Interview with Ricardo Glucksmann Meissner, General Manager, Maver

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Tags: Maver

Maver has an impressive track record in developing and commercializing blockbuster products for the Chilean market, such as Tapsin and Disfruta, which today are the #1 brands in their categories. What would you say has been your recipe for success?

I believe our success is based on our targeted marketing activities that have disseminated the popularity of our products. In essence, our marketing strategies are based on solid knowledge of the basic motivations of Chilean consumers. The key is to position our brands as universal products that can be used by the masses. Tapsin for example, our main blockbuster, (which is the leading brand in all segments of the industry, including OTC and RX) is a brand that reaches the entire spectrum of the Chilean population, regardless of age, location, gender or socio-economic class. This is why we set the slogan for the brand as: “Tapsin – el alivio oficial de todos los Chilenos” (Tapsin – the official relief of all Chileans). This communicates to our customers our vision behind the product to make it a universal commodity for everyone in Chile.

What was the vision behind Maver and what is the history of the company as a 100% Chilean laboratory?

Maver is a company which is fully owned by a single Chilean family. The company was created 87 years ago by a pharmaceutical chemist, Elias Albala, who in his spare time was also a poet. In fact, the name of the company comes from the title of one of his poems that was entitled: “Mi Amor

Verdadero Es Rosa (My true love is Rosa)", and he created the name of the company by using the first letter of each word in the title. His son and successor Alberto Albala, a shrewd entrepreneur had the vision of representing international companies, promoting their products trough vast and ingenious advertising and also manufacturing them. The company introduced in the Chilean market among other brands Anacin from Wyeth; Eno, which nowadays belongs to GlaxoSmithKline; and Hawaiian Tropic that is as a popular line for solar care. At a certain point it happened that the companies that provided Maver with these licenses realized what a good job they were doing and how profitable their products were, which lead to them deciding to market the products themselves. This is when Maver took the decision to manufacture the products in-house and under their own brands, repeating the advertising and marketing strategy with even more emphasis. It was this visionary decision by Mr. Albala that lead to the success that the company has today.

You have a very extensive portfolio of products covering a broad range of therapeutic areas, from pain management to Alzheimer. Which therapeutic areas is Maver favouring in the market today?

We are basically a company that works mostly in the field of analgesics and cold & flu medicines. We also chose to commercialize products ready and easy to use such as dental lines, creams and solar lines and we basically address the mass market, not a niche one.

How would you evaluate the performance of the company in terms of growth, revenue and market share? What is the breakdown according to your 5 divisions: OTC, Pharma, cosmetics, export and dental?

We are an OTC company and this is our most important line that offers the largest range of products. The export segment today represents a small portion of our overall revenue, but the plan is to greatly increase its importance in the years to come. We are also entering aggressively in the dental (where our top brands Oralgene and Caristop are the best known brands for dentists) and the cosmetic line markets.
In terms of market share, if you look at the IMS numbers we are the leading company in the market for OTC branded products. Accounting for the unbranded products also, we rank second after the private label lines manufactured for the local pharmacy chains. In terms of the overall market, if you combine the prescription and OTC segments, then we are ranked as the fifteenth most important company. However, it should be mentioned that in Chile the market is shared amongst the national manufacturers and the innovative multinational companies. In this market you do not find one or two massive players with a majority market share. In Chile, even the biggest player, Laboratorio Chile (Teva), holds only 8% of the market, which gives you an idea of the market fragmentation that exists here.

Given the fact that your laboratory is one of the most modern production facilities in the country; does Maver conduct contract manufacturing activities in Chile?

Our plant was inaugurated in 2003 with state-of-the-art facilities and equipment at the time. As of 2004 we have been operating under GMP standards. However, at this moment we do not conduct extensive contract manufacturing but we plan to improve this area in the future. We actually had a contract manufacturing agreement with Sanofi-Aventis until a couple of months ago, but that was halted. We also manufacture for Royal Pharma and our representative in Peru is a company owned by the Teva group. The business of contract manufacturing still does not represent a significant part of our revenues, but this is something that we would like to change in the future as we do see some profitable opportunities in these activities.

What is your comparative advantage to make you the partner of choice for contract manufacturing in Chile?

We are a professional laboratory that is very competitive in terms of the price quality ratio we can offer our clients. Furthermore, we have been investing extensively in our facilities and equipment to ensure that our plant remains modern and offers the highest international standards of production. We believe that currently we have the best equipment that is available in the market for quality control and R&D and are improving greatly our manufacturing capacity and technology. Finally, an important point for our clients is the flexibility that we offer in adapting to their needs. This adaptability coupled with our serious and reliable products gives us an advantage versus other laboratories.

