Interview: David Leclercq – General Manager, Mundipharma Colombia



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David Leclercq, general manager of Mundipharma Colombia, reveals his passion for both the Colombian affiliate and the welfare of the Colombian people and gives insight into operating a new pharmaceutical outfit in a highly transformative healthcare environment.

You were appointed General Manager in Colombia back in 2014; what have been your main priorities since then?

The first point was to consolidate the presence our franchise has in Latin America. Therefore, I needed to create a new strategy in regards to marketing, medical products and in general the commercialisation to fully take advantage of the demand here. Secondly, Colombia is a country with prevalence in oncology ahead of nations like Chile, Peru and Ecuador and the country has been able to acquire specialist knowledge and as a result has invited Professor O'Conner, the same professor who created oncology medical guidelines for the whole region, to investigate their molecule products. On average, USD 2.5bn is added to the Colombian industry with every new product and the segment itself is growing at a rate of 64 percent per year. Colombian pharmaceutical firms are very focssed on the early treatment of patients and medical education campaigns that are beginning to spread across the region.

Currently, there are a lot of opportunities in Latin America as the region is presenting a very positive image in pharmaceutical development. These opportunities are also spread over a number

of different diseases. Colombia is currently undergoing significant changes in its public health system due to statutory law developments.

I am also responsible for finding experienced talent and moulding this talent into an effective team. Here at Mundipharma, we understand motivation and therefore we often create special projects to improve our employee's skillset and keep them motivated. Stimulating human talent and consistently being an innovative platform is crucial. With the decentralised nature of this company and powerful decisions being taken at a local level, there is an increased pressure to achieve profit targets. I have identified 2020 as a target for our outfit to become a key player in chronic diseases. My mission is to further develop our portfolio and in 2 years' time to be in a position where we are consistently bringing new products to the market. Due to authorisation delays, this second target is very difficult to achieve. This also makes it more difficult to promote our products. 75 percent of our staff is focussed on both the medical and promotional side of our business and they consistently receive special training in important aspects of the market i.e. compliance. Currently, we have five promotional lines, 142 employees with 75 medical representatives focussed on the promotion of products. Their role is very significant as many of our products are sold upon an individual doctor's advice.

Could you tell us about the significance of the Colombian affiliate to Mundipharma's regional and global operations?

Colombia is special particularly because of its many distribution channels. When you are looking to expand or improve your company, there are different directions to exploit. Due to government involvement and the speed of the industry we had to change our business model. I was able to accelerate our progress using two distribution channels. Second and perhaps most effectively, was the use of the retail market. This provided us very quickly with a portfolio of pharmacies and drug stores. One month ago, we launched a new product for Asaman which is only in 18th position in the market but is performing steadily as a premium product. We always need alternatives or back up business opportunities as Colombia is still a developing market and businesses can experience delays and other problems. The most important aspect of operating in Colombia is identifying where the opportunities are; retail channels, institutional channels or different regiments. With the changes in statutory law, the market has decreased by 26 percent, which obviously is a lot of money. This has led to savings in areas like marketing, training and investments. We have been able to maintain a strong relationship with our major clients and speed up our operations by switching chains. Ecuador, for example, is 10-12 years behind Colombia in regards to pharmaceutical development. The market is heavily controlled and only the institutional channels

flourish. Peru is slightly different in the fact 70 percent of the market is institutionalised and 30 percent is private enterprise. The average price in the retail market in both Chile and Peru is indeed much cheaper for this reason. In order to take advantage of all the opportunities, there is a lot of shared responsibility at Mundipharma Colombia. For instance, my marketing manager and my medical manager share visual aids and promotional material. Sharing our knowledge effectively, should enable us to not only be successful in Colombia but in the region as a whole.

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Mundipharma has a customised market approach that allows the regions to adapt to local demand. What can others in the company and observers learn from Colombia? What trends are you noticing?

