

## CETRA CASE STUDIES

*Partner: General Foundation of the University of Salamanca (Spain)*

*Name of the Company: Chemical Ibérica Productos Veterinarios S.L.*

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### **INTRODUCTION**

For a company to complete its mission in its environment, it has to manage complexity, understanding the sector that affects it and making operative that understanding. The theory of complexity offers interesting contributions in the field of learning, teamwork, work in society, delivery service, considerations about quality, management of changes, and the application of policies and strategies.

### **PRESENTATION OF THE COMPANY**

Chemical Ibérica Productos Veterinarios, S. L. was founded 12 years ago as a seller of veterinary products. Its domicile is in Calzada de Don Diego (Salamanca) and its primary business activity is the manufacture and commercialization of veterinary products.

These days, Chemical Iberica offers its clients an array of products, around 250, although normally 60 types are manufactured, each with its corresponding register, while the rest are different products base don the same compounds o they do not need a register to deal with natural products. Among Chemical Iberica's products the manufacture of zoosanitarios is found as well as the commercialization of biological products (vaccines). In the case of zoosanitarios,

we can distinguish three different lines: the pharmacological (injectable and oral), the dietary and the correctors. Chemical Iberica presents a large variety among which we may encounter antimicrobials, antibacterials, asociaciones de antibiotic associations, inactive vaccines, vitamins, correctores in general, desinfectants, germicides, antidiarreicos, antiparasites, antiinflammatory, etc.

The following are some important facts about the company:

**Name:** CHEMICAL IBÉRICA PRODUCTOS  
VETERINARIOS S.L.

**C.I.F.:** B-37309630

**Address:** Ctra. Burgos Portugal Km. 256  
37448 Calzada de Don Diego (SALAMANCA)

**Telephone:** 923342093

**Fax:** 923342085

**Contact person:** Silvia Alcoba Alonso  
Technical Director

**Activity:** Manufacture and sale of veterinary products.

**C.N.A.E.:** 8520

**Personnel:**

Manager	.....	1
Technicians	.....	2
Office support	.....	2
Sales staff	.....	6
M.O.D.	.....	17
<b>TOTAL</b>	<b>.....</b>	<b>28</b>

Here can be seen the economic-financial data from 2003:

<b>Capital social:</b>	Foundational.....	3005,06 €
	Actual .....	3005,06 €
<b>Shareholders and nationality:</b>	Silvia Alcoba Alonso.....	50%(Spanish)
	José Ramón Alcoba Alonso.....	50%(Spanish)
<b>Income:</b>		<b>2,213,534 €</b>

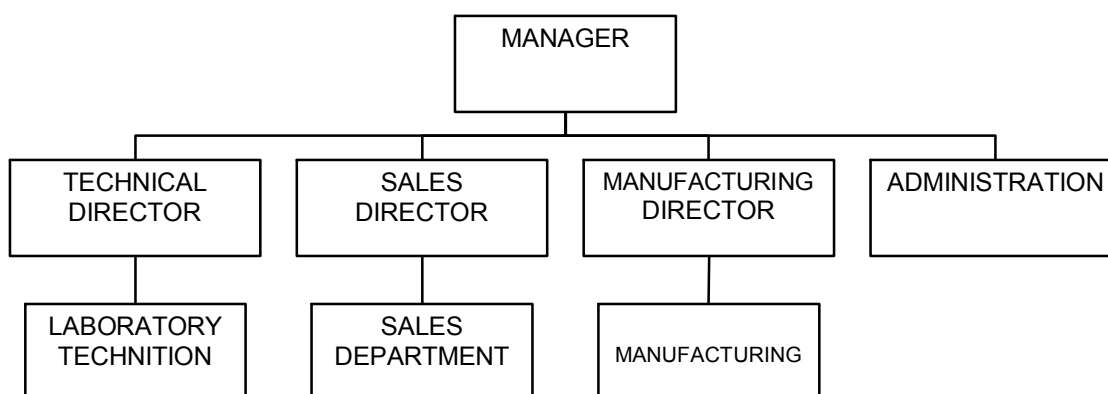
**Resources:** 361,879.89 €

**Total net:** 392,635.07 €

**Fund:** 197,271.73 €

### ***ORGANIZATION CHART***

The following is the organization chart of the company:



## MANUFACTURING PROCESS

The actual regulation is very strict and clear for the production processes in this sector, which is why CHEMICAL IBÉRICA PRODUCTOS VETERINARIOS S.L. must perfectly avail itself of the regulation.

CHEMICAL IBÉRICA PRODUCTOS VETERINARIOS S.L. acquires the following prime materials: biotin, erythromycin, principios activos, sulfametacina, sulfadimidina, sulfadimetilpirimidina, chlorohidrate de tetraciclina, penicillin, borogluconato calcium, vitamins and a long etcetera and beyond these formulations galenicas are made.

The floor is completely compartmentalized since the regulation demands that for each one of the products that the manufacturing lines are not crossed and that they are separated one from the other.

The process for a product could be summarized in the following:

- Entrance of the different necessary prime materials in their corresponding compartment.
- Exact weight of each one of the components according to the quantity of final product which is desired.
- Mixed.
- Dose and filling of recipient.
- Labelled.
- Finished and packaged.

For each one of the products specifications exist such as the need for air curtains, creation of determined environments (temperature and quantity of dissolved particles in the air) or the physical separation between the dose and the packaging.

