Interview: Claudio Ferrari – General Manager, Scandinavia Pharma, Colombia



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Claudio Ferrari, General Manager of Scandinavia Pharma, proudly presents some of the latest product launches of the company and shares insights into the strategic role Scandinavia Pharma plays for Mega Pharma, as an ambitious player aiming to figure amongst the top five companies in the Colombian trade market by 2021.

Mr. Ferrari, you joined Scandinavia Pharma as General Manager one year ago. What main objective was set for your tenure at the company?

I worked for Mega Pharma, the strategic alliance of companies Scandinavia Pharma belongs to, for five years before coming to Colombia. Together with Mega Pharma, we set the objective of Scandinavia earning its place amongst the top five ranking of IMS trade by 2021.

Could you tell us more about the strategic alliance that is Mega Pharma and the part Scandinavia Pharma plays within the group?

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Mega Pharma is headquartered in Uruguay and encompasses a very broad spectrum of pharmaceutical companies from Latin America. Thus, it has a presence in 20 countries all over Latin America, from Mexico to the South of Chile and Argentina.

Scandinavia was born in Colombia in 1991. When Mega Pharma started its operations as an alliance in 2002, Scandinavia consequently became the Colombian outpost of the group.

What is the strategic position of Scandinavia within the Mega Pharma alliance?

Scandinavia is so to speak the Colombian reference company of Mega Pharma. The Mega Pharma companies in other countries have often positions at the top of their respective markets, and it is our goal to achieve the same in Colombia with Scandinavia.

We also have a very strategic position regarding the dermatological market, which is very big in Colombia. It is our task within the group to develop this attractive market, especially since it is a sector hosting a lot of room for innovation.

What is the rationale behind Mega Pharma's focus on developing their stance in Colombia?

Colombia is a country that displays an impressive stability, both economically and politically within the region. In addition to that, the pharmaceutical market is very attractive. Therefore, the decision to invest further in the operations though Scandinavia Pharma was a very logical one for the alliance.

Can you provide us with an overview of the operations of Scandinavia Pharma in Colombia?

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Scandinavia Pharma has always been a company focused on dermatology. With the inclusion into Mega Pharma, it diversified its operations. This is one of the major advantages of being part of the alliance, the immediate and very valuable diversification in various therapeutic areas.

Today, Scandinavia Pharma has a highly diversified portfolio, including not only dermatology and dermo-cosmetic products, but also prescription drugs, ophthalmology, gastroenterology, respiratory, pain and central nervous system medication, among others. In addition, we have a line of institutional products for haematology and transplants that we distribute in Colombia. Such a diversity is of course a competitive advantage in a dynamic country, where a prompt response to the new trends is decisive in maintaining a leading position in the market. The risk of failing to adapt quickly is significantly reduced for Scandinavia, since we feature a broad line of solutions.

Within this diverse portfolio, what therapeutic area is your main focus and growth driver?

While the dermatology area remains our biggest growth driver, we have profited a lot from our institutional lines as well. Indeed, the high percentage of healthcare coverage in the Colombian population, in parallel with the evolving age pyramid of the population are two very promising factors in that regard.

This was precisely the reason behind our acquisition of Garmisch Pharmaceuticals last year. As we witness an increase in the demand for treatments in chronic diseases such as cardiovascular conditions, Garmisch Pharmaceuticals as a local company with an important presence in the cardiovascular sector was the perfect match for our ambitions to seize every new opportunity in the market.

In a similar way, we are also witnessing an important trend driving demand in the over the counter and supplement market. Colombians develop more and more healthier lifestyles, increasing the demand for natural and selfcare products. Although this demand is very cyclic, tightly linked to the GDP performance, we will further invest in these segments.

How has the acquisition of Garmisch Pharmaceuticals impacted Scandinavia Pharma?

Both companies are operating separately today, with one common goal: achieving growth in the Colombian market. We try to define the best way to use the synergies between the two companies in order to reach our objective of top five by 2021. Since the acquisition, we have been perceived as a bigger player in the market, jumping from position 18 to 14 in the IMS trade market ranking and together with Garmisch, we are now ranked 12th. We are expecting to make the top ten within the next two years.

What recent product launches has Scandinavia Pharma undergone and what is in the pipeline for this year?

