

Enhanced due diligence reduces global expansion risk

A pharmaceutical company gains valuable information about the role of third party representatives in a foreign market

Client's challenge

A US pharmaceutical company planned to expand its product distribution into Mexico. The company wanted to hire a third party representative to help navigate local Mexican government requirements and procedures, and asked PwC to conduct due diligence on a prospective agent.

PricewaterhouseCoopers' Advisory solution

PwC conducted a thorough review of the prospective third party agent to identify legal, regulatory, financial, or ethical risks. Our methodology included the use of syndicated and open source databases, as well as discreet inquiries with knowledgeable contacts within the pharmaceutical industry in Mexico. Our team analyzed corporate and financial records, searched for adverse media coverage, and sought to identify regulatory or litigation issues. We performed a thorough global risk compliance check to determine the status of the agent and its associated parties with regard to government restricted or watch lists.

The scope of work expanded beyond primary due diligence of the agent to include competitive intelligence that the client could use to gain a better understanding of the customary role of a third party representative, as well as other potential agents who could effectively operate on behalf of foreign companies or other viable strategies to expand a presence in the health services industry.

Impact on client's business

PwC's enhanced due diligence and competitive market intelligence helped the client to be well prepared in its approach to evaluating potential third party representatives: from being aware of potential risks, to drafting meaningful questions to ask during interviews. This insight helped the client to focus its negotiations with the third party, identify and address risks prior to formally establishing a relationship, and enable the company to expand into a key market more effectively.

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