Interview: Carlos Alberto Florez – General Manager, Aspen Colombia



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Carlos Alberto Florez, newly appointed general manager of Aspen Colombia, already has a very clear view on Aspen's strategic direction, discussing the expansion of the infant nutrition segment and the recent acquisition of anaesthetics lines. He also underlines his passion for start-up businesses and his eagerness to see Aspen evolve rapidly under his tenure.

What mission has Aspen set for itself in Colombia since its entry in 2014?

Aspen has the goal of contributing something new to the healthcare market in Colombia, by for instance creating more access to its diverse portfolio on the local market. Moreover, it has the strong wish to work closely with the government, especially in order to help augment its efficiency in the pharmaceutical field.

Could you explain Aspen's business model?

Unlike most of the big groups in the pharmaceutical market, Aspen is a company that is not fully dedicated to research and development (R&D). We acquire product lines or brands from other companies, and re-promote them to the market. Those lines are usually not in line with the owning company's portfolio strategy anymore, or the companies would rather focus solely on new developments or markets. We, on the other hand, are interested in relaunching to the market products that have proven their value and effectiveness in the past and simply need a new coat of paint to lose their dusty appearance.

Thus, Aspen is in contact with corporations such as GlaxoSmithKline, Merck, Pfizer and Sanofi that are looking to shed parts of their portfolio that we still see as promising. For us the benefit is maximised by the fact that we do not have to push the acquired product through all the regulatory bodies anew. With it already having all the required approvals, we can start selling it as soon as we sign the licencing contract.

Those acquisitions represent a major part of your activity and you have been very successful in conducting them. What makes you the partner of choice for the industry?

The truth is that those multinational corporations are often excellent in R&D and the launch of new products. However, not all of them have the capacity to sell those products once they reach a certain maturity level. Their business model is based on innovation. Hence, many who wish to shed parts of their portfolio that have become non-lucrative for them, turn to us. It is the perfect symbiosis, as we are able to acquire a fully developed product, while our partners do not abandon the line altogether and continue to receive royalties from the sales without the hard work of marketing involved.

What would you define as Aspen's competitive advantages?

Our experience is definitely one of our main assets. Aspen has demonstrated its ability to successfully exploit mature markets and to even revive products that are already 30 years old.

In addition to that expertise, we also have global coverage and are by now well-established, not only in South Africa but on the whole African continent. We are also strengthening our foothold in European countries such as Germany and France, as well as in Australia and New Zealand. Plus, we have recently acquired a company in China. Finally, we have established highly successful operations in Latin America.

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Aspen does indeed have a strong presence in emerging markets, particularly in Latin America. Carlos Abelleyra Cordero, CEO of Spanish Latin America within Aspen, has recently shared with us the company's ambition to become a top 10 player within the Latin American pharma sector. What are the strategic priorities and the business strategy you intend to implement in Colombia to contribute to the achievement of this fundamental objective?

Firstly, we want to develop our position in the infant nutrition market. Our current ranking is fourth but we aim for the first place. While breast feeding remains the first and best option for the

families, we want to be the second option parents turn to. Our strategy in that regard is not only to improve our formula to ensure that only the best ingredients are used and reach the infants, but diversify the options in order to bring some to the market that are more affordable. Colombia remains a country where some parents have to realise they will not be able to afford the recommended nutritional product, when they take their children to the doctor.

Our second strategic axe is to develop the over the counter (OTC) portfolio by using the acquired brands to launch new products under their umbrella.

Thirdly, in the pharmaceutical department, which in many regards the most challenging one, we continuously look for new opportunities to acquire. Furthermore, Aspen is just now starting to conduct its own R&D in South Africa. We are thus expecting launches in a few years.

What is the significance of the Colombian affiliate in the regional context?

When Aspen started its operations in Latin America, it actually set up Colombia as the regional hub for the Andean region. However, now Aspen Colombia is solely focusing on its national operations. It employs 100 people and has officially already a few years of operations, but it still functions as a start-up in many ways.

In terms of product portfolio., you are quite diversified, offering innovative products in branded products and generics, with main areas of focus being thrombosis, anaesthetics, high potency, cytotoxics and infant nutritionals. What recent acquisitions can we find in your portfolio and what strategy do you privilege?

We divide our operations into three different markets: pharma, OTC and nutritionals. The pharma is the most important one, although it is at the same time our less innovative division. We cover a wide range of therapeutic areas with the various acquisitions we made. Three months ago, we acquired the GlaxoSmithKline anaesthesia portfolio in Latin America as well as the one of AstraZeneca. Therefore, we are now the strongest player in that sector thanks to those investments that contribute with five to six million to our overall 25 to 30 million expected sales this year.

Our second market is OTC. In this category, we are to launch a gastrointestinal line soon and expand the line by January or February of 2018 by a broad offering in antacids.

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Finally, we have our consumer products. Those comprehend infant nutritionals with a very strong brand that we acquired through an agreement with Pfizer and Nestlé. While it used to be market leader, it is now ranked behind Nestlé, Abbott and Mead Johnson brands, but we are optimistic that we will be able not only to fortify our position anew, but also expand the product line. We are indeed looking into launching several new products under that same brand umbrella and in parallel develop nutritional options for pregnant women and for parents with the wish of getting pregnant

Aspen is very strong in its consumer product portfolio, we have the expertise in the promotion of such products that are submitted to a different marketing strategy than pharmaceutical products with presence in big stores. We are currently working on rebranding many of our consumer products so as to brand them as Aspen, with a new name, look and formula.

Aspen is committed to sustaining life and promoting healthcare by increasing access through its affordable quality products. As access to medicine is one of the imperatives the government and the industry are working towards, how can Aspen contribute to this goal?

We declared it our priority to set our prices according to the market conditions. It is no secret that new prescription medicines reaching the market are often very expensive and their cost is too high for markets like Colombia. Since we are only bringing products to the market which have been demonstrated to be efficient, we are able to offer competitive prices.

We also work closely with the doctors and the hospitals to create an environment in which the operational processes are a guarantee to the fact that the patients will find the medication they have been prescribed actually available in the market. Because, what often happens is that, when the availability is not ensured, patients have to use a more expensive alternative or a generic that does not fully comply with what the doctor prescribed.

You have an experience of 20 years in healthcare, having worked in medical devices before. What motivated you to leave your last position as general manager of Medtronic to come take up your function at Aspen, a company only just starting operations in Colombia?

I wanted to have that start-up feeling again, that you have when you work for a company whose operations you build up more or less from scratch. I decided to leave my comfort zone when, after 10 years at Medtronic, I had achieved what I wanted, established sustainable operations for the company in Colombia. Towards the end I was longing for the passion, the adrenaline, of starting something new, and Aspen gave me that opportunity.

You are quite the expert in starting up companies in Colombia, indeed, you did not only start Medtronic's operations in the country but also Boston Scientific's. What advice would you give to someone wishing to start operations for a business in Colombia?

Building up a company in a start-up fashion first and foremost requires passion. You need to be ready to do whatever is needed to see the company thrive!

Secondly, you need to realise, that a start-up requires different skills of management than an established company. Sometimes, in big corporations you can be remote from the operational aspects as a general manager, since you have well established operations with people in charge of all the key functions. In a start-up, you are required to know about every aspect from finance to marketing. This involvement has to be lived on a daily basis. For example, if I was personally needed to go visit some doctors to promote our products, I would do it without thinking twice, and enjoy it.

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