Grünenthal Mexico – Tomás Bordonaba, Managing Director



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Latin America continues to be in the spotlight at Grünenthal. The managing director for Mexico explains how the company is strengthening its product portfolio, working with stakeholders to create more awareness about pain treatment and on the good path to hit USD 100 million sales within the next four years.

The last time PharmaBoardroom met you was March 2012. Back then, you told us that you had very exciting years ahead. What happened since we left you?

Over the past couple of years, Grünenthal has done very well in Mexico. The company has been growing at a CAGR (compound annual growth rate) of 13 percent in 2011-13 – above the market average. We'll close 2014 a bit lower, probably at around 10-11 percent, because of changes taking place in the pharmaceutical landscape, especially with regard to distribution.

Latin America continues to play a key strategic role for Grünenthal: in 2012 the region represented 20 percent of global revenues, up 5 percent compared to 2011. What role does Mexico play in this landscape?

Latin America will continue to be in the spotlight in the company, with Brazil and Mexico as key growth drivers. The objective for the region is to reach the sales levels of Europe (around USD 600

million). We are on a good path, as by the end of 2014 sales we will hit USD 450 million.

Mexico plays a strategic role in the region and the objective is to get to USD 100 million by 2017-18. We continue to grow organically, but keep our eyes open for any interesting options to grow inorganically.

In Latin America Grünenthal is going a different way with regard to product portfolio, including non-pain and in-licensed products. What kind of challenges does this imply?

Pain is the company's backbone. In Mexico, as in all Latin America, today we are well beyond pain, but pain treatment is still Grünenthal's core business – in Mexico it represents 60 percent of sales. That's part of our history and who we are. Women's health is very strong in other Latin American markets, while Mexico is rather focused on immunostimulants, an interesting and not much crowded product category.

The main challenge is the type of pain we deal with, which is from moderate to chronic. The pain market in Latin America and Mexico is very large, but mainly focused on acute pain. When we look at more serious pain, the window of options gets smaller. Indeed, there is less competition in this category, but it is more challenging because of the access requirements. For strong opioids, Latin America and especially Mexico pose several problems: only a very limited number of physicians can prescribe them. Additionally, many refuse or lack the appropriate knowledge to prescribe them, and the number of pain or palliative care clinics in the whole country is very small. Since physicians do not prescribe Schedule I drugs, only few distributors and pharmacies sell these products. As a result, the use is very low, and thus, it is the patient that ends up paying.

A recent trend in Mexico is the increasing number of physicians that provide medical consultations at pharmacies. What is your opinion about this practice?

I think this practice is here to stay, as it is convenient, it saves patients time and it unburdens public healthcare institutions. They have definitely helped the acute categories grow. If the patient develops a relationship with the physician at the pharmacy and pharmacies professionalize their medical consultations with the implementation, for example, of the electronic clinical records, the landscape could change and expand into chronic indications. We'll monitor how this trend evolves.

Worldwide as well as in Latin America Grünenthal is rolling out its "Change Pain" initiative to create more awareness about pain treatment and improve pain management. What is the status of this initiative in Mexico?

“Change Pain” encompasses all our medical education initiatives. In Mexico we have different tools and training programs for physicians and healthcare providers to improve their know-how about pain. We offer an intensive six-week training and in the past three years we have done about a 100 at different public and private institutions with at least 30 attendants each. We have online courses, materials for physicians, nurses and patients. And we’ll implement much more.

Despite the challenges in distribution and low culture of pain treatment, you managed to grow at double-digits in the past three years. How did you achieve such positive results?

We have been working a lot with our portfolio and expanding the core brands, at the end of last year two products were launched and a third will go in a few weeks. Moreover, we have been growing significantly in the government sector: today sales are four times what they used to be in the past. Last but not least, we have been focusing on strengthening the organization in terms of talent and better processes.

What are the key priorities for Grünenthal for the next five years in Mexico?

We’ll continue to focus on strengthening both the portfolio and organization. Our value proposition in the pain treatment arena is unique, with a very complete portfolio and competitive prices, and there is lot of space to grow. There are thousands of people living and dying with pain, so we need to improve access, foster education and have more pain clinics. Grünenthal will continue to work with the different stakeholders of the sector to change this.

What keeps you motivated at Grünenthal?

Number one pain treatment is a big need and we can make a difference in patients’ life, especially in people who suffer from cancer and chronic diseases. Second, the company’s culture of entrepreneurship and empowerment, we have freedom to execute our strategies. And finally, we are a company which is growing and not looking at cutting costs – this offers a completely different perspective.

Mexico presents challenges, but also lots of opportunities and unmet needs. Grünenthal will be here to continue making a difference for patients.

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