Interview: Isaac Valdivieso Santiago – Director General, Farmacia San Pablo, Mexico



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Spearheading one of the most trusted and recognizable pharmacy chain brands in the country, Isaac Valdivieso, Director General of Farmacia San Pablo, shares his insights about the company's stance in the market. He speaks about building an efficient corporate strategy, the customer-centric approach that sets them apart from the competition, as well as his personal motivation for staying in the company for over 19 years.

The Mexican pharmacy and retail landscape is undergoing a transformative period as large chains are gradually gaining dominance over smaller independent firm. Approximately 65 percent of the national sales of medicines is now brought through pharmacy chains. Can you describe where Farmacia San Pablo stands in this competitive market?

Today, Farmacia San Pablo boasts a wide network of 102 pharmacies, a staff of 6,300 employees, three Call Centers, one Distribution Center and two Corporate Offices.

This year, we are celebrating the 80th anniversary of the company which was built through three generations of pharmacists who have strong expertise in this field. Though it has grown substantially, the company has retained its family business status and private ownership. Nonetheless, Farmacia San Pablo also has an independent board of directors, to whom I report directly. This board reports to the shareholders thereafter.

I have personally worked in the company for 19 years and I have witnessed the efficacy of the company's strategy to have a greater concentration of pharmacies in the metropolitan Mexico City area. In looking closely in this specific zone alone, Farmacia San Pablo's is the leader. We aim to open more branches within the next year in order to maintain and defend our leadership stance.

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What has been the key milestones of the company in the last ten years?

Apart from having an in-depth understanding of what our customer truly wants as our principal milestone in the last decade, our reputation as a having an excellent performance in operations. As a retailer, operational management is always a challenge, because it carries heavy financial burden and risks and to be able to reach a top-rank reputation in this context speaks volumes about the company's commitment and expertise in the market.

Efficiency in our product and stock management has also been an essential factor for success. Understanding the sales trends correlated with the typical shelf lives of each individual product is also something we have invested heavily in understanding. We employ a just-in-time strategy as much as possible to ensure that we are efficient on our flow of goods as many of our products are time-sensitive.

Which product categories are present in your portfolio?

Farmacia San Pablo's selection of products are split between medicines, dermocosmetics and some beauty and care products, but the portfolio largely consists of medicines.

In the last four years, San Pablo has doubled in size in terms of number of pharmacies and employees. How have you leveraged the transformative period in the market at large to drive growth in the company?

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We do not subscribe to the premise that the company is growing simply because of the opportunities that are present in the market. We understand that the market is changing, but the growth is also driven by formidable internal corporate strategies. It is in being cognizant of the market changes, couple with strong foresight and strategy that large local players like ourselves are able to protect our market share from foreign conglomerates entering the market.

One of the key trends in the country is how pharmacies have adapted to the limitations of the healthcare sector through the provision of consultations at the point of sale,

which has been implemented extremely successfully. The number of daily consultations in pharmacies are constantly increasing. How else do you think pharmacies can innovate to address the other challenges of the healthcare sector?

For Farmacias San Pablo, we implemented the consultation services within the recent year. We had been one of the last pharmacy chains to implement such a model because it is not our core competency. In line with the philosophy of providing excellent service, we did not want to haphazardly adapt the trend without understanding its impact on the market first. It had been a rather difficult transition into this new business because we are adding on doctors (which will serve as house doctors for each branch) into our talent pool.

What sets Farmacia San Pablo apart from its competitors in this highly-saturated market?

Farmacia San Pablo's exceptional service is unmatched in the market. We are able to deliver this value through a management style that instills a culture of customer-centricity. I personally tell my staff that we sell the same medicines as many other pharmacy chains in the country but our differentiating factor is the way we treat people once they enter our premises. We continually aspire to be an excellent place to work and I believe that in our current mode of business, this title is within reach.

We do not have a corporate mission statement because we believe in the fluidity of communication and looking at how our people are growing. Nonetheless, we have a purpose that we live by, loosely translated in English is to "fully develop our people in order for them to be able to provide excellent customer services and ultimately benefit the wellbeing of our country." As the General Manager, I believe that this task begins with me. I believe that the way we treat our people is the same way they treat the clients and I continually put on my best foot forward in order to live up to our standards.

On a more personal note, with 19 years of experience in the company, what is it that you enjoy the most about working for Farmacia San Pablo?

The challenges are what drives me. Being in this sector, as well as the role I play in it, offers plenty of difficulties and risks but I thoroughly enjoy the tasks. I like to understand how far I can push boundaries to optimize operational models and ultimately pave way for success. I am leveraging my own extensive personal background in the pharmacy market to deliver value to our staff and our clients.

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