In total, we will launch five products this year. We have already had a series of very attractive product launches, mostly in dermatology. To name a few, we very recently launched Umbrella Intelligent©, the most complete innovation in the sunscreen sector. It protects against all types of radiations, has an innovative and intelligent antioxidant delivery system activated by the sun, is able to repare some DNA damages produced by sun exposureand restores structural skin tisues assuring a novel antiaging activity. Then, we also launched Aquatop©, a creme that restructures the skin of people with sensitive skin and atopic tendency in a physiological way thanks to its liquid crystals system and our innovative “restorafilm complex”. Finally, we also introduced to the market a compact powder for people with acneic tendency or oily skin. All of these products have been very well received by the physicians, who we collaborate with tightly to present the benefits of our

products.

In parallel to our numerous dermatology launches, we also launched other products in different therapeutic areas such as Dexlanzopral© (dexlansoprazole) in gastroenterology and Gatidex© (Gatifloxacin/Dexamethasone) in ophthalmology.

In Colombia, do you manufacture mainly or import and distribute products?

We do manufacture locally, mostly dermatology products. However, we distribute most of the products. Those are products from other Mega Pharma companies that are manufactured all over Latin America and that we commercialize. Then, we also license many products such as Abrilar©, a cough syrup and market leader in Colombia and many Latin American countries and Piascledine©, a product indicated for the treatment of osteoarthritis that reduces pain, improves functionality and reduces the need for NSAID consumption.

Finally, we do also export 12 million units a year to various Mega Pharma companies within Latin America. Therefore, Colombia has a significant importance within the Mega Pharma network, being an export hub for the rest of the region.

Do you plan on forging more partnerships in the near future?

Definitely, yes. If we are to reach our goal to figure amongst the top five, we need to be continuously open to new opportunities that will allow us to go beyond organic growth. We are always in contact with companies from all around the world that are looking for a local representation to introduce their products to Colombia.

Speaking of licensing, what makes Scandinavia the partner of choice for companies wanting to enter the Colombian market?

We are the perfect partner for companies wanting to enter Latin America. Through our position as part of Mega Pharma, we represent an opening to the whole Latin American market. Plus, we have the expertise needed to navigate the continent. No Latin American market holds any secrets for us. Moreover, our partners can benefit from our very broad network of doctors from diverse areas that we have acquired over our years of diversification.

The Ministry of health in Colombia is committed to build a sustainable healthcare system in the long-term. How can Scandinavia contribute to this goal?

The key to a sustainable system -which I personally regard as very important- is cooperation between all actors. We, as the pharmaceutical industry, must take part in the system, and focus on

solutions to meet the expected changes that will arise. Garmisch for instance is a company that understood this need. It was able to join together different companies to creata cluster specialised in cardiovascular risk management from primary prevention to treatment of the diseases. This program can help insurance companies, logistic operators, health care institutions and physicians to provide a better and cost-efficient assistance to its patients.

How do you assess the government's dialogue with the pharmaceutical industry in Colombia?

I believe that the dialogue can be improved. Lately, the price of many drugs within the government tenders has been reduced. While I understand the necessity for such actions since the healthcare budget has been under stress as of late, the methodology that has been defined for decision making is not always appropriate and can have undesired consecuences for all the system and patients. The government has to realise that there is always the risk that some products might disappear from the market because their distribution is not rentable for the companies any longer, and that there is not always an alternative.

Furthermore, innovation in new high technology products that offer clinical advantages should always be a priority in the government's agenda, and price cuts added to the already very competitive market do not encourage it. And the government has to be consistent: The Ministry of health very recently decided to exclude phyto-therapeutics from the government funding, but at the same time the Minister mentions publically his plans to include therapeutic cannabis in the list. This shows a certain incoherence as cannabis is a phyto-therapeutic, not to mention the fact that many phyto-therapeutics present great benefits to the patients. We should therefore focus on clinical evidence and technical decisions should be discussed for the better results.

You worked for both Servier and Janssen, leading multinational companies. How do you perceive the difference, now working in a more local, region-focused environment?

Every company has its own personality of course. But for me, Mega Pharma has a lot speaking in its favour, as a group that is very flexible and active, a fast mover. I like being a part of the changes and having the means to shape it. I am motivated by the fact that, in the alliance, it is possible for me to be a part of most of the decision-making processes.

Besides, I appreciate the human aspect of the group. People are placed at the centre of our operations and Mega Pharma strives to make them feel comfortable at work. I try to implement the same climate at Scandinavia. After all, we do spend the major part of our waking hours at the workplace.

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