Interview: Rudolf Wessely – CEO and Founder, Gynial, Austria



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Rudolf Wessely, CEO and founder of Gynial, the Austrian leader in oral contraceptives, elaborates on the company's incredibly fast market penetration since 2007 and explains his expertise in the contraceptive field. Furthermore, he discusses the importance of open communication with gynaecologists and Gynial's unique product philosophy as well as the company's strategy to diversify their revenue streams through portfolio and international expansion.

What where the key motivations to open a company focused on women's health?

In 2007, myself and two colleagues founded Gynial after a large German pharmaceutical company acquired my former employer. We were tired of working for large corporations and dreamed of starting our own independent business. As contraceptive experts, we decided to establish a pharmaceutical company entirely dedicated to innovative women's health and gynaecology. Our products are developed in cooperation with experts in the field and we take special care to select the best-proven treatments according to the authorities' recommendations. We are now proud to have become the competent provider in the field of women's health.

The first few years, like any new entity, were tough as we had underestimated the time to gain market access in the Austrian market for our products. In fact, it took us three years before we could actually start the operational side of our business – although – by 2016 we were leading the

Austrian oral contraceptive market in terms of units.

How have you been able to establish such a strong presence in the market in a short period of time?

Before we entered, most of the oral contraceptives available were recent, and not necessarily well tolerated by the patients. According to authority's recommendations, patients tolerated better the older versions of oral contraceptives; therefore, we decided to relaunch them and I am convinced that our extensive scientific background has helped us differentiate ourselves from our competition in this sector.

Additionally, one of the essentials for success in this sector is to constantly be in touch with physicians and gynaecologists. This excellent market knowledge inherited by talking to clinical advisors allows us to gain a better understanding if a certain product will have a negative or positive effect in the gynaecological community when we bring it onto the market.

To catalyse the relationship building with the medical community, we hired a team of sales representatives with extensive experience in the field. Additionally, we highlighted Gynial as an Austrian company, using well-proven products and as a result we were able to build a strong brand in the eyes of clinicians and establish market penetration rapidly.

Which sales channel has proven to the most effective thus far?

The vast majority of our sales are the result of gynaecologists' prescriptions, and this equally is the normal distribution channel. Using this method, we intend to further grow the business by continuing to capitalize on our strong relationships; although, unlike Germany or France, oral contraceptives available to Austrians are not reimbursed. Therefore, guaranteeing the affordability of our products it is of paramount importance; for example, we launched a generic oral contraceptive that costs less than a third of the originator.

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What are the growth drivers within the Gynial portfolio?

Hormonal oral contraceptives represent the core of our business, with around 4 million EUR (4.76 million USD) revenues in this sector. Nonetheless, to increase our scope to gynaecologists and their patients, we also dedicate resources in the field of non-hormonal contraceptives, such as intra-uterine devices. While this segment of our portfolio is a smaller share in terms of revenues, it accounts for an important part of our branding strategy as the demand for non-hormonal

contraceptive solutions is growing.

We know that there is also a demand for hormonal intra-uterine systems hence we want to include this form of contraception in our product portfolio. Not only to complete our product portfolio but also to provide more options for our customers.

What partnerships activities do you engage in and how do you interact with partners?

We leverage our leadership, expertise, and recognised reputation in the Austrian contraceptive market to attract partners. Production wise, we have partnered with a biotechnological company in Leipzig to utilize their manufacturing facility, allowing us to maintain affordability as our differentiating factor.

As part of our focus on hormone-free birth control methods, we have partnered with Israeli company, OCON Medical. They created the intra-uterine copper ball and after multiple attempts to link with them, my offer to use Austria as a small size test market caught their attention. After they inquired with our gynaecologists, who speak highly of us, we launched the product on the Austrian market first and then on the Swiss market. Our expertise in the niche hormone-free contraceptive market has helped us to accelerate sales very quickly.

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More recently we have signed a distribution agreement with Belgian generic player, Mithra to distribute MyRing® in Austria, and this product should be available by the mid of 2018. Additionally, we are looking at partnerships to distribute menopause and anti-mycosis related products in Austria.

Looking further into your expansion strategy, what was the rationale behind setting up your offices in Switzerland?

We opened our Swiss office in 2016 in an attempt to diversify and increase our revenue stream as addressing the Swiss market appeared to be the right fit with our financial capacity. Entering a market like France or Germany would have been too risky as we would have compromised our chances of success from the start by not investing enough in market access. Additionally, as a developed market, we could expect the Swiss market to offer an attractive return on investment.

Also, the fact a part of Switzerland speaks German and cultural similarities exist, allows us to open the market with nearly the same products. Furthermore, logistic advantages exist with regard to geographic location and the size of the Swiss market. There are currently three sales

representatives and one manager working in Switzerland and by the end of 2018 we forecast to generate revenues of around 2 million EUR (2.38 million USD).

In terms of future expansion, I am evaluating the possibility of entering the Czech Republic. The country is geographically close, which would facilitate cooperation with a local office from Gynial's Viennese headquarters, and I am confident we can bring a lot of value to the market. I am looking forward to opening offices in Brno, and eventually partnering with a wholesaler in Prague.

What would you like to have achieved in the next five years?

In 2016, we became Austria's oral contraceptive market leader in units and we would like this to be the case in the future for our Swiss aspirations, while in the meantime expanding internationally. Above all, we are looking to diversify our revenue. For this reason, we are moving more and more into intrauterine devices and further portfolio expansion around women's health, such as food supplements.

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