Interview: Andrés Vázquez – Commercial Director, Bomi Peru

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Bomi Peru was incorporated in January 2014, amidst a number of new openings of the Italian logistics company. Andres Vazquez, commercial director, traces the evolution of the affiliate over the last year and his plan to expand in this competitive marketplace.

You joined a little over year ago. What initial targets did you set out for yourself?

When we decided on Bomi Peru as a new project, the main focus was to expand our regional presence in order to be available for customers that were already served by Bomi at a global or regional level. Some of Bomi's new projects are created when a long-standing customer asks us for an opening in a specific country, while other affiliates have been initiated due to inquiries by multiple customers about a certain country. Our case was the latter; our first target was simply to be operational in Peru, available for regional customers that wanted a new solution or an alternative solution when doing logistics.

How were you able to leverage Bomi's current Latin American positioning to your advantage?

Indeed, we had very good advantage; being part of Bomi let us easily overcome the initial lack of confidence from customers, which is a common hurdle for new companies. Our potential customers already understood our standard of service, for which Bomi Peru will provide the same level as Bomi in other countries. A new company would need lots of time and effort to get to that point.

However, besides this advantage, we had to go through all the regulatory requirements and build our local team.

Considering all this, we had a strong market response from the beginning in terms of opened doors. Our service category is not one that a pharmaceutical company can change overnight; every two or three years, companies review their supply chain. When we came here, we found a mixture of companies that were and were not reviewing their current logistics supplier. Our pipeline as of now is still comprised mainly of Bomi customers, for whom we expect to be present in Peru soon. The initial years of a project are based on that.

The timing of this project is as we expected, since our first operation started six months after our opening. We have also implemented our second contract for the second half of 2015, a well-known client of Bomi in other countries. I expect that every four months we will have a new customer in the database for the next two years.

How do you plan to integrate the company into the local healthcare community, particularly with the Ministry of Health's current investments into reform?

Considering we provide logistics services to owners of medical devices and manufacturers of pharmaceuticals, our market positioning is as a supplier for companies that provide to hospitals; therefore our first strategy was to be available and well-known in Peru. Healthcare companies taking advantage of Peru's market growth are most of the usual suspects of the market. Their needs for logistics will grow, and Bomi is now available to any company in Peru that needs a new solution.

The network of customers is closely-knit through the association COMSALUD, to which we affiliated immediately due to their strong relation with and access to the Ministry of Health and DIGEMID. In 2015 we will be in touch with the other associations of pharmaceutical laboratories. But much of our marketing is done outside Peru. For example, Bomi has a booth at Hospitalar in Sao Paulo. Bomi Peru receives inquiries from partners in other countries because with most international pharmaceutical companies working here, many decisions are taken regionally.

What value-added services do you offer that puts you ahead of other logistics companies?

It is our business model that makes the difference. Since the beginning Bomi Peru has been a pure-model logistics operator. We have never represented a customer or owned a customer's products. As a strict service provider, we have the freedom and confidence to work with several customers

simultaneously without conflict. Even though I recognize that Bomi Peru enjoys good competition, other service providers often come from the pharmaceutical industry directly, or are current manufacturers. Secondly, we are very flexible on solutions design. We do not have one type of warehouse or solution. We first work to understand the customer's business completely in terms of the issues and requirements; if we can improve that with our experience we do it. Bomi does not have a fixed model; companies that value our service appreciate specific flexible solutions. Customers never adapt to us; we adapt to them. Thirdly, being an international company we are supported by our network. We have several projects in the upcoming months, and the Colombian team has helped immensely with training and procedures. Our HQ also assists us on our technology requirements. Bomi has a global technology department that develops its own software tools; we know how important the interfaces that we develop with our customers' IT systems are.

What is the portfolio capacity of Bomi Peru?

Our main sectors are medical devices and diagnostics, which is true globally as well. We give service to pharmaceuticals and cosmetics in most countries too. However, we always adapt our portfolio of services to those included in the regulatory framework of the health industry of each country. For example, to provide services like warehousing or transportation for pharmaceutical businesses in Peru, you have to be a "*drogueria*". For services as conditioning, labelling or kitting, you have to qualify as a "*laboratorio*". In other countries you do not need these specific categories. We are preparing to provide all services that a "drogueria" can provide, like storage under different conditions as room and controlled temperature; in the second half of 2015 we will add cold rooms and freezing areas. We will also file as a laboratory for conditioning, labelling and kitting.

Bomi has also other more specialized services, like the Virtual Branch. With this product, we provide a portfolio of services that allows a company to start their direct operations in Peru with a reduction of time and upfront costs. These services may include legal, accounting, regulatory and administration. Bomi Peru will also provide the Consignment Stock Control, by which we assist companies to manage satellite inventories of products and equipments. Using a team of trained people and our own online platform, we help customers reduce inventory losses and improve their sales. We do much of that in Colombia, and we plan to do some of that here.

How do you take into account the challenging geography of Peru?

My vision in this project was related to the idea that we must play a role in guaranteeing that every person in Peru has access to health services according to their needs and where they live. With that in mind, Bomi's role is to assist customers in not only executing but improving the supply

chain so that they really can get to those areas.

From the business perspective, even if we consider that the Peruvian economy has its ups and downs, the development of infrastructure and services to provide health access to everyone in Peru has still decades to go. Therefore, being placed in a business where we need to play a role in that development, we have much to do in this area before concerning ourselves about how to grow or what to do next year. We are already challenged in having a good distribution system in Lima for some areas. Getting to some areas of Peru just as a tourist is difficult – imagine getting an x-ray system to the Amazons! Even after hauling such a machine on a river raft, you still have to figure out how to power it. In that sense we have much work to do. We are proud to be part of this.

What do you want to achieve during your time at Bomi?

My goal is to have Bomi recognized as a company that can really provide solutions, and not only sell logistics services, especially when a customer faces challenges to overcome these obstacles and develop their business in Peru. Conversely, related to the vision I mentioned, we really need to make a difference. If we truly do make a difference to health access in Peru, my second goal will be achieved.

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