

Interview with Dominik Bacher, Managing Director, Bacher Zoppi Mexico

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How do you trace BacherZoppi's history, vision and main milestones to our readers?



The company was founded in 1996, initially as a human resources service provider for pharmaceutical sales forces in Mexico. We quickly realized that the future of our business would be commercial business process outsourcing (BPO). This is exactly the moment when Reto (Zoppi) is invited to join the team, due to his previous jobs with Roche and Novartis, an outstanding experience the company welcomed Reto (Zoppi) in 1998.

At that time, the Mexican pharmaceutical industry started to be more cost conscious, and many players started to look for ways to improve their productivity. The pharmaceutical sales forces represent an important investment so it was very clear that there was market potential in offering business models that would decrease costs and increase productivity. That is how the core idea of our company emerged – productivity. Today we are the leader in commercial pharma and healthcare staffing solutions, but the fastest growth segments are commercial BPO and patient care models. Today, we are going beyond pharmaceuticals and productivity, we go to intimacy: we are increasingly interacting with the patient to build a personal rapport. We have developed our focus into healthcare in general, involving nutrition, prevention, diagnostics and medical devices. In BacherZoppi we have increased our competencies to become a virtual healthcare company – virtual because we do not invoice the product. We generate the demand; ensure availability of the product where it must be – in the pharmacy, at the doctor's office, in the patient's home.

Our vision is to create an arch which goes from the producer to the patient. This is where our future is, where the future of the industry is.

When did you see this inflection in the industry towards a convergence of life sciences and healthcare, and a more patient centric vision of health – and what was the trigger which pushed BacherZoppi in that direction?

We have seen the need for integrated solutions since the creation of the company. Quite early we had an amazing experience with an insulin pumps project in which BacherZoppi was the exclusive distributor in Mexico. The complexity of this device market became an important challenge and an inspiration for BacherZoppi. We had to successfully interact with physicians, nutritionists, device trainers, patients and their relatives to ensure the therapeutic success which relies solely on the patient adherence to the treatment. Clearly, this was an outstanding learning experience in a highly complex emotional context to manage – and definitely triggered our shift towards patient care.

Diabetes is a very good example of a chronic disease for which any solution has to be patient centric. However, there are still cultural barriers and a general lack of awareness around the disease in Mexico, which makes compliance very difficult. How did the market react to this holistic approach?

It was a very complex project. On the one hand, we had to persuade the physicians to change from conventional insulin therapy to continuous insulin therapy with an insulin pump, which was difficult because they were afraid they would lose patients. On the other hand, we had to convince the patient to make an upfront investment of almost \$7,000 USD for the pump and then monthly payments of approximately \$250 USD for consumables – which at that time was considerable for the Mexican household income.

We had to set up physician and patient support teams to train and assist during the adjustment and adoption phase. It was a very intense experience – with daily sometimes nightly contact with the patients. The support teams also trained the patients’ relatives on technical and nutritional aspects, and kept the patient motivated through the initial adaptation phase.

Our experience is that prevention is not the focus of attention in the Mexican consumer’s mind – short-term problem solving is still the main driver in the healthcare market. Therapies like insulin pumps are clearly prevention-oriented so penetrating the Mexican market proved a challenge.

Then, the next issue we faced was ensuring ongoing patient adherence to the therapy. The pump is just a one off – but adherence is the key to the success of the treatment. We set up a pool of psychological talent to support the patients throughout the therapy. Frequently, the diabetic patient’s levels get out of control so we established a 24/7 hotline for rapid response. Once we even had the opportunity to recommend a recipe change to a restaurant because one of our patients showed a regular pattern of abnormal blood sugar levels after having consumed a certain meal there.

Compliance is also a driving force with the physician: if a patient drops out of the therapy, doctors become more cautious in recommending the therapy to the patient.

This has been an incredible learning experience for us – to be closer to the patients, understanding them, considering their context, their family. The industry is just starting to see the tip of the iceberg when it comes to patient care. BacherZoppi is at the forefront of that change, and we are definitely going in that direction.

The process you describe is much more psychological and complex than what sales reps are used to. How did you find the appropriate talent to conduct this project and what were the internal hurdles?

Finding people in the support area was relatively easy. Our main challenge was to find sales people who were capable of convincing both the physician to recommend the therapy and the patient to acquire the pump. This is not the classical process for a sales rep, and it was difficult to find and develop the talent. BacherZoppi invested a lot in training the people but the reward was well worth it. The team was very committed, all week and even on weekends. We knew each patient very well. One of the best experiences we had was when patients called to say – “Thank you, you changed my life.” • Appreciation for our work led to beautiful emotional moments.

This is what we do – finding and developing talent that can communicate as human beings, not only technically but also emotionally. That is where we create value.

Another major shift in the industry has been the rapid rise of private labels and substitution at the point of sale, which hampers the efforts of a traditional sales force. Which solutions do BacherZoppi offer to companies to address this issue?

