Interview with Cem Demirci, General Director, Cem Demirci

12.08.2012

Tags: Nobel Pharma Ukraine

Nobel Pharma has quite a history in the CIS region as this region is becoming increasingly important for the company. What is the company’s story in Ukraine?

Nobel Pharma Ukraine has been established 6 years ago, we have finished 5 years of active marketing in Ukraine. First let me provide you with an overview of Nobel as a company. Nobel Pharma has been carrying out its operations since 1964 in Turkey. Our headquarters is located in Istanbul. The company belongs to Ulkar Holding. Nobel Pharma’s activities are being supported by other subsidiaries of the same group, i.e. Ulkar Kimya (production of raw materials and micropellets) it is actually the first micro-pellet plant in Turkey and exporting to different countries in the world, Nobelfarma (manufacturing of finished products in all forms), and Fargem (R&D).

Nobel Pharma is the company dealing with the marketing and distribution of many kind of products, and is represented in 14 countries, including with production sites in Kazakhstan and Uzbekistan. The factory in Kazakhstan is the first to have received GMP certification in that country.

In Turkey, Nobel Pharma has approximately 1000 medical representatives and about 780 employees across the globe. It is also the pharmaceutical company with the largest number of exports in Turkey. In Ukraine, we now have 96 employees and are present all over the country. Nobel Pharma also works with products that are produced in the sister companies and has some licensing contracts with European and American companies, particularly for OTC products. Nobel

Pharma’s vision is to be a worldwide, reliable company with universal values. In Ukraine, we must strive for the same.

What was the mission that was assigned to you 5 years ago and what was your strategy to carry it out?

The beginning was very difficult because Ukrainian people didn’t know what to expect from Turkish companies and didn’t trust the quality of our products. Turkey was stereotyped as a country that was incapable of producing quality medicines. Therefore, we had to go through great efforts in training our local employees to teach them about our processes and production standards and marketing – sales activities. I like to think that, in the first instance, our clients were our own people working in our company, because we had to start by convincing them. We have to be proud of our products and make people understand that our products are of the same quality as those produced in Western Europe and the United States. As a matter of fact, we already export to Western Europe, Asia, the Americas and, concerning Ukraine, we have received GMP certification from the Ukrainian authorities three times.

Nobel Pharma Ukraine is actually the first and only Turkish company to have received GMP certification from the Ukrainian authorities and we are very proud of this. This is interesting because we notice that nowadays, many companies are trying to enter the Ukrainian market but they are not succeeding since they do not have GMP certification. GMP is a proof that our products are reliable and of high quality. Doctors also get very positive feedback after having prescribed our medicines and this is how we have been building our reputation. However, this effect is only seen in the long-term.

Nobel Pharma Ukraine received the Panacea award in 2011. How did you achieve this?

We received it thanks to our product Alora which is the mono component sedative, that doctors prescribe the most here in Ukraine. We are very proud of being a young and new company that receives a Panacea and we think that this shows that our products are reliable and of the highest quality. Often you see the very large global pharmaceutical companies receiving such awards, so it was truly an honor for a newcomer such as us to be awarded for our products.

If we speak in terms of figures, what has been the evolution of Nobel’s market share in Ukraine between 2010 and 2011?

We have definitely built our reputation which is actually more important than sales. Indeed, in the first 5 years of being present in Ukraine, we need to be trustworthy and then the sales will come.

Last year, we got an increase in sales of 40%. If you ask me where I would like to see Nobel in 3 years, I will definitely say that I want Nobel to be in the top 20 ranking.

Let’s say you have successfully completed the first phase of building your reputation and to train the trust of the Ukrainian patients, what is the next phase of your strategy?

We want to give the best products but with the most affordable prices. Indeed, the pharmaceutical business needs to have human and ethical values. Our strategy is also to show the success through our figures in sales with the ethical values.

Local manufacturers are very strong in the Ukrainian market. How do you plan on differentiate yourself from the local competition?

Ukraine entered the PIC/S and this is a very big step forward as it raises quality standards in the country. Therefore, I think that in 2-3 years, there will be no company in Ukraine that doesn’t have products that were not produced under GMP standards. Once the under-qualified companies leave the market, we will be able to take over their share. I will always guarantee that Nobel will offer the most affordable prices for medications of the highest quality and I believe that this will naturally result in success.

What is the importance of the Ukrainian market for Nobel’s global scheme of operations?

We have to think that Ukraine is a young republic of only 20 years. The country needs time – no one can say that, tomorrow everything will be perfect. Ukraine is very important for Nobel Pharma as it has a huge population of 46 million inhabitants, which means there is plenty of room for growth as the market is currently only valued at US$3 billion. I think Ukraine is a chance for the our company as a whole, although not yet as important as Kazakhstan and Uzbekistan where we already have manufacturing facilities.

Regarding future opportunities in Ukraine, I think that a reimbursement system will be implemented in 3 years and this is of course crucial for the improvement if the lives of the patients and create even more opportunities. Indeed, this is necessary and inevitable and will benefit both the patients and the pharmaceutical companies.

Some of the other opportunities that Ukraine presents are the possibilities for mergers and acquisitions of local companies. We notice that international companies such as Actavis for example have been looking into buying out local companies like Darnitsa. Considering that the CIS region is very important for the Nobel group, is this something that Nobel might consider?

We are always discussing this with our headquarters because a country with a population of 46 million inhabitants definitely has great opportunities. Of course the government will always favor local production which is why it is essential for us to consider such partnerships for the future, when Ukraine will have a stable political and economic system. A promising market consists of a big market and a rapidly growing market. Today, the market is not big yet, and also there is a question on the “rapidly growing” element. I think that Ukraine is the market with the most perspectives within the CIS region. Indeed, there are a lot of marketing restrictions in markets such as Russia, Belarus, Kazakhstan whereas Ukraine is very liberal on this. But as I told you before Ukraine needs time.

What sort of licensing opportunities and partners are you bringing to Ukraine?

Unfortunately, there are many oncology diseases here. Our headquarters are working to get licenses for oncology partnerships and we are building new facilities in Turkey for oncology products and they are sending us licensed products to distribute here in Ukraine. I think that the next step is to deal with chronic diseases that are also very common here and are going to become increasingly present.

What are the main challenges of the market you must overcome?

Due to an unstable political and economic environment, we must be flexible and renew strategies against the changing conditions. We play with the rules of the government. So there are many changes in the health policies nowadays and also will be the others because of setting a new health system. These changes can be positive only if the company works according to these regulations. We are working to get our market share within 3 years and we do this with our strong team.

How do you go about recruiting and retaining the best talent?

5 years ago it was difficult because the brand “Nobel” was not famous. Today, we are a big family and our resources have improved. Overall, I think that the most important for the employees is to have a good atmosphere which is present at Nobel. We want them to feel happy and to take initiatives in order to capitalize as much as possible on their capacities.

What can we expect in Nobel Ukraine to find in 5 years time?

As I already mentioned, we would like to be in the top 20. I also want to see our products in all the pharmacies and people to consider us as a branded generic company. Our main goal will always be to serve the Ukrainian people in the right way.

Ukraine has great perspectives. Companies should not be afraid to come because the market is full of opportunities.

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