Interview: Rómulo García – General Manager, Eurofarma Peru

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Eurofarma entered the Peruvian market in 2013 through the acquisition of local player Refasa-Carrión. Rómulo García, the affiliate's ambitious general manager, discusses the merge and his quest to become a top ten player in the market.

Can you give us a brief introduction to Eurofarma; starting from your foundation to the moment that you entered the Peruvian market?

Our company was founded in 1972 under the name of Billi Farmacéutica with the purpose of providing production services to the Brazilian pharmaceutical industry. In 1992 the company's name was changed to Eurofarma and at the same time our company was already manufacturing and commercializing their own products. Today Eurofarma is one of the three most important pharmaceutical companies in Brazil and participated in diverse market segments through its business units: prescription medications, generics, hospital products, oncology and OTC, among others. In 2009, the company started its expansion to Latin American markets, starting operations first in Argentina, Uruguay and Chile. In March 2013, Eurofarma entered the Peruvian market through the acquisition of Refasa-Carrión, a family company that had a portfolio of interesting products and important market share. Through this platform, we started to build the future of Eurofarma in Peru with the objective of becoming the top pharmaceutical company in the country.

As a well-seasoned veteran of the industry, what can you bring to the table as Eurofarma's general manager?

I have more than 24 years of experience in the pharmaceutical industry, and I have had the opportunity to work in big companies in Peru like Bristol Myers-Squibb (BMS), Grünenthal and Janssen, particularly through the experience of being part of BMS when it bought the company ABBEFE, the leader of the Peruvian market at that time. I started in the area of sales and marketing, which allowed me to get to know the pharmaceutical market as a whole, identifying the opportunities and risks posed to us. Also, my time in these companies provided the opportunity to learn their organizational culture, politics, business focus, tools, and communication and leadership styles. This further experience of organizational culture and philosophy of Eurofarma gives me the opportunity to create a synergy that leads us to be a model company in Peru where our most valuable resource is the people who work for us. Respect and open communication is something that characterizes Eurofarma Peru, and clearly the best way to do business and to achieve sustainable growth over time is based on the work of our professional sales team in seeking medical prescriptions, our code of ethics and compliance policy in conducting business. I am very proud to work at Eurofarma and have the responsibility of leading this company in Peru.

What were the main challenges during this transition?

I think they were many, but I believe our main challenge was to change the organizational culture of the company and its business model. This process is practically finished, and I am very happy with the compromise reached by each of our partners to make this change happen in the most natural way possible. Now our challenge is to make Eurofarma the market leader, for which we must be among the top ten in 2020.

What was your assigned mission when you started working here?

We have clarity as to where we want to go and we know it is a long road that will present opportunities and challenges. As such we must always be prepared to know how to capitalize on all opportunities the market will give us. On the other hand, we have a desire and commitment to make Eurofarma recognized as a great company for the community, by doctors and customers alike through our products and quality services we will provide. Also, we want all of our employees to feel happy and proud to work at Eurofarma, and to feel they have the opportunity to grow personally and professionally.

Given the overwhelming importance of generic drugs in Peru, what efforts need to be taken to minimize the number of counterfeits in the market?

Firstly, and with all due respect, I think that everyone who uses the term “generic” in Peru, in my opinion, is misusing the term. Generic medications are defined as having bioequivalence and bioavailability equal to innovative products. In that regard, Peru has not yet entered a provision into force that mandates all companies that commercialize alternative products to innovators to bioequivalence studies and bioavailability when registering those products. This will be a breakthrough in our legislation and will primarily benefit patients, as they will receive certain medications that cure their illnesses with an optimal safety profile. In Peru’s system today, innovative products are commercialized, as are copies that can have very good or very poor quality. For this, I understand and applaud the efforts of our Health Authority to have a far more stringent registration system that includes, among other things, the inspection of manufacturing plants and stability studies of products and requirements to ensure product quality.

In addition, counterfeit medicine is a very critical issue and deserves the attention of all who participate in the health system. The origin and causes can be many and have probably been caused by different actors within the system. What is clear is that we must work together to eliminate counterfeit medicines in our market, as the main victims are those with less access to health.

What has been the most common reaction of the general population and the OTC markets to the fact that Eurofarma is a Brazilian company working in Peruvian Territory?

We are finishing the merge stage and name change of our company, so we have not yet deployed a promotional campaign Eurofarma in Peru. Nevertheless, if there is a general comment from doctors and customers, they are satisfied with the changes that have occurred in the last two years, particularly with our ethical conduct in business management and the credibility we generate and convey. Already today, many people contact us because they want to be part of our company and be our partners. We must be doing something good for this success to be generated around us.

Is there any advantage to acquiring a local company over a multinational, like Eurofarma did in Colombia?

We have to understand that everything is relative and it depends on the moment and the opportunity that each Eurofarma market offers, as well as the legislation in every country. Just to clarify, Eurofarma did not buy a multinational in Colombia; Eurofarma bought the production plant of a multinational and started its operations giving the manufacturing services. In Peru, after

performing a thorough analysis, it was considered that the best way to enter the market was through the acquisition of a representative company of the sector, an interesting portfolio of products and a good participation in the market.

What were the main obstacles you faced in entering this competitive market?

Firstly, we do not see obstacles, if it was like that, we would not have entered this market. Peru is a country that has shown a very important economic growth in the past years; this is the reason why we saw that this market offers several opportunities to develop our business. As in every market, there are some barriers that do not allow achieving certain objectives under the established timeframe but that is part of the system. We believe that the government has been making efforts to extend health coverage throughout the country, to provide a stricter regulatory framework for sanitary registrations even though the time that this takes is very long and it is not in accordance with the law. We all have to be conscious that we can do something else in order to have a market that has as its principal beneficiary the people from our community.

How will you increase your market share here?

We have only one formula: the launching of new generation prescription products. We are sure that this formula will provide us sustainable growth throughout time. We have a portfolio of more that 100 products to be launched in the next five years; this will allow us to be positioned among the top ten companies of the market in terms of sales and prescriptions for 2020.

Exactly how will Eurofarma become a top ten pharmaceutical company in Peru?

As I mentioned before, through the launch of new products and the generation of prescriptions with doctors. Logically, we have a strategic plan to put into place with different action plans that allow us to achieve this ambitious objective. The most important thing is that we have the products, the people and the conviction that we can do it.

What is the most important asset that gives Eurofarma its edge over the competition?

The answer is our employees. The human capital is the most important asset of Eurofarma. One of the aspects that we take care the most is that our people feel happy to work with us; this guarantees their commitment with the objectives and results. Eurforma has created a stimulating work environment that values high performance of its employees, generating motivation and recognition programs. We take special care in establishing a good balance between work life and personal life, in respecting the ideas and believe of each employee.

We also have to highlight our requirement to offering reliable products in terms of efficiency and security profile, with strict quality controls. That is our ethical way of doing business and overall, the respect that our clients and providers deserve.

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