Interview with JM Chang, CEO, Pharma Power Biotec

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Pharma Power Biotec was founded in 2002. What was the vision behind the creation of the company, and what did you want to achieve with the company when it was founded?

There are many small to mid-size enterprises in Taiwan, and the biggest issues for them to overcome are always access to good human resources and access to capital. In order to overcome these problems and successfully grow the company, Pharma Power Biotec has been focused since day one on building up its niche expertise: drug delivery systems. This involves taking drugs which were previously only deliverable in one form, and developing new and innovative ways of providing these treatments, making the lives of patients much more manageable. Over the coming years, we hope to develop a range of products beneficial to more patients.

What was the reasoning behind focusing on drug delivery systems?

New drug development in Taiwan is just taking off, but at a very slow pace. The aim of Pharma Power Biotec is to focus on developing new delivery systems for existing drugs, which would allow us to gain faster access to the market, and support the growth of this company. We developed the technology through partnerships with National Taiwan University, the best academic institution in the country. We developed the idea for the company’s mucosa delivery system and patented it in partnership with them.

Many biotech companies are founded on the idea of a novel and niche technology, but after burning through their initial capital they can often simply disappear. We expect that Pharma Power

Biotec can keep in sustainable development. Therefore, we focus on creating a revenue-driving business segment, which is using our drug delivery system to produce diabetic medicine. In this way, our company is able to gain revenues and develop the product of Radion PDT for the treatment of early stage of oral cancer. This type of cancer is particularly prevalent in Taiwan, due to lifestyle and dietary habits. By using this business model, we can work on treating this disease whilst continuing to improve our company.

The PDT technology platform is quite rare around the world: there aren't many companies around the world that are investigating it right now. How do you assess the competition?

There are several countries around the world currently developing PDT technology, including Taiwan, Japan, the USA, Canada and several countries in Europe. However, no other company is focusing on the mucosa treatments except for Pharma Power Biotec. Our delivery system allows for unique PDT treatments on oral and vaginal application to treat different kinds of cancers, such as oral cancer and cervical cancer.

I imagine that your novel applications mean that there will be many opportunities for international development in the future. How are you approaching internationalisation?

The quality of clinical trials in Taiwan is quite good, second only to the USA. This means that the data collected in the country are acceptable in many markets around the world. Head and neck cancer is particularly prevalent in Taiwan, but also in markets like India. We have no doubts that the drug will be approved in Taiwan, and this process will be made even easier by the country's wonderful hospitals and an excellent medical system.

Pharma Power Biotec has a well-established professional network in southern Asia. Once the drug has been approved in Taiwan, we will use these channels to introduce the drug to these regions. This will then be a good jumping point to enter the US and Canadian markets.

Our PDT technology comes from a UK company called Biolitec, and we also work as their Taiwanese distributor. There is a lot of potential to develop this relationship in the years to come, and this would be an excellent route to enter the European market.

What kind of timeframe would you like this to happen on?

In around four years we hope to obtain a license for Radion PDT in Taiwan. Then we will spend two years to expand into South Asia. Because approval in Europe should come easily after Taiwanese approval, we can also seek to enter the market at this time. Although we cannot be sure of the timeframe for entering the USA, this will definitely come after growing the business in both Europe

and the rest of Asia. High Power Devices, a laser manufacturer that designed the manufacturing equipment for developing Radion PDT is a US-based company, so perhaps there will be a possibility through them to come to some kind of arrangement.

How did you come to develop the business model for Pharma Power Biotec?

My professional experience is predominantly in the sphere of marketing. When we founded Pharma Power Biotec, I spent a lot of time looking at different business models, and the way that other companies had successfully established themselves in the Taiwanese market. The business model guarantees that we will continue to develop as a good enterprise. As well as making sure that the company is working on the best diabetic and ophthalmic drugs to drive revenue, it also has a line in food, which we call Slim Keeper . This product line comprises of cookies and noodles for those who are diabetic, want to lose weight or to lower their blood sugar.

How do you expect to see the business grow in the next 5-10 years? What would you like to achieve in that time?

In the next five years we hope to have revenues of up to U$ 400 million, from U$ 100 million today. In Taiwan, our target is to launch an IPO on the Taiwanese stock market in the next three years, which will support the company's development plan.

My personal goals are very easy to understand – I hope that Pharma Power Biotec will have finished products like Radion PDT released in markets across the world in the years to come. Maybe Asia, maybe the US, maybe Africa! We are also investigating selling to the Muslim world by having our products halal approved.

I want to emphasise again that in our opinion, if you are sick, we have to make people healthy. We see the importance of the PPB cookies and noodles because we want to make people healthy. Functional food will be very important for the next step in the world. We are not only concerned with treating cancer, but also want to look after the overall well-being of as many people as possible.

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