Considering that Maver specializes in the OTC segment, the issue of concentrated distribution channels in Chile is crucial for the company. In light of this, how have you developed your relationship with the pharmacy chains to deal with the situation?

We have a very good long-lasting relationship with the three main pharmacy chains in the country. As a company that started its operations many years ago, we have been growing alongside the pharmacies always in the spirit of creating beneficial business opportunities for all of us. Also, I think that when you have a product that is well known and demanded by consumers, it will always be in pharmacies’ best interest to have it on their shelves, even if they have a similar product under their own brand.

The government has recently been considering allowing OTC products to be sold in supermarkets and other points of sale. Has Maver played an active role in lobbying the authorities for this initiative to push through? What partnerships have you developed with the government?

We do not lobby the government in any way. Even more, it is not and will not be in our ADN to lobby any government organization. My assessment though is that this initiative was a natural progression for the country because it represents opportunity and benefits for consumers. An important point is that the policy behind this project is not specific to pharmaceutical products. In general, the new government's goal is to further enhance distribution channels and industries in order to limit any kind of monopolies in the Chilean economy. In my opinion it is a realistic and necessary plan, when you consider that all developed and developing countries around the world have open OTC commercialization. Since Chile is still one of the few countries where OTC drugs are not sold outside pharmacies, and being now a new member of the OCDE, we are confident that the congress will follow through with this initiative and it will eventually benefit the entire population.

Despite Maver's incomparable achievements with products that have surpassed even the competition of international innovative companies, the Chilean market is still a difficult environment with intense competition. What are the main challenges that Maver faces in Chile today?

One of the main characteristics of the Chilean economy is its commitment to the principles of an open market. Because pharmaceutical companies operate in this competitive environment, we must all fight hard every day to maintain our position in the market. In light of this, all companies are facing several challenges today. In our case, the main challenge is maintaining our marketing creativity and to increase the efficiency of our factory. Our goal to maximize efficiency is to communicate our staff that our clients must always be the priority. The idea is to have every member of our staff dedicated 100% to our customers.

What do you think needs to be done to improve the image of the country's healthcare system and what are the priorities that should be addressed first?

In my view, the Chilean Ministry of Health has such a vast range of issues that are very difficult to address. It is hard to imagine that the new authorities would be able to revamp the health institutions so radically under one administration. The kinds of concerns that weigh the Ministry down today will take time to be resolved.
All the local companies agree that they should build organizations that communicate directly with the end consumer. They should focus both on educating the population in terms of their rights as customers and in providing them with information regarding responsible consumption of the medicines that are available in the market. Additionally, it is essential that the health institutions offer the enterprises working in the industry the highest standards possible, of course as much as is possible given the realities of the country. Finally, as every government institution, I guess in the

whole world, they should modernize their organizations aiming for proactively facilitating the public health, less bureaucracy and obtaining equivalent standards with other similar countries.

Maver has developed its exporting capacity by establishing an office in Peru and distributor partnerships in Bolivia and Uruguay. What is the company’s expansion strategy?

Our utmost goal is to continue improving the quality of the work we do in the countries where we are present nowadays. We work with distributors in the Bolivian and Uruguayan markets and though we have our own subsidiary in Peru we distribute through Medco. In the very near future we do not plan to tap into new markets because we consider that we still have many opportunities to explore in those markets. . They are very good countries in terms of the market size and characteristics, and this give us a very positive outlook for the future of our product lines. These are countries that will be developing rapidly in the coming years hence offering valuable opportunities to Maver. Nevertheless, our long term objective is to replicate the business and activities that have been successful here in Chile in those countries abroad.

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

My goal is to grow Maver into a company into the range of $100 million annual revenue. My plan is to accomplish this by developing many partnerships with bigger and smaller companies. I am talking about improving our contract manufacturing deals, our import and representation lines and trough expansion in the prescription business.

What is your final message for our readers of Pharmaceutical Executive about Maver’s role in the Chilean pharmaceutical industry?

I want Maver to be perceived as one of the few Chilean-owned companies with extensive knowledge of the market. We have been operating for the last 87 years, so there is no doubt that we have a unique understanding of this market and its particularities. We consider that we could be of great help to international companies wanting to enter the Chilean market or sell their products here. Finally, as a company with a rich history in Chile we want to continue our existence for at least the same period of time that we have already been here.

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