Interview: Eduardo Obraczka – Managing Director, Merck Colombia



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05.09.2017

Tags: Colombia, Merck, Pharma, Strategy, Market Access, Innovation

Eduardo Obraczka, managing director at Merck Colombia, shares his appreciation for the flexibility of the Colombian talent pool, while explaining Merck's successful strategy that has led to the impressive growth of the organization in the country, and highlights how Merck is continuously fostering an innovative and dynamic environment.

How does your current position as managing director at Merck Colombia differ from your previous roles?

This position is a lot more intricate than anything I have ever been confronted with before, when I look back and compare with previous roles as a global, regional and local leader. My career started in finance, first as an investment banker, then in private equity; those were more much analytical experiences. I also had experience as a general manager for a start-up business in the medical device sector before returning to academia for a master's degree; this was more an entrepreneurial experience. After graduating from Yale, I entered the pharmaceutical industry, where I had global and regional marketing and public health roles; these were more strategic roles. In my current position as country manager, what strikes me the most is the impact you can have on people's personal development and patients. It is definitely one of the most rewarding experiences of my career.

What was the biggest challenge you encountered when taking on this position?

When I was appointed to this position, Merck had just entered a transformational phase. Despite being the oldest pharmaceutical chemical company in the world, completing 350 years in 2018, 60 years in Colombia, the Merck family, which still owns 70 percent of the company's capital, aims at transforming the company into a more dynamic organization, with faster decision-making, less hierarchy, more people empowerment, and lower bureaucracy than any other player in the industry. I embraced this mandate and made it live in our Colombian subsidiary. The feedback from our people has been quite positive.

Having worked in various countries around the world, how do you assess the Colombian environment to conduct business?

I appreciate the country's political and economic stability, if compared to its peers in Latin America, its potential growth, and the quality and preparation of people. In the case of the healthcare system, I think all strong elements have been well established since Law 100 in 1993, including universal healthcare coverage. Nevertheless, there is currently a substantial gap in the government's budget to support this system, which is creating major challenges for patients to start and stay on treatment. The current situation is worrisome from a patient's perspective and all actors of the system should contribute to the solution. Merck is definitely doing its part.

Merck is performing much better than its competitors in Colombia. Can you introduce your operations to our international readers?

Merck has a diverse portfolio with strong brands in various segments such as cardio metabolic care, oncology, multiple sclerosis and fertility. In 2016, Merck's growth was on average double of its competitors locally, without new launches, thanks to a very focused strategy. We have three main drivers: People, Business, and Processes. At Merck Colombia, we've been able to prioritise our actions towards a common objective and communicate it internally to engage our employees into more pragmatism. We focus on few, yet very intense initiatives. If successful, these initiatives can and have made a difference to the lives of our patients.

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We also don't intend to come up with breakthrough innovations every day, but we want our employees to go outside their comfort zone even if they fail sometimes. Fostering this type of culture within the company requires creating an environment where people feel at ease and confident to try new paths. We are also not focused on reaching consensus; we aim to reach small agreements every day! And, most importantly, our leadership team is genuinely committed to their team members' individual development. If you are at Merck, you love it here!

How do you contribute to this environment and growth?

It’s not about me. Personalising last year’s success of Merck Colombia would be both selfish and a mistake. This is the result of a collaborative effort with good analytical capabilities and diligent execution.

Looking at the market specifically, what is your value proposition that ensures stable growth?

Few companies resemble Merck for multiple reasons. Our management practices are primarily focused on people, whether inside or outside the company. Furthermore, we are constantly listening to our customers to evaluate their perceptions of our brands and organisation in the market. Our annual market survey, called Merck’s ‘voice of the customer’, allows us to collect rich market data, and systematically adjust our practices to outperform competition. Being greater than the greatest at what we do is essential to renew our value proposition and retain our customers’ base.

What does Merck’s portfolio look like in Colombia, how do you intend to complement it in the coming years?

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Merck offers a large, high-quality product portfolio in both primary care and specialty areas, including cardio-metabolic care, oncology, fertility, neurology and immunology and hormone disorders. Starting in 2018, we have the expectation to launch one new molecule or indication per year in Colombia, primarily in immune-oncology, neurology and immunology.

What improvement does the Colombian market need?

The country’s healthcare coverage is something to be proud of. But there are indeed a couple of issues the government can address. To start with, and I think all stakeholders will likely agree, the government’s health expenditure as a share of the GDP is too low. In Colombia, the healthcare expenditure accounts for about 7.2 percent of GDP, while in other countries in Latin American, this ratio varies around 9 percent. Reaching OECD standards in terms of healthcare expenditure is of paramount importance if Colombia wants to secure to its population sustainable access to health. Second, the ratio of medical specialists per inhabitant is not ideal, and most of these physicians are concentrated in the largest urban areas. The lack of medical specialists around the country has major implications for patients in terms of access to treatment and costs.

What are your ambitions for Merck by 2020 in Colombia?

First, we want to retain our position as the fastest growing pharmaceutical company in Colombia. Second, I would like to continue to foster a highly dynamic organisation, capable of attracting and retaining the best talents. Indeed, traditional industries, such as pharma, commonly suffer from the burden of hierarchy and bureaucracy. I want to make sure this is not the case at Merck. It will be very hard for competition to catch up with Merck if we retain the best talents and ensure they feel empowered and supported to go beyond a regular “job description”!

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