Sotos Jacovides – Managing Director, M.S. Jacovides, Cyprus



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Sotos Jacovides is managing the company M.S. Jacovides & Co. Ltd alongside his three brothers, Aris, Alex and Savvas, to continue on the legacy of their father. Now strongly established as one of the leading healthcare companies in Cyprus, M.S. Jacovides is looking forward to entering new and promising niches as well as to strengthen their regional presence in order to become recognized globally as the partner of choice for innovative companies in the region.

The strong foundations of M.S. Jacovides were laid in 1944 by your father. Could you present the history of the Group to our readers?

My father, Michel Jacovides, opened his first pharmacy in 1944 after working for more than ten years as a pharmacist. At the time, pharmacies had their own small drug laboratory with all the necessary equipment for preparing the medicaments of doctor prescriptions. Michel was characterised by his perceptiveness, and foresaw the potential of distributing ready-made pharmaceuticals. He therefore started seeking an opportunity to secure exclusive partnership agreements in the health sector. In 1949 he signed his first major contract and started cooperating with the US pharmaceutical company MSD (Merck Sharp & Dohme) in the Cyprus market.
Until the 1960s, he was operating a chain of three pharmacies and was focussed in expanding the retail business. At the same time, Michel was looking for more imported products to sell through his pharmacies. Meanwhile, he saw the opportunity to grow further the sales of the imported products through promoting to Doctors and then distributing to all pharmacies in the island, and not only

through his own pharmacies. To develop further the company, my father waited for his four sons to join him. I joined the company in 1971 after completing my Business Studies in the United Kingdom. For the first three years, I worked directly in the market, devoting half of my time in the office, and half in visiting customers including doctors and pharmacies, in order to get a deep understanding of Cypriot dynamics and build a strong network as it is of utmost importance in Cyprus.

However, in 1974, we suffered a major blow in our business from the Turkish invasion in Cyprus. The business lost more than half of its merchandise which was of a significantly great value from its warehouse in Famagusta, as well as from the city's port. The Nicosia Airport closed as it was located in the buffer zone and the company was not able to import medicines, as there were no other airports in the island. Therefore there were no supplies of pharmaceuticals to the market for some weeks and we were experiencing shortages. But we managed to find a solution and started transporting medicines by air to Athens and from there to Limassol by sea. This lasted until February 1975 when Larnaca Airport opened.

By the 1980s, all my brothers had returned back to Cyprus from their studies in the UK, and we gathered to discuss the upcoming strategy for the following years. The Board recognised the opportunity for further growth in additional healthcare sectors. We decided to extend our wholesaling activity in healthcare horizontally by opening new business lines, in addition to pharmaceuticals, into dental health, medical equipment and devices and medical disposables, animal health, and agrochemicals. We were determined to choose well our associates, whether it was our business partners from abroad or our employees, as growing horizontally meant that we had to delegate each business line to managers and supervisors who would then report to one of the four brothers.

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In 1982, you also opened offices in Greece. How important is this market for the Group now and what are the main differences you have identified between operating in Cyprus and in Greece?

1980 marked an important milestone to the Group's development due to the strategic decision taken by the four brothers and our father, to go for the big step, which was none other than the geographical expansion into Greece. The decision was to be implemented two years later, making M.S. Jacovides Hellas one of the first companies of Cypriot interests in Healthcare in Greece.

It all began when one of our key partners from abroad saw the company's success in Cyprus and came up with the idea of a possible cooperation in Greece. We went to Athens the very next day, to explore possibilities. Initially, we believed that it wouldn't be as challenging as we speak the same language. However, the market was similar in some aspects but quite different in many others. The

Greek market, in those days, was 15 to 20 times bigger than that of Cyprus and our business approach had to adapt to this important factor. It was a learning experience and we had to struggle particularly the first few years by focusing on a small number of products and a limited list of customers initially in few business segments.

After establishing a strong reputation in the market, we started expanding our portfolio by offering additional specialised products to Blood Banks in Greece and our business was growing. In 1995, when we realised that there was a potential in Greece and Europe for biotechnology, we further extended our offering by establishing, in partnership with Costas Evripides, a second company in Greece, Genesis Pharma SA, that specialises in the marketing, promotion and distribution of biotechnology pharmaceuticals, coming from globally leading biotechnology companies. Today, our business operations in Greece, with Genesis Pharma and M.S. Jacovides Hellas, represent an important part of our total operations.

How would you assess the performance of the company nowadays in Cyprus?

M.S. Jacovides has been at the forefront of the trends in the country, enjoying a leading and prominent position in the healthcare sector. We have strongly supported our current product lines for prescription pharmaceuticals and at the same time, simultaneously expanding into new segments in Healthcare. As the third generation is gradually entering the business, with expertise in several fields, they come up with new and fresh ideas and the company is growing fast into new areas in parallel to our existing and traditional business segments. We are currently growing into consumer health and lifestyle products, OTC, dermaceuticals, food supplements, dental health, specialised medical nutrition, baby nutrition and also in medical and laboratory devices and disposables for public hospitals and private clinics, whilst looking into further expanding our sales to pharmacies and hospitals.

Your partners range from global leaders to family companies. What is your partnership strategy?

M.S. Jacovides is perceived as a modern, forward looking, progressive, efficient and results-oriented organisation. We are also always working based on a plan, in a professional approach throughout the whole business operations. Whilst in the past decades, we were able to manage and run the company based on a five-year plan, in this current fast-changing environment, we had to adapt to three-year plans and more recently to one-year plans. We are looking for leading world-known manufacturers with an excellent portfolio of high-quality branded products of international credibility and with sales potential in the Cyprus market.

Looking forward, what are the objectives that you have set for the company in the upcoming five years?

From early on in our history, we took the strategic decision to focus on importations and trading

and not on manufacturing. We have managed to build an excellent reputation in the market by importing, marketing, promoting and distributing high quality products of internationally recognised manufacturers, whilst maintaining years of trusted relationships with healthcare professionals and consumers.

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With the current healthcare system in Cyprus being in a phase of constant change and evolution, the upcoming implementation of GeSY, the national health scheme, represents the biggest transformation in the sector so far, which has the potential to provide significant benefits to patients, society and future generations. We see a lot of opportunities opening up both in prescription and OTC products and in the other healthcare sectors that we operate. Moreover, additional funds will be invested in the Health system, as the health services to patients and consumers are expected to improve.

M.S. Jacovides was founded by your father and carries his name. What is the best advice he ever gave you?

There is a saying coming from my father that we have been carrying on to the third generation and to which we attribute the secret of our success. That in order to be successful, you have to work hard with persistence, devotion, mutual support and harmonious cooperation ~~of~~ with all managers and personnel, towards our common interests and goals. These basic principles and values are present throughout the evolution of our business. Indeed, each time another brother joined, there was a “revolution” within the company that contributed significantly to further growth.

Today, in the constantly evolving healthcare sector, it is of utmost importance to keep adapting to new market conditions and market needs with timely and strategic planning and flexibility. We look forward to the future, as the active involvement and contribution of the six members of the third generation, brings diverse skills that offer support to the second generation as well as to managers in the company and enhance the dynamism of the business, whilst respecting the original philosophy and values of the founder. Our vision was, is and will remain to offer products of supreme quality, thus contributing to the strengthening of the health sectors in which we operate and to the overall rise in the quality of life of the Cypriot population.

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