Interview: Dominik Bacher – Director, Bacher Zoppi – Mexico



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The director of Bacher Zoppi reveals how the Mexican pharma sector is back in the spotlight of the international investor community, explains how the distribution environment has evolved with power shifting towards the pharmacies and why his company is in a strong position to take advantage of this situation as an opportunity to develop the pharmaceutical contract sales force market and to strengthen its leadership in the commercial solutions for the pharmaceutical industry in Mexico.

Could you give us an update on the last four years of Bacher Zoppi, since we last met in 2011? What have been the recent developments for the company?

In general terms, our market has changed quite substantially. The country has evolved; we are now back in the spotlight of international investors. Pharmaceutical distribution has undergone considerable changes, in particular the wholesale market which lost strength to the fast growing national and regional pharmacy chains. GPs have lost patients to retail consultancies; patients and consumers now have the power to decide among different options with the increasing acceptance of generics. This evolution has had a strong impact on the way pharmaceutical companies promote products to hospitals, physician offices and point of sales.

As a consequence of the dynamics of the last four years, the pharmaceutical industry in Mexico faced a significant sales decrease in their mature brands, reducing their sales personnel annually

by around four to seven percent. This trend also impacted BacherZoppi, adjusting the sizing of its salesforce outsourcing services market. However we recently optimized our market share with a sales teams dedicated to physician detailing. In addition, our company has benefited from the increasing demand for sales teams oriented towards the pharmacy point of sales. In terms of patient care, this area has remained stable for BacherZoppi, even though, our perception is that the investments in such programs have been reduced.

What are the key success factors for the business bearing in mind this evolution*?*

In BacherZoppi, we have adapted our processes and systems to the new environment by deploying smaller and more specialized sales forces, and by focusing on higher potential targets in order to increase our effectiveness and assure a return on investment for our clients.

Recently, we have received increasing feedback from executives, informing us that their companies are changing from a cost containment focus towards a new emphasis on partnering with companies who can offer more value. BacherZoppi is well positioned due to our experience, with more than 19 years in this sector as the leader of physician detailing, with strong growth and sales teams oriented towards the pharmacies, and patient care programs. We are convinced that in the future a key factor in the buying decision, will be which contract sales organization can offer better value and a proven track record.

With the importance of pharmacy chains and medical consultations at point of sales growing, what impact does this have on go-to-market strategies for pharmaceutical companies?

The developments in the distribution, commercialization, and acceptance of generics by the health professionals and patients had an enormous impact on the commercial strategies of the pharmaceutical companies. Today the main focus for allocating resources and the promotion efforts towards the physicians, are through patented products, reducing investments in mature products to a minimum. Targeting is increasingly selective, such as the promotion of generics to institutions, insurance companies and physicians who attend patients with less income. On the other hand, the warehouses of the distributors and pharmacy chains are saturated with new products and multiple generic options; which makes it more difficult for players to place orders and then to direct new products to the targeted point of sales. In summary, the pharmaceutical industry is experiencing an attractive, as well as a challenging time.

How has BacherZoppi adjusted to such changes in the market?

As a company we have assigned substantial resources to market intelligence in order to better design strategies, and to increase our sales force effectiveness in order to optimize the implementation of new sales teams and the productivity of on-going operations. The biggest consequence is that today we manage many more projects that tend to be more specialized and focused on specific targets. Our highest priority is to constantly increase our capacity to recruit talent with the required skills to generate sustainable demand in a highly competitive environment. At BacherZoppi we make a great effort in recruiting, developing and retaining the existing talent within our different sales teams, ensuring that each member has the motivation and capacity to perform at an optimal level, in a changing environment.

One key aspect in the healthcare industry is creating brand loyalty, being able to bond with the patient. How do you go about building such relationships?

