# Interview: Bert van Dierendonck – Founder; Alec van Dierendonck – Country Manager of South East Asia, Euro Generics International Philippines

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*Bert van Dierendonck and Alec van Dierendonck, Founder and Country Manager, as well as father and son, discuss Euro Generics' unique history in the country and their road to becoming one of the fastest growing pharmaceutical companies in the Philippines. They also discuss their strategies for staying ahead of market trends, as well as their operations throughout the region.*

**What were the initial ambitions to the founding of Euro Generics International Philippines (EGIP), and how had your professional background benefitted you in the setting up of the company?**

I began my professional career working for a multinational company in the Netherlands preceded by a variety of experiences in the Philippines, and after a couple of years I decided to start my own company here. I have a history in the Philippines from the time when I was a medical volunteer working for a NGO much like Peace Corps. I spoke the language, and I felt at home in the Philippines. After my contract with the NGO was finished, I was looking for a business that would sustain me and my family. The enterprise was very successful from the start. We were one of the first to introduce generic medicines in the Philippines, meaning I had to teach the doctors personally about the quality and benefits of generic medications. I had to familiarize them with the fact that the generic formula of the medication was the same, but with a different brand name.

Once the doctors understood the product, they would prescribe my medicines. Much later I worked for the pharmaceutical industry throughout the world prior to the founding of Euro Generics, so I learned how the industry works. In 1996 I incorporated the company that had grown from my vision years earlier to provide affordable quality medicine to the Filipino people. This year EGIP exists 20 years. Initially there was only one Swiss manufacturer that was willing to be our principal despite the lack of an existing company. The challenges were great. We started with our main offices in Davao, and eventually expanded to Manila as well. I did not want to attract outside capital, in order to keep the company under my control. Eventually, in 2004 we really started to see tremendous growth; I finally saw the benefits of the work I had put in, and my vision realized.

**What is the current makeup of your footprint in the country, and are there any therapeutic areas that you hope to expand into in the future?**

Currently we have well over 100 products on the market and the cardiovascular portfolio is one of the main drivers that generate growth for the company. Looking to the future, we are working to expand into the oncology market. However, that presents many challenges as the market is very controlled by the medical oncologists. You need to have a large product portfolio to enter the market, which represents a bit of a challenge in the beginning.

**In terms of working with the FDA to bring new products to market in the Philippines, how has that process evolved over the years?**

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When I first started the company in 1996, I personally visited the FDA and worked on the registration of my products. Compared to that time, the amount of paperwork required to register a product has increased greatly, as have the regulatory requirements. I started from scratch when I began the company, but with the regulatory environment as it is today, I would not be able to be successful. Over the years the company has become more professional to address most concerns. The relationship with the FDA (formerly BFAD) has changed. I have been working for over a decade with the FDA, and it has become much more automated and computerized. That makes some things easier at the cost of personal communication.

**Clearly you have a lot of expertise bringing new products onto the market. How do you identify which products will be successful?**

First of all, we try to find suitable products by analyzing the ones that are just coming off of patent. Additionally, we also look at data from intelligence reports. Based on that information, we decide

which are the products that the market needs. We also look at the market volume, and of course the price. In 1999 I registered 2 products from the Swiss company. Initially the markets were good, but a few years later they collapsed. In 2004 we registered our next 10 products. The potential seemed very good according to the intelligence reports, but initially we failed to penetrate the market. I was trying to sell on my own in Davao. I set up a small team of medical representatives and I put medications in all of the drug stores. Initially, I did not sell a single bottle or tablet of the products in 9 months. Then I realized that there is a mentality in the Philippines that if the company is working only on a provincial level, it is not being taken seriously. Many doctors also did not believe in generic products. So, we opened an office in Makati as well in order to reach the doctors and to develop the market. Once we developed these relationships, and built trust, we began to sell large volumes of the products.

