Glenmark Mexico – Eugenio Garcia Verde, General Manager



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Eugenio Garcia Verde, general manager at Glenmark Mexico, reveals the company's ambitious aim to see the brand amongst the top 40 in Mexico and top 20 worldwide by 2020.

You were appointed general manager of Glenmark Mexico in October 2010. What was the reasoning behind the company's expansion into Mexico and what mission were you entrusted with?

Glenmark entering Mexico was part of a greater corporate global strategy. Having established the brand in key markets across Asia, Africa, Europe and the United States, Glenmark started its expansion towards emerging countries starting in Brazil, followed by the Caribbean, Peru, Ecuador, Venezuela and finally Mexico, followed by Central America and Argentina. Mexico is the second most important pharmaceutical market in Latin America, valued at USD 16 billion, with huge opportunities both in the private as well as in the public sectors.

The way Glenmark operates and implements its strategy follows the corporate strategy and may differ from country to country depending on specific market opportunities. In general starting independent operations, on other occasions it goes through local distributors and sometimes it acquires existing companies. Glenmark was constituted in Mexico back in 2008 with commercial

operations starting in 2009. However, the company did not take off at the expected speed and I was appointed the task of fixing and re-launching the company in October 2010. The Mexican affiliate was initially started by two people and, today, I am glad to see it employs more than 100 people.

Which therapeutic areas represented an opportunity to grow the most in Mexico and how is Glenmark tailoring its product portfolio to follow these trends?

Glenmark does not always operate strictly in the same therapeutic areas across the world. In Mexico, for example, we decided to focus on dermatology because of timing and opportunity. The plan was to grow and establish the dermatology side of the business to then move towards other areas. At first, the only prescription product for dermatology in Mexico was Momate®, however in four years we managed to launch more than twenty prescription drugs in therapeutic areas for dermatology respiratory and oncology diseases, such as acne, psoriasis, melasma and hyperpigmentation, emollients and sun protectors. Ministry of Health's commissioner positive impact on the activities of COFEPRIS (the Federal Commission for the Protection against Sanitary Risk) greatly facilitated the increase of our product portfolio, which enabled us to move also towards respiratory products and later to oncology. The plan from now on is to keep consolidating our presence in dermatology and have the respiratory area growing, as well as oncology. In the mid-term our main focus will be oncology, especially pursuing opportunities with the government, which today represents 90 percent of the market and an important sales growth contribution. Today we are not yet a key player in the public sector, but we are definitely starting to become a threat. However, I would not hope to increase the ration further as more risks are involved when doing business for the government. To penetrate this market faster we are currently involving more production from the fourteen manufacturing facilities Glenmark has around the world, with the fifteenth being constructed in the USA.

We have seen that recently one of Glenmark's plants in India has successfully completed the inspection from COFEPRIS. What has been your experience with the authority?

Actually we have had several inspections in our facilities in India, as well as in China and Argentina with the purpose of complying with COFEPRIS' requirements and receive GMPs (good manufacturing practices) certification. We have achieved clean results for all our facilities and only minor observations for one process in Argentina, which was fixed immediately as per the defined action plan and consequently received approval with no re-inspection. COFEPRIS announced that any GMP-certified plant from a recognized agency may be accepted, but subject to further

inspection on their discretion. However, for oncology products inspection is mandatory. Our manufacturing plants all rely on EMA, FDA GMP certification and other recognized agencies, being testimony of Glenmark' s processes and products high quality.

When we interviewed Glenn Saldanha, managing director & CEO of Glenmark, in 2011, he mentioned that "the perception of India is that it is primarily a country that does contract manufacturing and research and a site for outsourcing, and India is not known for innovation". What challenges are associated to Glenmark's Indian origins?

One of our biggest challenges has been the inaccurate perception associated to low quality of Indian products. Fortunately, this is changing and particularly is not the case for Glenmark' s products and, as it is in every country, different levels of quality can also be found in India. Glenmark Pharmaceuticals remains amongst the top 80 pharma companies in in the world, not only for quality, but also in terms of research, development and innovation. This is especially the case in emerging markets, where we have a strong commitment to provide high quality and effective products at better prices.

The way we are overcoming this perception is through the development of stronger brand equity through high quality products commercialized as branded generics and innovative products. This has already been done in other parts of the world and including Latin America. This said, we have kept growing in Mexico and climbed up the rank on the ethical market without milks from the 250th position to 119th just last month. Our goal is to be in the top 40 in Mexico and top 20 worldwide by 2020. It is a great challenge but definitely one that can be achieved.

What can the Mexican market expect from Glenmark in the next five years?

The market is going to see first brand generics for critical diseases, new combinations and innovative molecules demanded by physicians but not yet existing, especially in the areas of dermatology, respiratory, oncology and hospital products. This will be possible thanks to the research & development in our different centers, as well as of new technologies.

Innovation does not come in volume or speed, and the Mexican market is not growing in values. Volume, on the other hand, is growing at a much faster rate because of the mix in pricing and the huge growth of branded and pure generics mainly. This can be expected to change in the next years, as companies will start investing in different portfolios again. However, for now Glenmark is an example of a company that is taking advantage of this gap in innovation from top pharma companies to satisfy physicians, patients and governments' needs with innovative alternatives at affordable prices.

With an increasingly structured organization, Glenmark is developing a global vision that integrates all our different strengths without taking away the freedom of local decision makers and make sure by 2020 we will be in the top 40 most successful pharmaceutical companies in Mexico.

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