We believe that not enough attention has been given to patient care these last few years. Part of the challenge is the complexity of integrating patient programs to include all the stakeholders, namely the doctors, the patients, their families and care takers, the pharmaceutical industry and the patient organizations. Increasingly by including the views of all stakeholders, and ensuring the quality of life of the patient as the central priority, will we generate programs that can make a difference in the Mexican market.

At BacherZoppi we are satisfied with the advances we have made in terms of the sales forces at the level of the doctor’s office and the pharmacy channel. However we need to invest considerably more resources in intelligence to develop successful programs that bring us closer to the patient. There is a vibrant opportunity for the pharmaceutical industry, as well as for all other stakeholders, to work together, design and implement patient programs to improve the quality of life of the consumer.

BacherZoppi attaches a great deal of importance in talking to the patient, and deeply understanding their needs. We foresee a particular opportunity for home care services, given that in large cities, such as Mexico City, patients who are already affected do not want to add stress by traveling to receive medical services from the different specialists.

Do you believe there is now a sense of optimism regarding the Mexican pharmaceutical industry?

The view from international investors is positive concerning the future of this market, for example we are constantly contacted by small and mid-size pharmaceutical manufacturers from all over the world who are interested in Mexico.

There are plenty of opportunities for companies who are offering innovative products, services and service delivery, to attend the needs of a now aging population, or to expand to our northern neighbour who is offering the biggest single market for pharmaceutical and life style products in the world.

We have heard how prevention is a key priority of the government. How would you assess the current level of prevention in the Mexican healthcare system?

We have a long way to go in terms of improving the state of play in this area. There remains a high prevalence of obesity and diabetes amongst the population, and we need to move on a path towards prevention. I strongly support the government's focus on increasing sustainable programs and BacherZoppi would like to contribute more to this process as it is part of our philosophy to help the society and the patients to enjoy a better quality of life.

How big a challenge for BacherZoppi has it been to find sales people capable of working with both doctors and patients?

Attracting talent is the key and BacherZoppi is the leader in this activity as the company that has offered more people sales careers in the pharmaceutical industry in Mexico for the last 19 years. We have a unique way of evaluating the potential of candidates, and whether they have the passion, skills and capacities required to work for a demanding industry. I am convinced that passion is a vital element for outstanding performance. Once we have the right people on board, we assure that they are trained and coached effectively, something that is a never-ending process. This requires a commitment from our candidates to continuously give their best, and from the company to provide all required tools to develop, certify and re-certify their knowledge and skills. It is only by constantly optimizing and maximizing that we can reach outstanding results. People management is also key. Showing our collaborators respect and providing them with the right level of security while challenging them to produce better results, is at the DNA of our business model.

How easy is it to recruit the right kind of people in Mexico?

Finding the right person for the right job at the right place is a challenging task. We employ 14 psychologist with extensive experience in recruiting commercial talents for the pharmaceutical industry. Due to an enormous effort of this team which screens constantly all mayor cities throughout Mexico for new talent, we have today an impressive database with almost 30,000 pre and evaluated commercial candidates. This has allowed BacherZoppi to build a proven record of hiring highly effective sales teams in record time with an outstanding customer satisfaction score.

Mexicans are hard workers, with an excellent attitude towards their employers and a passion for their job. Companies in this country can make a big difference and make up for any lack of knowledge through training programs in order to continuously provide employees with the opportunity to improve and grow. This is something which BacherZoppi and I am really passionate about.

In 2011 you told us that Mexico has been lagging behind so-called emerging markets, but that now was the time to change that. Are you still optimistic on this front?

We are moving in the right direction and I am convinced that within the next years the country can reach its potential. Today Mexico has a stable macro-economic outlook, a government with fiscal discipline, and an international investment community looking at Mexico very differently. I am optimistic that we can take a big leap forward in the near future.

At BacherZoppi we are totally committed to contribute to this development and generate career opportunities in a responsible and sustainable way. We are also committed to social responsibility and we live our values and philosophy; BacherZoppi maximum sales results and BacherZoppi passion for people!

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