Interview with Jan Krejčí, Country Manager, Ewopharma Czech Republic

14.08.2012

Tags: Ewopharma Czech Republic

Mr. Krej?í, can you please begin with a broad introduction to Ewopharma, for those of our readers who are unfamiliar with the company?

Ewopharma is part of a large group of companies with its headquarters based in Switzerland. Ewopharma AG was founded in 1959 and focuses on the pharmaceutical markets in Central and Eastern Europe. After the Velvet Revolution in the Czech Republic the company changed its name from Leclerc & Co. to Ewopharma.

We are present in the Czech Republic since 1993. Our team consists of 15 people, mainly sales representatives. Our Czech subsidiary has two divisions: the Rx product division and the OTC product division. Our team of sales representatives in the Czech Republic is very stable and some of them are with the company since the beginning.

We are currently specialized in: Allergology / Immunology, Gastroenterology, Dermatology, Pulmonology and OTC.

When I joined Ewopharma I studied at University of Economics. The Country Manager at that time was planning to implement information technology systems and it was my job to help him to implement these systems. Later I switched from IT to other fields such as marketing and sales. These fields where actually linked together through the technology systems I implemented. This was a great opportunity to learn about the company.

We sell three products that belong to Ewopharma. The other products that we promote on the Czech market belong to our partners. For our partners we do the sales representation. In fact, we cover all facets of the registration and marketing of our partners' products on the Czech market. Basically, we offer our partners a convenient and reliable opportunity to enter the Czech market with just one distributor and at lowest possible risk.

Ewopharma is a drug manufacturer/importer and a distributor. That means that we sell some of our own products on the Czech market but we are also a distributor of the products for several other manufacturers. The services we provide for our partners include registration, maintaining registration, pharmacovigilance, support of the products, and marketing and sales to our pharmaceutical wholesalers. The physical distribution of the products is carried out by wholesalers.

What have been the main successes that the company has had in this market?

Our main success was the introduction of new products for specific immunotheraphy to the allergy market in the Czech Republic. We introduced those products for our partner Stallergenes on the Czech market and turned it into a huge success. Unfortunately for us the partnership we concluded with Stallergenes was for a limited period of time. When the agreement with Stallergenes ended, they decided to open a subsidiary in the Czech Republic in order to promote the product themselves. I believe that this was one of our best achievements because there was already a local producer of the specific immunotherapy on the Czech market. We entered into competition with this producer and achieved market leadership. Today, Stallergenes remains market leader in this field.

In our conversation with Neomed's Mr. Filipek we discussed the risk of representation. When they do a good job the company whom they represent on the market establishes a direct presence. He told us that he would move further downstream. He will focus more on service and logistics. Are you going to retain the same model or are you going to change your model in this environment?

We are currently not considering changing our business model. Our Swiss-based business development department continuously searches for new products to cover the entire market we are active in. For small companies such as ours that is quite difficult indeed. Especially since the market is becoming more globalized and the market leaders are getting bigger and bigger. But from time to time we find potential companies that are interested to cooperate with us. It is a major challenge but there are always opportunities.

Do you think that in the segments where you focus you are able to compete, from a marketing standpoint, with larger companies?

We have to—that is what we are paid for. If I look at our results in comparison with our competitors I can say that we are doing quite well. We have been able to maintain our market share in gastroenterology, which is our most valuable specialization today. We are not falling—we are not growing very much, either, but compared to our competition on the Czech market we are doing well.

In the Czech Republic, legislative reforms have introduced major changes. Can you comment on what you view as the direction of reform here in this country, and how you are adapting to this new environment?

Reforms are definitely affecting our business in the Czech Republic. Take for example the new regulations regarding advertisement and marketing of products that are currently being discussed by the government. From the perspective of a small company such as ours this is a big threat.

In Slovakia they have recently introduced a new regulation, which prohibits sales representatives to visit doctor offices in working hours. I am afraid that the Czech government is planning to introduce this regulation as well.

If there is a new proposal coming from the government the parliament makes non-transparent steps to change the law. For us the unpredictability is a major threat. It could be a crucial problem for us in the future.

In response, our long-term strategy is to strengthen our OTC portfolio. We will keep our Rx products as long as possible, but in the future we focus more on OTC drugs. Our business development department is currently focusing on attracting new products in the OTC segment.

Ewopharma recently acquired the Irish healthcare company Newport Pharmaceuticals—quite impressive for a company that has only 266 global staff members. What does the acquisition imply—will Ewopharma increasingly move upstream?

We are not powerful enough to do that yet.

I am not sure whether Ewopharma will acquire more companies in the future. Ewopharma’s aim is to acquire more licenses. We need to extend our portfolio.

What is your growth potential in the Czech market? Where will you take this company over the next 3-5 years?

We are actively searching for new partners. Our main objective is to extent our portfolio with OTC products. Furthermore, we are considering adding food supplements to our portfolio.

What message would you like to send out to potential partners?

We offer an integrated service package for healthcare companies worldwide that are interested in entering the Czech Market. We provide a full range of services with an experienced team of sales representatives. We offer market evaluation, regulatory services, marketing services, sales force promotion and logistic services.

See more interviews