In BacherZoppi, we offer an integrated approach since 2005. Sales reps need to be at the doctor's office, but they also need to be at the pharmacy and wherever healthcare is dispensed. We have to make sure that our offering is differentiated at the point of sale, and the only way to achieve this is through personal contact. You need to explain to the pharmacist what your product will do and the key differentiators which that mean added value to patients. There must be a story behind the product and the brand, and we have to tell this story at the point of sales, at the doctor's office and at the patient's home. Loyalty to a brand comes with emotional attachment.

How do you convince the large retail or pharmacy chains to promote your products over their own?

In order to convince the channel to promote your products you have to offer a driver to innovate in their own commercial business model; for example, the provision of medical education to pharmacists, the delivery of interesting offers to optimize costs, to provide information about stock management and healthcare trends that could be relevant for the channel. The key point is to develop long-term relationships with the whole structure of the channel; everybody is an important connection in the networking strategy. Some players have designed loyalty programs and specialized training or liaisons with private colleges, which increases traffic into the channel and increase expertise and best practice in healthcare services within the pharmacy channel (with doctor's office models, integral solutions for patients, diagnosis center, etc.). Today pharma players must consider the point of sales as a key element within their strategy. In BacherZoppi we have designed specific profiles and processes to manage a POS sales force in order to optimize ROI in each and every effort.

You need a high level of trust to outsource your sales services, since in the end BacherZoppi is the one ensuring the reputation of the manufacturer and of the brand. Why would a third party be the best choice to promote a product and a brand?

There are many benefits to outsourcing your sales force. First, it allows pharma and healthcare players to concentrate on their core business. This is especially important in a market that is daily becoming more complex in its dynamics. Secondly, outsourced sales forces are more cost effective than internal sales forces. Based on all the projects that we have conducted, we now have substantial evidence that prove that in terms of market share/market share growth, outsourced sales forces are more productive than internal sales forces. The reason is very clear - our sales force is concentrated exclusively on their core activity. It is our sole focus to manage sales and patient care teams, so we perform according to the best industry practices. There is no pharmaceutical company in Mexico with a larger sales force than BacherZoppi, which provides us enormous insight about the market trends and dynamics. Also, we have different profiles of people in the field. For example, we hire people who are more mature (silver and platinum profiles), have a deeper insight of the industry, more key contacts, and often more passion and drive than your average standard profile sales rep.

Talking about best practices, how do you ensure the integrity of your teams in the field?

Integrity is part of our commitment to our customers as well as to patients. We have installed quality systems and we are very transparent in each process in the company. We established Key Performance Indicators of each process, and constantly improve all aspects related to this. This practice has allowed us to measure the performance of our people as well as their alignment to BacherZoppi strategic objectives and best practices. To reinforce this alignment to our values, we

have designed and implemented a program called "Cero Complacencia" and we systematically act at any deviation from the best practice. In BacherZoppi we are convinced that we can foster positive ethical values and change the more traditional work habits. Once people adapt to these values, they also receive greater work satisfaction. It is a matter of intimacy with our collaborators. We support them, and build a leadership paradigm that is very different from other Mexican companies. We know it makes an emotional difference, a difference that matters.

To be very blunt, doesn't this emphasis on strict quality and integrity standards limit your client portfolio and your performances?

Our non negotiable commitment to integrity is an extraordinary key differentiator in the Mexican market; it has been and will continue to be a key driver of success for BacherZoppi. The market is changing: transparent processes and absolute reliability are an increasingly interesting value proposition for a growing amount of companies in the Mexican market.

In a nutshell, what is your value proposition to the Mexican life sciences & healthcare industry?

BacherZoppi's value proposition is focused on providing the highest producer-to-patient performance in the healthcare sector, in order to give the community access to healthcare in an affordable, sustainable and responsible way. BacherZoppi guarantees ethical conduct at all times, full compliance and quality, in the delivery of promotional messages and services to the physician, pharmacists and patients. BacherZoppi's efforts in managing healthcare brands must always have direct positive impact on the patient's quality of life.

It seems that BacherZoppi has adapted, if not been ahead, of all of the latest industry trends: growing competition from generic products, substitution at the point of sale, rise of private labels, and the late revolution towards a more "patient centric" approach of the industry. What is the next turning point for the industry and BacherZoppi's next move?

We have a very clear roadmap: we need to complete our transition to commercial BPO and increase our capacities in integrated services.

We are the industry partner thanks to our integrated platform: we can promote products at the doctor's office, ensure product availability and preference at the point of sales as well as develop added value programs for the patient and generate emotional bonding to ensure the best compliance.

The future of the industry and of BacherZoppi is not in disease management, but in patient management.

Emotional bonding with the patient is central. We need to change the patient's paradigm from being a victim of a disease to being privileged for having access to healthcare solutions and a care team which ensure proper adherence, a holistic approach that ultimately generates a positive effect in public health.

Would you have a final message?

Mexico has been lagging behind so-called emerging markets in the last couple of years, but we positively feel this is the moment to really make a difference. The next twenty years will be crucial as the country focuses on bringing a substantial part of the Mexican population out of poverty and this will have a profound impact on the healthcare market and with this, on BacherZoppi and vice versa.

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