Interview with Okan CAMCI, Director, Haver Ecza Deposu Turkey

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Tags: Haver Ecza Deposu Turkey

We are here with a very young company, created in 2009, so only three years old. As you mentioned before the interview, you first started to work in the medical devices sector for one year and then you shifted toward a new business model. Could you tell us what was the main idea behind the creation of your company and why did you decide to focus on another type of market?

The main objectives of Haver Ecza are to provide medical devices to the Turkish market, using our strong network of private hospitals and other customers. We thought that we could use our existing client portfolio to develop our medical devices business and provide them with our product range as well as any service that they would need. But it did not exactly work out the way we wanted.

We work closely with Osel, a company which belongs to my father. Osel manufactures goods and we distribute them. Without any network and contacts, you cannot succeed in this market; you need a manufacturer who supports you to be able to start. I have been working in the Turkish market, so at this time, I know all the suppliers, both locals and foreigners.

Nonetheless, to be able to succeed in the Turkish pharmaceutical and healthcare market, you also need to have a very good expertise team at hand, to be able to supply hospitals with medical devices and medicines.

If you cannot serve one hospital, 30 other companies are ready to do it. The market is now working much more with the Asian part of the world, not specifically China but also India. Those 2 markets

are increasing, since 2008.

As you mentioned the importance of a good human resources management, it seems that you managed to bring together a team of salesman with great expertise. How did you accomplish that?

Since we work with Osel, we are using the same salesmen. They have about 50 people working every part of Turkey and can get us any information we need. At this time our main business model is to represent manufacturers from Turkey and hopefully soon internationally.

In fact, I don't think as a manufacturer would think. Instead, when I look at a tender, a list comes up with for example 800 different medicines, including some IV solutions, small tablets, gel, sprays, a large range of product. What is important for us is for how many of those products we are able to place an offer. For any medical tender right now, if there a 500 items that are listed, Osel is good enough for 150 of them, so whatever I can add after that is a winning addition to me, as I already have someone who can supply me with what I need.

After three years of existence in this market, what is your assessment of the company performance? How well are you doing today?

Well actually very good, I am very happy with our results. After a period during which the company was 'on hold', we started again at the beginning of June 2011. It started slowly, but after four months we were able to reach 10.5 million Turkish Liras as a revenue basis and this year we are looking to go up to 35 to 40 million TL, hopefully.

What have been the main drivers of that growth, what are the main partnerships that brought you that far?

The Turkish tender market is moving toward something very different. Whereas there used to be in Turkey an 'open tender' system, where basically each hospital could list a specific number of items that they needed, an offer was made, and the deal was closed between those two parties only, now, hospitals combine their demand. As a result, 5 or 6 hospitals list together what they need, and by doing so they have much more purchasing power and therefore bargaining power. Because we started last year only, we have missed so many of these large hospitals tenders that were placed at the beginning of 2010. In the future, we will be able to participate, so that we significantly increase our business in Turkey.

Our market can be twice as big. Tenders last two years, so there is little to wait, and I am preparing for future mass sales.

Those tenders are ware talking of relate to government-owned hospitals, which represents close to 65% of hospitals in Turkey. Do you also target the private sector? Is it a strong

revenue source for Haver Ezca?

Our sales are right now 60% going from the government and 40% from private owned hospitals; however I think that this ratio is going to change. Considering the increase of government tenders, I foresee this ratio to be around 70-30. Right now, this tender regulation is an entry barrier for any company.

When we look at the last couple of years, the market growth has been fuelled by the health transformation program, there were increasing health expenditures and expansion of health facilities; with all those opportunities how much do you consider to grow within the next 2 years for instance?

Well, for us this year will give us stability. 2012 is the first complete year for Haver Ecza, so after that, I am expecting at least 20 to 25% growth every year. We have already reached our breakeven point but we still to stabilize more.

What would you say to those international players that are looking at Turkey as a potential market to invest? What makes Turkey so attractive?

It really depends on how you look at it. What I see is that there is no political risk in Turkey, and even though we have very strong regulations, opening a business in Turkey pays off. Off course, you have to be brave, experienced and strong in capital. Turkey right now welcomes foreigners in every sector, and the market is ready for it.

As a young entrepreneur leading a young company, what would you say to those in Turkey who want to go into entrepreneurship in the pharma and healthcare sector? What are the advices that you will give to them?

The most important thing is to believe in what you do. It is never easy to start a business, especially during such challenging economic context, but if you believe in what you do, then you can make it. We have worked hard to bring Haver up to this point in such a short-time, I have but I do not regret anything and seeing now the result, it is a great accomplishment personally and professionally.

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