Interview: Aristides Torres – CEO, Laboratorios Vanquish, Mexico



"Our strategy has been to develop a product portfolio targeting niche markets with unmet needs ensuring that Laboratorios Vanquish create a strong impact for both patients and doctors."

24.03.2017

Tags: Mexico, Vanquish, Pharma, Strategy, PPP, HIV,

Aristides Torres, CEO at Laboratorios Vanquish, explains how the company has evolved during the last five years to serve both the public and private markets and why they have focused on niche market areas with high unmet patient need.

Could you please give an update to our international audience about the operations and accomplishments of Laboratorios Vanquish since we last met you in 2012?

We have been implementing several changes in the company during the last five years and, thus, we decided to split our operations into five main business divisions: institutional, integral services for the public hospitals, neurology, women health, and HIV.

Our institutional division supply high quality and cost efficient medicines to the government in several therapeutic areas such as cardiovascular and HIV, in which Laboratorios Vanquish has a presence through its own branded drugs and in-licensing medicine agreements with international companies. Moving onto our integral services business line, we are able to provide to the public health institutions such as Seguro Popular the medicines and medical devices that they need in their hospitals and points of care; it is worth to mention that we leverage on our own medicines as well as our in-licensing collaborations to offer such broad solutions.

The other three divisions are targeted to the private market. Our Neurology division is focused on the treatment of rare neurological diseases such as Huntington, Parkinson and Alzheimer. Women's

healthcare line offers niche medicines to treat women in pregnant and climacteric stages. The HIV area manufactures and commercializes six different antiretroviral drugs (ARVs) that are used to treat such disease and we expect to add in our offering four new ARV's that will go off patent this year; indeed, our objective is to produce the most important generics to target HIV that are commercialized in the public market.

The Mexican pharmaceutical industry has been quite dynamic during the last five years with an increasing penetration of generics and more rigorous regulations. What has been your strategy to ensure the success of the company considering the fast-changing environment of the industry?

Since its inception, Laboratorios Vanquish has never tried to tap into therapeutic areas with a huge footprint in Mexico such as diabetes but rather approach other markets that have not been fully covered by MNCs or large Mexican pharmaceutical companies. Therefore, our strategy has been to develop a product portfolio targeting niche markets with unmet needs ensuring that Laboratorios Vanquish create a strong impact for both patients and doctors.

[Featured_in]

In order to achieve such strategic goal, we are carrying out some R&D activities to manufacture our own branded drugs as well as build up some alliances with international companies to introduce patented and generic products that will fulfill such unmet needs. In this sense, it has been highly important to find the proper balance between the medicines that need to be manufactured locally and the ones that are more convenient to in-license.

Laboratorios Vanquish has a quite comprehensive business offering sorted out in five major divisions: institutional, neurology, VIH, women health and integral services. What is your breakdown of revenues per business line and where do you foresee more growth?

Our revenues are currently around USD 50 million and our institutional division represents around 40 percent of such income since it includes medicines from all the therapeutic areas that we are addressing. Expanding on the contribution of the other business lines: integral services represent 30 percent, women health contributes with 15 percent, neurology represents 10 percent, and HIV represents five percent. Therefore, 70 percent of our total turnover comes from government institutions and 30 percent comes from private market.

In 2012 your business was mostly focused on the public market. How has Laboratorios Vanquish obtained such a healthy mix of revenues per market?

It has not been an easy journey to enlarge our participation in the private sector and such market diversification has been one of our main focuses during the last two years. Our objective in the next five years is to have a mix of revenues of 40 and 60 percent of our sales in the private and public market respectively.

When we met Dr. Narro Robles, National Secretary of Health, he explained to us the importance of Public Private Partnerships to enhance the national healthcare eco system. As one of the leading Mexican companies serving the public market, what are your conclusions on that and how is Laboratorios Vanquish helping the government to overcome the national economic crisis?

Laboratorios Vanquish is addressing some therapeutic areas such as HIV that are fully covered by the government; in fact, this is the reason why most of our business still comes from public health institutions.

We are contributing to enhance the financial sustainability of the national health system by supplying safe, effective and cost-attractive health solutions to the public health institutions such as IMSS, ISSSTE and Seguro Popular as well as enlarging the market access of the Mexican patients to such medicines.

Laboratorios Vanquish invests around 18 percent of its revenues in R&D initiatives. Could you expand on how you are innovating in order to enlarge your product portfolio and bring high quality and cost efficient medicines to the Mexican population?

[related_story]

R&D is in the core of our activities and our innovation is targeted to bring new health solutions to those niches with unmet needs in order to create strong benefits both for patients and doctors. In this sense, we are innovating in two different directions, local research and manufacturing of our own branded drugs as well as identifying cost attractive and effective health solutions from international companies to enhance our offering with medicines and medical devices that are not available yet in the market.

What is your action plan in order to enlarge your business locally and internationally?

We have been taking some steps towards the internationalization process of Laboratorios Vanquish in the US and Brazil but the results obtained have not been as successful as expected; therefore, we are currently more focused on enlarging our footprint in the Mexican market. Our action plan is to invest in enhancing our own branded product portfolio in all the different business units of the company to improve our margins and operations in Mexico.

What is the competitive advantage that makes Laboratorios Vanquish the provider and partner of choice both for public and private institutions?

We are a niche-focused company and such approach has given specialization and expertise in all the therapeutic areas that are shaping our portfolio. Therefore, Laboratorios Vanquish is able to provide the medicines that the health professionals and patients are demanding as well as to design high-targeted strategies to each one of the products that we are commercializing. Our expertise and our commercial approach are our main differentiators and enable Laboratorios Vanquish to fulfil the needs of our clients as well as our in-license partners.

What are the three main objectives that you would like to accomplish in the upcoming three years?

One of my main objectives is to accomplish our diversification strategy into the private market focusing on the areas of neurology and women healthcare. In addition, the consolidation of our business portfolio in the public market remains also one of my main priorities and we will therefore enlarge our ARVs offering in the HIV arena; indeed, Laboratorios Vanquish will be the first company able to provide all ARVs needed by the Mexican public health institutions. It is worth to say that 125,000 Mexicans are suffering HIV and only 75,000 of those are being attended because of the national economic crisis; my objective in the public market is to ensure that Laboratorios Vanquish will provide cost effective and integral HIV solutions to the government in order to enlarge the patients' market access to such treatments.

See more interviews