## SALES ORGANIZATION AND TECHNICAL ASSISTENCE CAPACITY

Today, Chemical Iberica centres its market in Spain and Portugal. It has a sales team of five salespeople coordinated by Management. It has distributors in each and every Spanish province in the same way as determined zones in Portugal, in such a way that it is represented in all of the national territory. For the penetration of the European market Chemical Iberica is going to utilize distributors specialized in direct sales to veterinarians, final consumers of the product.

Chemical Ibérica Productos Veterinarios S.L. has a technical department with the capacity to aid clients relative to its products

### ANALYSIS OF THE SECTOR

The veterinary medical market is defined by the following characteristics:

- Subject to a very strict regulation.
- Little cyclical.
- Very competitive.
- Centered in large companies
- Very innovative
- Globalized.

Today, the companies of this sector can only manufacture those products which make use of the register of the Ministry, and, actually, only those laboratories which are officially approved can make new registers or can legally export.

As explained earlier, it is a market in which zones are not distinguished at the time of commercializing the product, although CHEMICAL IBÉRICA PRODUCTOS VETERINARIOS S.L. does have approximately one distributor per province and three other delegates which work for commission.

The integral people on the team dedicated to the commercialization of the products are the Manager and the Head of the Sales Department charged with visiting clients who are normally middlemen in the veterinary world.

CHEMICAL IBÉRICA PRODUCTOS VETERINARIOS S.L., on some occasions, manufactures for other laboratories, above all, in products for small animals.

### R+D ACTIONS

Chemical Iberica has developed a company policy based on the following points:

- The manufacture of products which the large companies already in the market do not distribute
- The commercialization of products obtained as a result of research in a manner in which the mentioned products obtained added-value which until now does not exist in the market.

With this policy the company intends to confront the very competitive market head on, permitting it to acquire its market share and maintain it.

The R+D projects are principally based on:

- Protection of pets against parasites.
- Diagnosis of illnesses caused by parasites.

### TECHNOLOGICAL AND INDUSTRIAL CAPACITY OF THE COMPANY

Chemical Ibérica has a good structure although not sufficient for the development of the Project, a succinct description of the teams belonging to the company would be the following:

Technological Capacity:

- Spectrophotometer
- HPLC
- Muffle oven

- Humidity balance
- Precision balance
- Ph-metro
- Conduct metros
- Dry heaters
- Centrifuge
- Autokey
- Sterilization heaters
- Baño Termostatizado
- Aparataje de Test de digregación
- Aparataje de Medición

Productive Capacity:

- Reactors
- Dosificadores
- Envolvedores
- Etiquetadora
- Capsuladoras
- Ovens
- Autoclaves
- Comprimidora
- Estucadora
- Loteadora
- Horno de Rectactilar
- Emblitadora
- Cardboard recycler

## **THE COMPANY AND COMPLEXITY**

The company conceives the complexity as a science which studies self-organization, adaptation, learning, and high yield. It is considered as a direction theme and it is taken as a basis for the development of its strategy

(manufacture of products that the large companies do not distribute and the commercialization of products obtained as a result of research). It is for this reason that they rely on the creation of flexible companies with a high level of self-organization and a lot of manufacturing versatility to management systems of complexity.

The systems of management of the complexity are known in the structure of the company as adaptability systems of manufacturing.

## THE CHANGE

Chemical Ibérica is a small company in a sector which is dominated by multinationals which obtain a large market share. This obliges Chemical Iberica to be highly innovative (with R+D expenses superior to 10% of total sales) and flexible (capable of manufacturing small batches in order to cover concrete needs) in order to obtain its small market share.

## IMPLANTATION OF COMPLEX MANAGEMENT

The objective of a company not only not a leader in the market, but neither in the sector or niche is:

- **Maintain in the market without losing its market share of sales.**

Chemical Iberica conscious of this fact has directed its sales action towards market niches which can be considered specialized (small batches and new products). In order to achieve this the company implemented the system called production versatility.

This consists of generating a dynamic structure of ideas which fulfils the maxim of “it is better what 28 people think than what one person does alone” with a high adaptability level for achieving abrupt production changes in the shortest time possible. This system has set up:

- Giving more important in the structure the person who dominates more fields inside the company and not the higher level person.
- Convoking “crisis committees” in which the entire company structure participates
- Realizing continuing education of personnel.
- Collaborating with public institutions of education, large generators of knowledge, for the solution of technical problems.

### DEVELOPMENT OF R+D+i

As we have mentioned on repeated occasions the development of R+D projects is one of the priorities of the company for satisfying special needs of the market.

The development of R+D projects in the company always involve:

- Clients, informed of their needs via the sales Feed Back.
- Presentation of the need.
- Meeting of the crisis committee, generator of ideas for the solution of design problems of the product and manufacturing.
- Meetings with external collaborators for the design of the product.
- Design of the product.

It is important to mention that it is not a lineal stream all being entwined less the first. All of this is possible because of having a dynamic and flexible structure with possibilities of training and connected to external organisms of knowledge.

### CONCLUSIONS

Due to the market to which the company belongs, obliged for the general opportunity, the company has established the following objective:

- Maintain in the market without losing its market share percentage of sales.

For this a strategy was designed based on:

- The manufacture of products which the large companies in the market do not distribute.
- The commercialization of products obtained as a result of research in a manner in which the mentioned products obtain an added-value which until now does not exist in the market

This was achieved via the implementation of a versatility system of manufacturing based on:

- Giving more importance in the structure to the person who dominates more fields and not to the person who is higher.
- Organizing meetings in which the entire structure of the company participates.
- Realize continuing education for the personnel.
- Collaborate with public institutions of education, big generators of knowledge, for the solution of technical problems.