


Interview with Juan Carlos Fierro, General Manager, Nutripharma

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As a means of introduction, could you describe your background and how you became involved with Nutripharma in the first place?



Nutripharma is a 12-year-old family company created by my father, Luis Fierro. After working as a sales representative for various pharmaceutical companies for many years, he began his own consultancy business. Thereafter, he started his own nutritional product company, operating both manufacturing and distribution. His experience gave him the advantage of understanding the market well. I started to work with him to help at an operational level. After two years, Nutripharma had its own branded products, and the company decided to start contract manufacturing operations. As an industrial designer, I developed the design of tags within the company, which is one of the services Nutripharma offers to customers. The business is now enlarging its portfolio of products and services, both at the technical and commercial level.

What have been some of the key milestone achievements that Nutripharma has enjoyed since it started?

I think that Nutripharma's success factor is knowing what companies want and to make it happen for them. Nutripharma can produce what pharmaceutical companies cannot, especially functional nutritional products. The company takes into account what the client wants and actualizes this according to the market.

How would you describe the regulation of the nutritional supplement industry in Colombia?

This has a positive impact. The regulatory framework is very strong for the pharmaceutical industry in Colombia. However, for Nutripharma's products, it is not that strict. This gives us the possibility to dedicate ourselves to innovation, and to respond more accurately to the needs of the population. However, the impact is strong for production. Regulations for Nutripharma's plants are the same as those for the pharmaceutical industry in terms of employees and machines. Nutripharma's newest plant is being created with respect to the high quality standards of INVIMA.

Nutripharma is implementing a philosophy of "nutricion funcional estructurada". This is part of a global megatrend. How important is the perception of nutritional supplements in Colombia?

In Colombia, traditions are very strong. This includes consumption of home-made medicines. For this reason, acceptance of such natural products is generally well received in Colombia. Nutripharma is taking advantage of this positive reception and is thus producing and distributing natural products at the best cost. In general, I think there is a lot of potential.

What is the role of Nutripharma in raising awareness?

Nutripharma is supporting its customers, especially on the technical side. Nutripharma runs training sessions for its customers, so that they can explain to the end customer the positive effects of combining components in an organism.

You are selling your products through a network of "tiendas naturistas". How could you describe the network of natural products stores here in Colombia?

I would say that this market just started in Colombia and it is not that strong. Most of those health food stores belong to auto-entrepreneurs. It is very difficult to have a sustainable growth, because these stores have little structure and finances, and sometimes they lack technical knowledge. Many of them only last for one or two years. That is why Nutripharma is choosing the option of contract manufacturing.

What other opportunities do you see for distributing products?

There are opportunities with the government, which is purchasing products that laboratories are offering, according to international studies. Nutripharma is trying to be proactive in that sense and offer products to the government that the population really needs. Nutripharma can produce under the brand of the government, which would allow solid visibility during public health campaigns. Those products respond to the specific needs of children, old people, and pregnant women.

You are selling your own products and you are manufacturing products for other companies. What are the most important growth drivers?

Eighty percent of revenues come from contract manufacturing with different partners. The other twenty percent comes from Nutripharma's own brand. My objective is to increase the growth coming from Nutripharma's own brand, especially because the company's clients are loyal. The customers of contract manufacturing are not that loyal; they change manufacturers to look for a more competitive price. However, thanks to Nutripharma's commitment towards customer satisfaction, its customers choose to stay with the company! Nutripharma offers exceptional customer service, through training of sales representative or assistance with package design.

You are manufacturing products for many different customers. What makes you the partner of choice?

Nutripharma is the customer's friend! The company is building trustworthy relationships with partners by responding to their specific needs. Nutripharma's research and development team is working on many ideas alongside the customer and is in the process of creating the products. Nutripharma's offer is complete in that the company supports the customer in every step of the process: the first idea, choice of the presentation, packaging, and design of the tags. After a product enters the market, Nutripharma helps customers to adapt it by running tests on the perception of the product while meeting all the requirements of the company's clients. This is what we call "producto llave en mano". Nutripharma is also helping the customer register their products and brands. Regulation support is very important; a few companies are proposing that service to their customers. Our clients have been very satisfied with this whole set of services.

Given the geographic positioning of Colombia and the intense competition in the local market it naturally follows that Colombian companies expand into the clustered markets of Central America. Are you eyeing further expansion beyond the national borders?

Nutripharma started to bring some products to Mexico, Peru, and the Dominican Republic two years ago, and the company is currently exploring Ecuador and Costa Rica. Nutripharma tried to enter the American market but I realized that the Tratado de Libre Comercio is not very well defined, and restrictions are really strict for Colombian products. It is easier to start with surrounding countries. Nutripharma is looking for new partners in the Latin American zone.

If we were to return to Colombia in the next three to four years, where would you like Nutripharma to be at that point?

Nutripharma will have finished constructing a new plant located in an industrial park, with a capacity of production four times the size of the company's current capability. The company will manufacture around 250 tons of powdered products per month. Nutripharma will also enlarge its portfolio with dietary supplements. The company will consolidate its technical team as well. In three years' time, Nutripharma will be the leader in the "nutraceutical" industry in Colombia because of its capacity of production and quality of the upcoming pharmaceutical plant. Indeed, Nutripharma has contracted a Spanish company with the highest standards of construction and sanitary requirements to build our new plant.

And do you have any personal goals or achievements that you would like to have completed in that time?

My personal project for the company is to have a Nutripharma plant in the United States and another company to distribute Colombian products. The idea would be to import, process, and sell raw materials around the US. The company has already been running market studies for requirements, especially in regard to regulatory framework. I realized the potential of Colombian natural products in the United States at an international fair last year. Colombian products are really well accepted in the American market, even more than American or European ones, due to their exotic perception.

What would be your final message on behalf of Nutripharma?

My first message is to take into account the worldwide trend of the "nutraceutical" product. It does not have to transform into a "mode", which is just temporary. Those products do work and have better reputation than pharmaceutical products. Moreover, there is no contraindication. Nutripharma has used the great biodiversity that Colombia offers, and has taken advantage of the country's traditions, particularly in regard to the preventive benefit of Colombia's variety of plants. Secondly, I would say that we have to believe in the national industry of Colombia. In Nutripharma, we have all the necessary tools, a committed team, and a good capacity for innovation and new product development. We are trying to pave the way here in Colombia and we want to show to other countries that we can be a reliable partner for their new projects.

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