Thanakorn Ounpiyodom – Managing Director & Lakana Ounpiyodom – Assistant Managing Director, AeroCare, Thailand

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Thanakorn and Lakana Ounpiyodom of AeroCare highlight their unique positioning in the inhaler niche and how they have grown both their portfolio and facilities through strategic M&A. They share their strong interest in delivering the most innovative products in the field to Thai patients, and their wish to expand across Asia.

Mr Thanakorn, you founded AeroCare ether with a group of entrepreneurs in 2003. Could you introduce yourself and tell us the opportunities you identified in the Thai market when starting your own company?

I am a pharmacist and started my career about 38 years ago. At one point I decided to start a career as a sales representative for the pharmaceutical company. After my MBA program, I was in charge of importing products from Italy to Thailand and selling the products on the market. One day, one of my friends came to me and told me that I should start my own business. We decided to create the company Aerocare in 2003. We saw an opportunity in the Thai Market, and we were the first company to produce inhaler preparations in Thailand and the South-East Asian region. Our aim was to produce medicine locally in order to help patients easily access expensive items. We bought our machinery from one of the biggest machine producers from Switzerland. We also imported raw

materials and other components from European countries to have the best quality products. We launched our first product on the market in 2007, Aeronide, which was the company's first inhaler formulation, followed by Aerotamol and Aerobidol. Everything happened very fast thanks to our great teamwork.

AeroCare has been growing through acquisition – in 2009 you acquired Inpac Pharma, in 2015 Aerocare merged with ANH Products, and in 2016 you acquired BJ (Benjaosoth). Can you give us an overview of AeroCare's current positioning in the market?

After the acquisition of Inpac Pharma we expanded our production capacity, moved into a new building, and produced more variety. Today we have around 200 employees with all our acquisitions.

The merger with ANH Products allowed us to increase our common generic drugs as well as food supplements. Our latest acquisition was BJ, which is a manufacturing company based in Bangkok with strong expertise in the antiseptic solutions field. All the acquisitions that have occurred have allowed us to expand our portfolio and gain more competitiveness. But our main advantage is still our aerosol products. Now our strategy is to put our strength into the research of innovative products.

How do you see the Thai market evolving in the coming years and what do you believe will be the key success factors to gain market share?

If you were looking at the pharmaceutical market five years ago, the budget and support from the government were not so high, and it was difficult for a local company to grow. But the government has been working on giving help and opportunities to local companies. They have been working on the National Drug List with specific criteria to support local producers to have more chances to sell to the public sector. But to be fully honest, market prices are going down every year. With the acquisition of Inpac Pharma, we gained access to a manufacturing facility that has received their GMP PIC/s certificate for pharmaceutical products and GMP for food supplements from the Thai FDA. Our big investment in our factory allows us to have more strength to grow faster with innovative products.

In 2013, one of our products the "Fold Haler," which helps the patient to get more effective therapy from inhaler preparation, received an Innovation Award from the National Innovation Agency (NIA).

This recognition means a lot for us, and we are really proud of that. We gained market share and compete with other companies because we are focusing on a very specific niche area. Our products are well accepted by all patients, and we are very pleased about that.

What is your internationalization strategy for AeroCare? Are you open to further partnerships?

At the moment, since we are not looking to do more mergers and acquisitions, we are using the full capacity of our building, and focusing on innovative products. Our internationalization strategy for AeroCare is to focus on neighbouring countries such as Vietnam, Laos, Cambodia, and even Myanmar. The internationalization process takes time, and we are going through the registration process for some countries. The registration process can sometimes take between three to five years.

At the moment we are focusing on Asia, but we do have a global partnership strategy. We are planning to expand our partnership in Germany and trying to acquire a new machine from there for our facility in Thailand. We are always looking for innovative machines in order to get the most innovative products in our field.

What image do you want to portray for AeroCare internationally?

We have big new projects for the next few years. As we mentioned we are focusing on innovative products that hopefully we will be able to launch on the market as soon as possible. We are not only producing the product, but we are trying to find the best quality of product and supporting the patient. For the patient, it is not easy to find affordable inhaler products.

We are working hard every day to expand the company. I have to admit that starting my own company is challenging because we are learning in every area, the financial part, the research and development, sales and marketing, but also, we have to look at the market and into the future to identify the areas of focus.

The good things in AeroCare are that we have the perfect team, highly motivated and qualified who are working with us to make our story a success story in Thailand. We are spending and focusing on our people to make them enjoy working with us every day. Lastly, our focus is not only on our people, we are sharing with society too. Every year we have numerous CSR activities in the field of education where we donate money, give out scholarships, create instructional media, donate

computers, or build schools in remote areas.

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