When I first arrived in Colombia, the country was suffering from corruption. However, administrations have continued down a path that guarantees 95 percent of the population access to healthcare. It is a very attractive healthcare system but it presents financial challenges at certain stages of the chain. 20 years ago, the private market was far more attractive but now 90 percent of the industry is institutionalised. The reason for the popularity in the institutionalised market is the fact it has the four most important EPS' in Colombia. This has several benefits. Firstly, it encourages the advanced economical study of the pharmaceutical sector. Secondly, it maintains a strong vigilance programme. Thirdly, the demand for pharmaceutical success here is huge and the institutional market always seeks expert advice even if that advice comes from abroad. Despite these benefits, I had to adapt our business model to reduce costs which, given we are new to the region, has been very helpful in regards to developing a strong understanding of the market. I am constantly listening to my medical representatives to create the perfect business model for us. Quarter by quarter, we have meetings in which every manager is present and we discuss how we can improve our position in the market i.e additional promotional materials, improved education etc. I enjoy the participation levels we have in this company and I feel everyone should get involved. I spend a lot of time travelling to neighbouring counties so we can see how other markets are developing.

Browsing your business lines, which are generating the most revenue at present?

The pain franchise is currently experiencing a very high level of performance. A year ago, we released Targin into the market, which has achieved a percentage of 140 percent in its first year. Targin has more benefits for the patient than previously existing options like Oxycontin. It is also worth mentioning that five months ago, the government dispersed morphine to numerous hospitals

and health institutions thus providing us with unforeseen difficulties in specific markets. Using our umbrella sales concept and involving different departments has resulted in the success of products such as Oxyrapid, Targin and Tramacontin. Tramacontin focusses on lower back pain and is a product well respected by trauma surgeons. The franchise will make $3.4 million in net sales this year.

Changing the mentality in Colombia is almost as important as the product itself. Your predecessor pointed out that only 7 percent of Colombians with chronic pain had access to treatment. Can you update us on the progress in this regard?

First you need to identify the key players in the market. We have a market access manager who constantly evaluates the national management in this regard. Rising costs in structural management have not reduced the enthusiasm to make a success of the industry and year by year access to specific health needs is improving. Even Ibuprofen has long term effects for the consumer, if they take the medicine to avoid back pain. Once the key players are established, we need a strong consensus for each indication i.e. back pain, cancer etc. The government also has to be increasingly aware of the pharmaceutical outfits operating in Colombia. They were not so sure of our accreditations and background in the United States during our initial months in operation. Once doctors are aware of Mundipharma, they open channels of communication with our medical representatives. The government should also accept portfolios with product explanations and then simply make a decision as to whether to proceed with these products in the institutional market or not. We have a very useful virtual learning programme here in Colombia that does not include marketing or any promotional material; simply medical information. We also need to do more on our side to add to our sponsorship of various programmes and gain increased social media presence.

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How do you want the Mundipharma brand to be perceived?

When I first joined Mundipharma, the company did not enjoy a strong brand image due to the fact they were not a distributor. To the question “who is Mundipharma” it is quite difficult to answer as we can easily just be associated with Oxycontin. I would love to have an advertising campaign, where famous Colombians are in a board meeting with representatives of Mundipharma explaining our products to them. I would also like to explain how we are not only interested in profit but also the development of the region and reducing illnesses of the Colombian people. I want to spend three months simply travelling to Colombia’s cities giving presentations to doctors explaining both

our current products and those we are developing for the future. By doing this, our brand would really gain awareness and we would continue to penetrate the market here in Colombia. We will also be promoting how Mundipharma helps reduce diseases in coordination with doctors. Only through medical education can Colombia have a thriving health system. The role of the manager in the market is equally very important. The market will develop much faster with better communication between managers of pharmaceutical firms and doctors. Answering questions like – how long does it normally take to bring a product like this to the market? Or in which cases would you recommend this product? – would certainly change how the public perceive specific brands.

We usually return to re-interview pharmaceutical firms every 3-4 years. What will you have achieved in this timeframe?

Every day at Mundipharma my passion and motivation to achieve better results increases. I am very happy and I enjoy working in this office. At the end of every week, I analyse what problems have been resolved and where we have been successful. Naturally, I evaluate my own contribution too as you need to be passionate every day in order to be successful in this market. I am particularly keen on evaluating patient satisfaction. Mundipharma has different benefits. For instance, every Friday workers can leave at 1pm and so far we have found this has led to a very hard working mentality in the office. I have both a close relationship with the people around me and strong trust. Therefore, I can say without hesitation that all the employees are very enthusiastic and passionate as a result of this autonomy.

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