Interview: Xavier Rams – General Director, Ferrer Mexico



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Xavier Rams, General Director at Ferrer Mexico, explains the importance of aligning corporate strategy to public healthcare goals in order to succeed in the dynamic Mexican environment and showcases the added value that

Sincronium® *creates for the national healthcare system as a whole.*

You have been in charge of Ferrer Mexico since 2014. What has the subsidiary achieved in the last three years?

I want to emphasize, first of all, that one of the biggest achievements of the Mexican affiliate has been to put together a human structure fully capable of overcoming any challenge that has come up in the past and that will come up in the future. In addition, the fact that we have been able to optimize the existing resources as well as the creation of new ones has played an important role in such success.

We have also implemented a new business model that allows us to ensure the achievement of results in a changing environment like Mexico. Furthermore, as of June 28th 2016, the Consejo de Salubridad General (the General Health Council) granted us the codes for the two presentations of the first Cardiovascular Polypill (Sincronium®) in the world. This has certainly allowed us to carry out the necessary steps to achieve their inclusion in all the public health institutions that make up Mexico's National Health System.

Finally, Ferrer has carried out a great investment in human resources and technology as well as in the commercial part to retrofit and adapt our industrial plant to the new expansion objectives as well as challenges of the company moving forward.

Mexico is Ferrer's second largest international subsidiary and has the company's only manufacturing plant on the entire American continent. Could you explain to our international audience what the role of the Mexican subsidiary is within the regional and global strategy?

The affiliate aims to be the logistics and strategic center basis of the Ferrer's expansion and consolidation in the whole American continent.

The Mexican pharmaceutical industry has been quite dynamic in the last five years with a growing penetration of generics and increasingly rigorous regulations. What is your strategy to ensure success considering the industry's changing environment?

We hold a relevant role within the Mexican healthcare system. Ferrer Mexico, as it is in Spain, must be an active partner and collaborator in the country's health policies. In a changing and growing environment such as Mexico, success is determined by the way the company's strategies adapt to those policies proposed by health institutions; especially in projects aiming to enhance the prevention landscape.

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Ferrer has a very complete portfolio that ranges from pharmaceuticals, consumer health, personalized medicine, generic products, fine chemicals (API and nutraceuticals), and vaccines. How do revenues breakdown by business lines and where do you expect to see the most growth?

Our current mix of revenues per therapeutic area is as follows: 50 percent Central Nervous System (CNS), 33 percent cardiovascular, 20 percent digestive, 4 percent pediatrics, and 2 percent dermatology.

Ferrer's growth will be mainly focused on cardiovascular, central nervous and digestive systems at a drug level. It is worth to mention that we will also incorporate genetic diagnostic products in the mid-term future.

Ferrer has some interesting health solutions for the Mexican population to move towards prevention and reduce the cost of treatment. Sincronium® is a good example of

this since it reduces the risk of having a heart attack by 80 percent. Ferrer expected to have this drug in the Mexican government reimbursement plan by the end of 2016. As one of the leading pharmaceutical companies in Mexico, is Ferrer approaching public health institutions to expand market access to these solutions as well as improve the financial sustainability of public health institutions themselves?

Sincronium® is a great project that certainly allows us to approach all public health institutions as well as collaborate closely with them to support their strategic plans. Indeed, it seeks to prevent cardiovascular problems, which is a key therapeutic area since cardiovascular diseases are considered a global and Mexican healthcare burden. Hence, Sincronium® is the business model that Ferrer has implemented in Mexico and, as you mentioned, it is certainly a great example of collaboration among public and private healthcare institutions in Mexico.

Dr. Narro Robles, National Secretary of Health, explained to us the importance of Public-Private Partnerships to improve the national ecological health system, when aligned with the same objectives. What are your conclusions in this regard and how is Ferrer helping the government overcome the national economic crisis?

The clearest example is the reduction of the sanitation cost in Mexico based on the incorporation of Sincronium® (the world's first cardiovascular polypill), which has created substantial and evident cost reduction of the treatment.

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This project is also improves the treatment adherence thanks to reducing the number of cardiovascular events; thus, Sincronium® reduces mortality and consequently reduces health costs.

Ferrer is very proactive in establishing strategic alliances with hospitals, biotechnology companies, public research organizations, academic institutions and other pharmaceutical companies around the world in order to continuously offer innovative solutions to the market. How does this innovation strategy translate into the Mexican subsidiary's product offering to satisfy national needs?

The company aims to launch approximately two products per year during the next five years; indeed, we will launch four products by the end of 2017. Such strategy will support the Sincronium ® project through a new polypill. In addition, we expect to launch a range of genetic diagnosis medicines to treat cardiovascular and digestive diseases. Continuing with such product portfolio

enlargement, we will also launch a range of Omega 3 unique in the world as well as a drug to target psychiatric patients in emergency stage.

Therefore, our global innovation has direct impact on our local operations as well as creates strong benefits both for patients and government though enhancing the life quality of the Mexicans as well as reducing the cost of treatment.

Iinternational business accounts for about 50 percent of the company's global sales and 21 percent of global sales come from the business in Latin America. In addition, in 2014 you said that there was a major change in Ferrer's investment plan to foster internationalization in the next five years and, in fact, Mexico is the focus of that investment. Could you tell our international readers what progress has been made in this internationalization process and how has it impacted Mexico?

As aforementioned, Ferrer has carried out important investments in Mexico during the last three years to adapt our industrial plant to the current requirements demanded by the Federal Commission for the Protection against Sanitary Risk (COFEPRIS). Indeed, we are at the point of closing such proposal implementing a new plant in Mexico that aims to fulfill the national demand as well as to be an strategic hub for the rest of our business within Latin America.

It is well known that Cofepris aspires to be the quality standard within the region. To do so, it meets the standards established by the EMA and the FDA. How can it leverage the success of Ferrer's strategy positioning the Mexican subsidiary as a gateway to the United States and LatAm?

The work carried out by Cofepris has been really well received by the whole industry; indeed, it has created strong value for us strengthening Mexico's regulatory positioning versus the rest of the countries in Latin America. As a consequence, Ferrer Mexico is and it will be a strategic point for the expansion of our business within the region.

What are the key competitive advantages that differentiate Ferrer from its competitors?

Firstly, Ferrer's unique product portfolio has been one of our key success drivers. In fact, either our products are mostly unique or there are barely any competitors in such areas. Secondly, this situation positions Ferrer as an innovator that allows us to approach health institutions showcasing solutions that target unmet needs.

I want to highlight that we will not be able to achieve our marketing model without the alliances that we have created with health institutions; our goal is to consolidate such collaboration to

benefit the population in Mexico.

What are the main objectives you would like to achieve in the next three years?

One of my main objectives is to consolidate the business model that we started in Mexico three years ago. In addition, I want to continue strengthening our partnerships with the country's health institutions focused on prevention and reduction of the country's health cost. Last but not least, I want to positioning Mexico as the strategic hub to support Ferrer's expansion to the rest of Latin America.

Mr. Rams, you have been in charge of Ferrer's operations in Mexico for over two years now. What would you like it to be your legacy in Ferrer before you move on into your next professional challenge?

I want to build up an affiliate with a human team that promotes the wellness in the society betting on a business model that fosters the sustainability and the improvement of the Mexican healthcare system through open collaboration with both public and private institutions.

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