Interview: Raúl Sánchez R., General Manager, Peri Logistics, Chile



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Raúl Sánchez, general manager of Peri Logistics speaks about

the main features that distinguish Peri Logistics as a pharmaceutical logistics operator. Celebrating its 10th year anniversary this year, the company has obtained the ISO 9001:2008, an international standard related to quality management system. Peri Logistics invested in the technologies to place itself as a modern and efficient logistics provider.

What have been the main milestones of the company?

Peri Logistics was established in 2004. At the end of that same year we completed the construction of our facility and were fully operational.

2009: We added a new area of the facility, adding a 100% more capacity for storage.

2013: ISO 9001:2008. According to current Chilean legislation, logistic providers are categorized as “droguerías”, which are not allowed to have *Good manufacturing practices* (*GMP*) certification. In this regard, we obtained the ISO 9001:2008, an international standard related to quality management system, applicable to any organization from all types of business sectors and activities. This has allowed us to be the only pharmaceutical logistics operator with such accreditation in Chile. It is a guarantee of quality for our prestigious clients.

However according to the new medicine law droguerias will be controlled by ANAMED, the national pharmaceutical agency, which might change the status of logistic providers. In that case, Peri Logistics will opt for GMP certification because we believe this serves as a warranty to existing and potential customers. Furthermore, Peri Logistics already works according such high standards.

What would you say is Peri Logistics comparative advantage versus large global logistics providers such as DHL or UPS that are heavily investing in the country?

One of the main features that distinguish Peri Logistics as a pharmaceutical logistics operator is our flexibility. Peri Logistics has the ability to adapt to the needs and requirements of its customers. And, opposed to large international logistics companies such as DHL and UPS, Peri Logistics only works with pharmaceuticals or supplements; we are a specialized company. Moreover we are an independent logistics provider, not involved in any other activities.

Additionally the Chilean market place is very particular. For example the pharmaceutical market is characterized by the vertical integration and dominance of three major pharmacy chains in the country, which control together 92 per cent of the market. This is something you don’t see anywhere else in the world. And, international logistic providers that decide to come to Chile must take such particularities into account.

One of Peri Logistics’ strengths is its cold chain expertise. Since 2007 we are working with the Ministry of Health for the distribution of vaccines and one of our first customers was CENABAST, the public purchasing entity and distributor for all public hospitals and clinics; the pharmaceutical industry’s de facto biggest purchaser. Peri Logistics’ facility accommodates seven cold storage rooms, which allow us to successfully conduct the annual vaccination campaign.

Chile’s geography makes it quite a difficult environment for logistics and distribution services. How has Peri Logistics worked in this environment to ensure the timely delivery of your clients’ products?

Geography is a challenge. We have managed this establishing great partnership with third parties in the country that allow us to conduct our services uninterruptedly. So in reality the geographical characteristics of the country have been assumed as a team,

However for the national vaccines programs that we are running annually, we use our own resources. We send trucks throughout the country and in order to reach the most southern cities we use third party planes.

You conducted two studies for temperature with prestigious national institutions. What could you tell us about these studies and who are the partners you are working with?

We worked together with IDIEM, a division of the University of Chile. They conducted a study in regards to temperature fluctuations inside our storage facility. On the basis of this study we took action to lower the temperature in our facility. We conducted a second study in order to further lower the temperature focusing on natural solutions; no air-conditioning.

The collaboration with the university has been a major success. The scientists groups have visited us several times in order to control the temperature systems that we have installed after the studies, and today our storage facility maintains an appropriate level of temperature throughout the year; day and night.

What other technologies has Peri Logistics invested in to place itself as a modern and efficient logistics provider for pharmaceutical companies?

The company has implemented an efficient software system called “Sistema Informático de Procesos Operacionales Logísticos”, (SIPOL), this is our Warehouse Management System (WMS). Our IT Manager has built this system in eight months’ time and it has been modified several times since it was launched. Today it is fully operational and extremely valuable for our operations.

Usually the key to success for logistic providers is in their excellent customer relationship management. How would you characterize your CRM efforts?

Our comparative advantage is the excellence of our service and the fact that we are able to provide fully integrated solutions to our clients. Due to our vast expertise and our extensive network, Peri Logistics has the ability to adapt to the demands of all our different clients and to address their needs directly.

Along with the high level of service standards that we deliver, we have very positive relationships with all of our clients and this is something that we take pride in. We don’t look at our customer relation as consumer / provider; Peri Logistics positions itself as a partner to all its clients.

Our clients feel secure with our operations. The fact that the General Managers we work with do not have to pick up the phone is a sign that the process is running smoothly and we are doing a good job. Our clients focus is to generate sales through the sales of their products and we contribute to this objective by providing the logistics.

How are you targeting international clients that wish to find a logistics provider in Chile that can help in the commercialization of their products?

The pharmaceutical industry in Chile is very small. Generally customers that knock on our door heard of us through word of mouth.

The beginning however was not easy. Potential customers admired our facility but getting our firsts customer took a while. The companies that we were in contact with asked us for references and as long as we could not provide these they were not willing to take the risk. Today however we work with the largest pharmaceutical companies operating on the Chilean market.

Our focus is on high cost medicines, from biotechnological companies. These products arrive in little quantities but need to be handled specifically.

You are celebrating Peri Logistic's 10th year anniversary this year. What would you like to achieve in five years from now?

I believe that Peri Logistics has positioned itself as a recognized player in the Chilean pharmaceutical market. In the next five years I aim to strengthen our position in the market. To achieve this we are expanding our services portfolio to our customers.

In addition we aim to be recognized more as a partner than a provider to our clients. And, offering more services than we are now will contribute to us being a partner of choice.

What keeps you motivated?

Pharmaceuticals are a challenging market, especially the cold chain; a temperature-controlled supply chain. The cold chain is used to help extend and ensure the shelf life of our customers' products and as Peri Logistics, we are responsible for an uninterrupted series of storage and distribution activities which maintain a given temperature range. That said, it is important to have trustable people working for us.

Of course, as general manager one of my key tasks is to take care of the business aspect, but a fundamental part is about developing people within the company. At Peri Logistics we highly value offering all our employees interesting careers and opportunities to progress. We consider that we have a duty and a goal which is to develop people. And this is also what I find most rewarding and unforgettable.

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