Interview with Louis Chiang, President, Giddi Pharma Co. Ltd.

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Giddi Pharma was founded in 1995. What was the vision behind the creation of the company? What founding principles did you have when you founded Giddi?

When I founded this company, biotech was an industry that was displaying high potential. When looking at how to get involve d in the sector, I concluded that setting up a manufacturing facility would be too expensive, so I decided to set up a distribution channel. In 1997 the Taiwanese government started to promote the introduction of drugs to treat rare diseases and orphan drugs. At that time, very few companies were willing to enter this market, because at the time, it looked like a very small market, and so larger companies were not interested because of the required investment. At that time I thought that this maybe was my responsibility.

Giddi’s sales teams are organised according to products rather than regions. How does that gives your company an advantage over traditional distributors?

Each of our teams has its unique characteristics to fit the market needs in that specific sector. What it takes to do well in orphan drug market is quite different from that in the hematology or oncology market.

Because we are focused on products rather than geography, Giddi can be more focused as a business. The products that we deal with require a large knowledge background, and by giving sales teams a lot of products it is easy to lose focus. So we divided the company’s sales force into

three teams: each team is responsible for its own products, and in this way they can build up good connections and a higher level of knowledge about their products. As part of their training, Giddi invites physicians to come to the company and give lectures, but before this happens it is the role of our product managers to bring the teams up to the level where they know the terms the physician is using.

Giddi was founded in 1995 but by 1998 the company had brought Genzyme on board, and today the company is Giddi's biggest principal. How difficult has it been to build that principal base, and how have you approached the challenge?

Working with Genzyme is an extremely enjoyable experience. At the beginning we only distributed two products for Genzyme, but I had confidence that if we got more products we would be able to break even and then make money. Today Giddi has 13 Genzyme products. This was a very successful experience achieved with great teamwork and hard work between principals. physicians, patient groups, and our teams.

At the time, Genzyme only had one person in Taiwan. Even though only a small number of people would require the company's products, it was still necessary to process the government-required documentation and overcome the logistical challenges. Giddi helped to achieve this, and performed very well on that initial cooperation, which is how the company got the chance to build its working relationship with Genzyme.

How did you look to grow the business from this point? Where did you look and how difficult was it to attract companies to come and bring their drugs to Taiwan through your company?

After we established the relationship with Genzyme, Giddi gained a good reputation in the pharmaceutical industry because Genzyme could serve as a highly regarded reference for the company. Later, Biomarin and other companies heard from Giddi's customers how we were doing with Genzyme, and were interested in building partnerships with us. Fortunately Biomarin products are not in direct competition with Genzyme, so we could get their business as well. Also, they knew that Giddi had already established a very good channel and distribution network.

How have you adapted the company strategy recently to cope with the changes in the National Health Insurance system and current market trends?

The self-pay market is growing in Taiwan, and we have made sure not to miss this opportunity. We have seen that the industry is moving in that direction, because whilst the government continues to cap budgets and stick to reference prices technology continues to grow and develop. A point will

be reached where people want good products and are willing to pay the difference. This is why we wanted to incorporate these products into our product line.

In addition, the right people make a difference for a company in such a competitive world. Another of our strategies is to build a platform to attract more efficient people and empower them with training and learning opportunities. Such a team can enable us to win the business for unique or technically advanced products in the future.

However, we continue to maintain focus on rare diseases: that's what has led to the company's success so far, and we will not forget that. Our government is still encouraging the rare disease market.

One thing in Taiwan that is better than other countries is that the license approval for rare diseases allows for ten years exclusive protection. In the United States and Europe it is only seven years.

Distribution is a very difficult business because if you do your job poorly then your principals will move to another distributor, but if you do your job very well, then your principals may be tempted to establish a local company. How do you overcome this problem?

To be honest, distributors need to work hard but also keep our eye out in order to keep new products coming in. Genzyme already have a branch office in Taiwan, but despite this, Giddi is the company on the front line selling and distributing Genzyme's products. Our core strength is our relationship to key customers and in-depth knowledge of the market as well as our cold chain product logistic and delivery system. Our principals understand and value that, so a longer-term partnership can be established for mutual benefit. We appreciate the great cooperation experience with all our principals.

Nevertheless, sometimes being a distributor feels like being a babysitter: you help a child to grow and then when it is grown up the parents get it back, and you have to find another baby. We know there will be a day when we have grown the child very well, and the parents will take it back, but we are very happy to see these children grow well and successfully. That's the reality, the fate of the distributor. All we can do is try to build a reputation for being a good babysitter – we will take care of your product, so we are the one you should choose. And like this we can attract more start up companies who need someone in Taiwan to help them with their initiation into the market.

Hopefully we will meet another principal like Genzyme so that a longer partnership can also be formed.

Giddi has a business development director based in the US. How difficult is it to persuade new clients to come to Giddi?

Because we have a very good reputation in the rare disease business, we don’t have difficulty getting new business. The most difficult part is that sometimes we need to start talking to companies when their products are in Phase II and the company is still small. Sometimes, these companies will be acquired or purchased by big pharma and the product will be gone.

The other issue is that sometimes when we enter negotiations with small companies, but in the end their product cannot be launched. Our business development director in the US is focused on finding potential partners, making the initial contact, and then when the list shortens either through acquisitions or product failures, he will do another search to get more products on his list.

It sounds like you have done a very good job so far of attracting the right principals and building the business here in the right way. If we were to come back and visit you in five years, what would you like to have achieved with the company?

One of Giddi’s goals is to become a regional distributor. We already have some successful experience in selling products to Korea. Another goal is to increase our product portfolio to become stronger and more successful in Taiwan. Today the company is divided into three teams: not only rare diseases but also Hematology-oncology and bio-surgery. We are trying to expand because we know there are good technologies coming and those products need a strong knowledge base and we are good at challenging ourselves.

Do you have a final message that you would like to send to our readers about Giddi?

Giddi is a company endeavouring to provide the best service and products to patients and physicians, and we have shown this in the past. We are eager to build the partnership with pharmaceutical companies over the world to bring their business to Taiwan.

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