**One of the keys to the continued success and growth of Euro Generics will be continuing to attract new partners and bring in new brands to the market. How have your partnerships evolved over time, and how do you attract new partners to Euro Generics?**

Remed was one of our first partners in marketing in 2004, when we were really starting to grow.  In 2002 I was asked by a company in Bangladesh if I wanted to be their agent here in the Philippines, to which I responded yes. They found Euro Generics because, in 1999, I established my own website. I learned HTML and programming and developed the site myself. I thought it was a good thing to do, and this is how our first partners discovered us. Not even the big players in the Philippines at the time had websites. It was an innovative way to attract the attention and build our brands. We have kept an innovative mindset until this very day.

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In terms of differentiation, we ask potential partners in marketing to come and try us! We are extremely flexible, allowing our partners to maintain their own design, their own packaging and brand name. We are a very small and dedicated company, and keep a very close eye on all of the details that are important for our partners, and we are always on time. Logistics is also an area where we excel, something that is important given the many remote regions that exist here in the Philippines.

**To maintain your position as one of the leaders in the pharmaceutical field here in the Philippines you must be able to identify the trends. What currently do you see as being some of the trends in the healthcare market?**

As far as I can see, the trends are towards high tech products, and you can see now that many biotech companies are making very high-tech products. It is too early to say anything definitive regarding the generic industry, and it may be difficult for the generic companies to make those types of high-tech products. The landscape of the healthcare industry changes so fast, it is difficult to say what is going to happen. However, for the moment, we can still survive, and thrive, on our current portfolio. Throughout the history of the company, we have evolved to meet the changing demands of the market and we have expanded our product portfolio. We are trying to find new molecules to register in the market, and with the help of our partners and principals, we work to identify opportunities. You do not want to invest in the registration procedure unless you are confident that the product will be successful in the market.

**Looking more broadly at the region, what operations do you currently have outside of the Philippines?**

We are active in Myanmar, which is still in the early stages, and Cambodia. Cambodia is a smaller market, but it is steadily growing. Myanmar is a very tricky country, and the laws are not yet fully formed as they are in the process of reforming the constitution. Despite the challenges of competing with cross-border trading and fake drugs that generally affect price and quality of pharmaceuticals in the market we have been selling well in the country.

We tried to grow into Thailand as well, however it was very tough. It is a very highly developed market with too many challenges. First, there is a huge domestic industry that can fabricate medicines at very low prices, making it very difficult to compete in terms of price. Second, the Thai FDA is very difficult to penetrate. Registration times are often 5-10 years, so by the time you have selected a medicine for registration, even if it is brand new, when you get the registration the product is obsolete. Especially after Asian Harmonization, from one day to another, the regulatory requirements were almost tripled. I knew this would happen, and I had roughly 10 products in the pipeline, so I began to really push to get them registered. The only people who can effectively navigate the system are domestic manufacturers. Trying to penetrate the Thai market was an experience that taught me many lessons. In terms of expanding further, we are working to grow the company’s operations here in the Philippines before expanding into new markets.

**Over the two decades of the company’s operations here in the region, what have been some of the achievements you are proudest of?**

Seeing products, that I could not sell on my own, grow from nothing into a large portfolio, is something that I am very proud of. I have been very lucky in being able to attract and retain

quality people that are incredibly well trained and work together well.  We can rely on my team to continue to grow the business. Recently, our operations in Myanmar were struggling slightly, however, we were able to turn them around, setting up the entire company again, which of course we are very proud of. We had very minimal resources but were able to turn the business around.

**When we come back in the coming years to update our report, where will we see Euro Generics?**

First of all, we would like to expand our base of clients and partners and continue to work closely with those that we currently have. We are looking forward to developing relationships with much larger clients as well, as many of ours now are relatively small. We are working to attract the attention of these partners, and look forward to further reaching out to the Filipino people and strengthening our relationship with them.

**Is there a final message you would like to send from the Philippines to our readers around the world?**

The Philippines is one of the most complex markets in the world. To be able to reach doctors, it is incredibly difficult. We have become specialists in all aspects of distributing, from building relationships with doctors, import procedures, registration processes and more. We look forward to partnering with clients who can benefit from these services, leveraging our expertise to bring more products into the Filipino market.

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