Interview: Raman Wattamwar – Regional Head Latin America, MSN Laboratories, Colombia



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Latin American Regional Head of MSN Labs, one of the most promising generics companies globally, Raman Wattamwar, speaks about the strength of the newly-formed affiliate in Colombia. He highlights Colombia's optimal potential as a regional hub, the positive business environment for foreign generics players, as well as his overarching strategic vision for the future to make the company the leading player in Colombia, as well as in the Latin American region.

MSN is renowned globally as one of the fastest-growing Indian generics company, having grown from zero to over 400 million in the span of 13 years since its inception. In the Colombian context, can you please provide a brief introduction of the history and scope of the Colombian operations?

In the context of my personal leadership, I have worked in Latin America for other Indian multinational companies and I have developed an expertise in maneuvering the synergies between these two business cultures. I joined MSN Laboratories 10 months ago, on September 2016, in order to spearhead Latin American operations. The Latin American region is very important for MSN Laboratories. Our plan is to penetrate across the region, ranging from tier one markets such as Brazil, Mexico and Argentina to the smaller markets. Currently we have a presence in 12 different countries in the region. As part of the Emerging Markets division of the company, my main responsibilities are to increase our presence in Latin America. We are working aggressively in increasing the volume of molecules launched both in Colombia, and for the wider Latin American

region as a whole.

As a company, we are grounded on imagination and innovation as a corporate philosophy. We are continually seeking for what is new and rejuvenate our company on a regular basis. MSN Laboratories began in 2003 in Hyderabad by Dr. MSN Reddy whose core focus was in developing new processes and new molecules in the generic space. In the last three years, we launched successfully 15 generics in India, which were the first generics in various therapeutic areas in India, as well as in many other countries and various therapeutic areas. Over the last eight years, we have grown immensely in the areas of active pharmaceutical ingredients, formulations and contract manufacturing. Our core focus is on the first two competencies of active pharmaceutical ingredients and formulations, for which we have grown exponentially.

In order to have a global presence, we have implanted regional offices all across the globe: Edison, New Jersey for North America; London, UK for the European market; Kazakhstan for the CIS region; Vietnam for the Southeast Asia region; Kenya for East Africa; Nigeria for West Africa; as well as Colombia for Latin America.

In the context of the Latin American region, why do you believe Colombia was the best choice to spearhead the entire regional operations?

Colombia’s strategic geographic positioning is further complimented by its stable economy and expansive talent pool. More important, there is a legacy of MSN Laboratories presence in the country as this is one of the first market that the company entered in the region through distributors three years ago.

Despite its novelty in the market, MSN Colombia is premised to align with the trajectory of growth of the global company. How has the Colombian operations evolved so far in its last 10 months of operations?

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The last 10 months conveyed a narrative of rapid growth for the Colombian affiliate. A testament to our growth is the scale that our portfolio has taken over the course of our short presence in the market being present in therapy areas such as pain, anti-infectives, CNS, urology, as well as orphans drugs. Currently we are planning to launch products in cardiology and oncology in 2017.

Which products are currently driving the growth of your portfolio?

We are growing in all the different segments well, but orphan drugs and urology are the new segment that we recently launched. For urology, we launched the first generic brand for this therapeutic area in Colombia, which entered the market two months ago. Similarly, we have launched the first generic brand for CNS in Colombia. One of our key strength is to be able to expand the market. Given our expansive portfolio, access is heightened and we gradually build confidence with our consumer base. For 2018, we are planning to launch seven to eight products that are respectively first of its kind for the country, predominantly for cardiology, oncology and in pain management. Especially given the proximity of the US market, we can easily bring similar products to the Colombian market.

The company's core business is essentially divided into three verticals: APIs, Formulation and Research, as well as manufacturing services. How are these business units represented in Colombia? Moreover, what are the plans for manufacturing capabilities in Colombia?

The API business is the strongest in Latin America, which is a direct business and we also have major partners representing us in the region given the complexity of the market. In addition, our formulation business is strongly driven by different local partnerships. As MSN Colombia is the first direct subsidiary in Latin America, we are currently in the process of opening a second affiliate in Mexico, which will be called MSN Lifecare. Thereafter, our focus would be to set up offices in Brazil.

A core strength of MSN Laboratories is API and formulation research business units, as evidenced by the accolade of awards we have received in these areas. We are a very vertically integrated business and therefore everything from research to manufacturing are done in house. This is the primary reason why we can speak of our quality confidently because we are involved in the entire development and commercialization processes of the drug.

Over 200 APIs are developed by MSN and we currently rank as one of the key manufacturers of APIs. Manufacturing capabilities for Colombia are yet to be put in concrete plans, but in the global scale, we are planning to have manufacturing plants strategically in various parts of the world.

What are the key opportunities and challenges in the Colombian market for foreign-based generics players?

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Operating a business against the backdrop of a stable economic landscape is one of the key advantages of the Colombian market. Colombians has a universal healthcare system, but in line

with other emerging markets, the system faces financial constraints. This offers good opportunity for generic player and Colombia's stable economy helps us to expand our business.

How has the general Colombian healthcare landscape, anchored on the Statutory Health Law and affinity for generics create a friendly business environment for a foreign player such as MSN Labs?

The Colombian market is forecasted to grow at seven to eight percent year by year. Both the public and private market are growing substantially. In the last two to three years, there has been many players that have entered the market. As an industry perspective, Colombia is a market that is poised to grow favorably as one of the most important market in Latin America. Currently, the market size is around five billion USD dollars and it is projected to grow to seven billion USD for 2020.

We as a company believe and operate in two of the business segments: private and tender segments. I strongly feel that once a product is available in the market, access will follow suit. Launching the first generic for essential drugs provides access unlike previously had by patients who were solely dependent on the system. This is especially true for an emerging market like Colombia.

It is my personal mission to be able to launch the first branded generics in as many segments as possible in Colombia as means to show commitment to the country.

Given that partnerships are essential to your business model, what do you identify as the key factors that make MSN Laboratories and ideal partner of choice?

MSN is very transparent and ethics oriented. We show loyalty to our local partners in every market and our success mantra is to always look for a win-win situation for every player to mutually benefit.

Another key element that MSN stresses is its adaptability to the local culture. MSN in Colombia is a Colombian company. MSN in Brazil is a Brazilian company. We do not want to be necessarily identified as a foreign player, but a strong local champion whose origins happened to be from elsewhere. We adapt to the local culture completely while staying grounded to our foundation as a global company. We stress the necessity of a multifaceted and global team to enrich our corporate culture and modify business structures according to local modes.

What are the key synergies you found with Indian and Colombian business cultures in the pharmaceutical sphere that makes the two suitable to conduct business with each

other?

Both Indian and Colombian business cultures value transparency. Many of the people in both cultures are very industrious. There are many opportunities that exists in both that are mutually beneficial for each other. The Colombian cultures are very liberal and open to international players.

What is your overarching vision for the organization for the next 3 years, maybe for 2020?

For the next two years, we would like to be present in each and every country in Latin America. We are strongly positioned in the market today to be one of the strongest players in Latin America in the next two years. We are very confident that we are going to be the most important player for Latin America by 2020.

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