Javier Hidalgo – CEO and President, Tedec-Meiji Farma, Spain

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Javier Hidalgo, CEO and president of Tedec-Meiji Farma, highlights the main challenges he faces and how he positions the company as the preferred partner of choice. Furthermore, he offers his insights into the strategic importance of Spain for the group and how he blends the two cultures of the company, Spanish and Japanese, together.

What are the main challenges you face in your position?

One of the short-term challenges is Brexit: part of the global business is linked to the United Kingdom and with that there is a certain amount of uncertainty. To prepare for this, we have undertaken different changes at the regulatory level and have taken an important role in adapting to this situation. As a hub for Europe, we must support the group internationally.

Another great challenge is the preparation of the serialization and traceability of manufactured products. We have invested a lot and have adapted our operations. Since the regulation was put in place on February 9th, 2019, we have released all our drugs within the European Union with the data matrix code and tamper-evident packaging, as established by EU Falsified Medicines Directive regarding serialization. The only exception is Italy which will be achieved in 2025. This change will also take place in Russia in 2020 following the agreements established by the European Regulations.

Lastly, the changes at the governmental level and yet another national election this year has invoked repercussions by creating uncertainty in a sector which is highly regulated and demands greater stability. The pharmaceutical sector in Spain plays an increasingly important role and is a crucial part of the economic engine, entailing over 40,000 direct jobs – 94 percent of which are permanent, 62 percent of these with university degrees and 12 percent in R&D. This is significantly higher than the overall Spanish industry average of 73 percent permanent employment and 42 percent university qualified staff. Furthermore, the pharmaceutical industry represents almost 25 percent of innovative technology in Spain.

Could you introduce Tedec-Meiji Farma to our international audience?

We are headquartered in Madrid and consist of two production centres, quality control, and R&D, employing roughly 300 people. Our main business is in local the market, exports and contract manufacturing. Our general plant has production capacity for tablets, capsules, sachets, syrup and suppositories, as well as the manufacture of injectables. The sites have been audited with positive results by AEMPS; ANVISA and the FDA (regulatory bodies for Spain, Brazil and the USA respectively). 93 percent of total production is for the international market, with our two main products, Adant and Meiact, marketed in 27 countries around the world.

How have you adapted to the Japanese culture?

Since 2017, Tedec-Meiji has been a 100 percent Japanese company. I myself have had to adapt from a professional standpoint and the company is a lot more transversally run than the vertically run companies I am used to. We are based around being agile and adapting to situations quickly.

Today, we are directing our attention to our in-house products and R&D. Our focus in general is in three distinct areas which each carry an important weight for us: contract manufacturing, international presence and the local market

What are the core businesses of your portfolio?

Our local portfolio and core business lines are traumatology, gynaecology, rheumatology, ophthalmology and primary healthcare. Our two main products are Hyaluronic Acid marketed as ADANT for Osteoarthritis and Cefditoren Pivoxil marketed as MEIACT which is a specific antibiotic.

We manufacture these products in Spain and supply the entire global demand for the company.

What are the new products you are looking to launch in the future?

We have recently signed new in-license agreements to grow our portfolio within the fields of gynaecology and primary healthcare.

What is the international strategy of the company?

In 2018, 30 percent of our revenue was international, and we exported to 25 countries around the world, with our products in another 20 countries being in the registration phase. We have had strong results in countries such as Brazil, Mexico, Russia and Italy and we are looking to expand throughout Latin America. Our goal in 2019 is to increase our international footprint and reach 40 percent of total revenue through exports. This is a challenge as this growth is demanding not only at the commercial level, but also on the regulatory and manufacturing side. Within each nation the local requirements differ, and we must constantly adapt our operations for this.

How do you select your local partners?

We have a business plan which is the first step, and secondly, we are extremely confident in the partners we choose and make sure we are on the same page with them. In the 25 markets were already present, we have been with our partners for a long time and have good success. Fundamentally, the quality we offer makes us a premier choice for any company looking for a trustworthy and stable partner, and this is the message we look to portray.

What differentiates Tedec-Meiji and positions the company as the partner of choice?

The main characteristic that separates us from the competition is the quality standard implemented within our two factories. This includes the GMP certification by AEMPS and the EU for Spanish and European approval, as well as certification by ANVISA for Brazilian approval and by the FDA for the US market. Furthermore, we have certification such as CE marketing and ISO 13485, and overall, we aim to meet the highest standards possible in terms of quality excellence which allows us to sell in Russia and Japan.

Furthermore, we are not only competing with other companies in Spain, but within the Tedec-Meiji group to attract contracts from HQ, so we must compete with the other 9 sites on quality and price. Having the ability to conduct manufacturing across the world offers us an advantage and positions us as strategically important.

Where does your competition for your own products come from in Spain?

The Spanish market is quite mature and has been hit with price erosion, though our products have been less affected. Therefore, we are very active in promoting our products in the marketplace.

At the 2018 AEDHE awards for business excellence, Tedec-Meiji won the prize of its international presence. How does this help with growing the company´s awareness in Spain and abroad?

Tedec-Meiji has always seemed to position itself as low-profile, but a priority of mine has been to demonstrate to the world precisely the great work we are doing, and the 300 strong staff we have here are proud of this achievement and we will continue to make our name better known in the Spanish healthcare environment.

What are your aspirations for the company in the future?

Fundamentally, the objective is to strengthen our strategic area and in the short term, we must continually adapt to the changing needs of the market and the pharmaceutical industry.

To do this, we must work flexibly and with agility from an internal point of view, especially in the implementation of new businesses and projects, as well as be engaged across all levels within the health area.

We also have some commercial agreements for new releases in Spain for 2019 and 2020 that will ensure we consolidate the local business. Internationally, we must grow our footprint, while in the meantime continuing our strong core business in manufacturing to ensure we are providing the products for patients around the world.

What do you see as your future challenges?

The main challenges will be to strengthen the company in our core areas and to establish our brand, especially with the launches of products in 2019 and 2020. Furthermore, we must build confidence in our partners and strengthen our international footprint, while in the meantime growing our business locally.

Additionally, from a professional standpoint, I am proud to work in the healthcare industry as every day I get up with the same goal of helping patients, and this is a concept and mentality the entire industry should bring with them at all time.

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