. In Chile we have two types of patents: one applied for molecules and the other for procedures. The focus for our documentation of patents is entirely devoted to the molecule area. There is now doubt that our generics business is going very well despite the fact that we work with the three main pharmacy chains that control 93% of the market. Our advantage is that we do not provide just products but solutions to our customers.

There are some serious issues in Chile with government payments. Given that the public system is your biggest client, how has this situation affected Kamparâ??s operations? What are you doing to ameliorate the situation?

Of course this situation affects Kampar also, but the truth is that in general we have always been paid by the hospitals and the public sector in general. As a matter of fact, FONASA â?? that is who manages the money to be transferred to hospitals â?? has sent an inflow of cash to the system in the month of October and all debts beyond ninety days have been paid. There is also a new initiative put into place by the government for the creation of a system which will place specific products on a database that will act as a gateway to facilitate the supply to the hospitals. Essentially, companies will offer their products through tenders proposed according to the needs and budgets of the hospitals.

Has the issue of weak pharmacovigilance in the country impacted Kampar as a company that aims to build a reputable international image?

We consider that the laboratories should also be responsible for pharmacovigilance, so the issue in the country has a reverse positive effect in the sense that the external world sees Kamper being involved in improving its pharmacovigilance and having very good regulations, and this is highly appreciated.

The ISP has a pharmacovigilance program but the problem is that they do not receive many reports of adverse effects. For us it is very important that the hospitals communicate any adverse effects to the ISP. In Chile 21,000 patients die of cancer every year while undergoing treatment, so it is essential that the performance of these products being used are documented and reported. Of course problems such as hair loss, losing weight or having nausea are not part of the pharmacovigilance area; because any product for oncology is highly toxic, but when something occurs, the ISP should be the one to notify the pharmaceutical company. For this reason, we have two pharmaceutical chemists as part of our staff dealing exclusively with pharmacovigilance. As you can see, this is an issue of great concern for Kamper as a company with 90% of the products in AUJE.

Given you have only been around since 2005, what is Kamper doing to successfully register and commercialize its products in such short periods of time?

In our five years operating in the market we have brought more than seventy products to Chile, and we think this is due to the characteristics of our human resources. We are very good at working as a team and if there is any challenge with a registration procedure we all get involved in it and insist until we find a solution. In addition we provide ISP with extensive material and information that is compiled into a single dossier that ensures there is no room for error. Kamper is a local player managed as an international firm that sells a concept, not a product, and offers integrated solutions always adapting to the client's needs. This is our strategy and success recipe.

What makes Kamper the partner of choice for commercializing the products of international companies? What is your comparative advantage versus other companies in Chile?

Our comparative advantage lies in the fact that one good thing leads to another: we have a very good market penetration and have worked successfully with international companies since 2005, thus we are recognized globally as a serious and experienced company. Furthermore, we are the only laboratory in Chile specialized in oncology and this is a crucial detail in the opinion of international houses looking for partners in Chile. It is important to mention that all our products have patents and this is part of the reason why international companies choose Kamper.

Are you planning to grow internally by expanding the portfolio of your current clients or are you looking towards an external expansion by negotiating agreements with new companies in other countries?

We have three big business developments planned, beginning with the commercialization of our generics line in the medium term; for the following three years. Then we aim to represent more international houses and as a last strategy we will expand lines we currently have. We are also looking for more biologists to join our team and have several products that we plan to distribute after we have the bioequivalence studies done. This is the situation for two or three of our products. Moreover, we prefer to consolidate our current businesses with existing partnerships and only afterwards redirect our attention to new companies in order to fortify our organic growth and strengthen our core business. We also co-market and sign investigation protocols with several companies, such as Roche for the study of the gastric cancer, or Merck for clinical testing.

What is your vision for Kamper for the next 3 to 5 years? Where would you like to take the company by then?

We will be very focused on the developments of the public healthcare system in Chile and the new pathologies that will be included in the AUGE plan. As part of our vision for the upcoming years we intend to adapt our offer to the requirements of the national and regional health programs. I mention regional programs because we want to expand to the neighboring countries such as Venezuela, Bolivia and Peru where we now conduct some exporting activities. We focus our attention to the Pacific region of South America only because the Atlantic is dominated by Brazil and our capacity does not allow us yet to compete with Brazilian business.

What is your final message for our readers of Pharmaceutical Executive about the commitment of Kampar to Chile?

Kampar was created and developed in order to avoid patients ever having limited solutions to their health problems. We are at the disposition of all our customers and even if our target is formed by the oncologists, our main focus and our raison d'être is the final patient.

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