

Interview with Fred Park, Country Manager, Cegedim Dendrite South Korea

21.09.2009

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You have been working in the CRM industry, particularly with pharmaceutical companies, for more than 10 years. Could you briefly introduce to our readers how the CRM industry has evolved in South Korea throughout this period?

I understand that ETMS (Electronic Territory Management System) was introduced to Korea in late 1990's and it was focusing on customer management and call management only. It has been evolved to accommodate pharmaceutical companies' needs which are to have a comprehensive view of the customer and the ability to deliver aligned message from the entire organization. Another change in CRM, Pharmaceutical companies realized the value of the maintenance of customer data and how difficult to keep up-to-date customer data. So, Cegedim Dendrite was able to successfully launch Phabase service which is the customer database management service in 2007. Now we have 9 pharmaceutical clients for the service. Cegedim Dendrite is now migrating from the Phabase to Onekey system, our latest data solution for pharmaceutical companies to provide more accurate and useful data for sales and marketing promotion of pharmaceutical companies.

Do you think that South Korean pharmaceutical industry is still lagging behind in terms of embracing the opportunities brought by CRM solutions?

Most domestic companies have In-house CRM system or domestic vendors. Only 3 domestic companies (LG Life Sciences, Handok and Dongsung A&C) are using Cegedim Dendrite solution and services. In my view, the reason why local companies prefer to use their own internal CRM services or domestic vendors is that most of them understand CRM simply as an IT system. They have yet to understand that the value of CRM for the pharmaceutical industry is unique because it is directly related to the Sales Force Effectiveness (SFE). Organizing and operating sales forces effectively is one of the main challenges in the pharmaceutical market. Even when a company is able to build a big database through Sales Force Automation (SFA) it still doesn't know how to utilize this information. This reality is starting to change the way many local companies see our services and they are becoming more and more interested in discovering our CRM solutions. Nowadays, Korean companies are searching for analytical, added value solutions, and many of them are approaching Cegedim Dendrite as their partner in this regard. This is a proof of a considerable change in their perception in the past few years. Cegedim Dendrite is internationally well known and established in the main markets.

In the Korean context in particular, how do you assess the potential for growth in the future?

Certainly Asia is one of the main growth engines for the company. South Korea has an important role in this reality, with double digit growth for many years. Besides, South Korea still has a big potential to achieve due to its aging and affluent population. It's also important to highlight that amidst a turbulent economic environment, companies have to adapt and it's precisely our cost saving solutions that they need to be able to overcome their difficulties. Looking at the broader picture, we see that the pharmaceutical industry, even with the current consolidation trend, is one of the least affected sectors by this crisis. South Korea in particular is expected to see good growth in coming years. However, even with our steady growth, Cegedim Dendrite Korea is still small within the group in terms of revenues and number of employees. This doesn't mean we are less relevant for the company, on the contrary, Korea is a market with a unique growth potential for our services. It's important to notice that our prospective local clients represent more than 65% of the Korean pharmaceutical market, the 12th biggest worldwide. This represents a huge potential for the group.

After going through the evolutions of Synavant and later Dendrite in Korea, what is the most interesting thing about becoming head of Cegedim Dendrite in the country?

In my career, I started as a software specialist, then moving to sales and eventually becoming the General Manager. This was possible thanks to the great opportunities Cegedim Dendrite gives its employees. This is my main incentive and is what encourages our team to keep improving,

ensuring our continuous growth and success. Moreover, in Cegedim Dendrite we constantly work with regional and global partnerships, meaning we have the opportunity to learn and participate with people from different backgrounds that constantly share their knowledge and experience. This constitutes one of the biggest strengths of Cegedim Dendrite: our experience, which together with our innovative products, open the doors to success.

Regarding Cegedim Dendrite's future outlook in Korea, what are your expectations for the coming years?

Our future outlook will evolve differently according to our two types of clients: Korean companies and the multinationals based here. Concerning our international clients, we expect to enhance our CRM solution (Mobile Intelligence) partnerships. For instance, nowadays most of the pharmaceutical companies are concentrating more on pro-activity than on sales revenues. They are mainly focusing on specialty care, where they can have higher margins. Therefore, one of our solutions is the Key Account Management (KAM), which helps those companies to better manage their relation with institutional hospitals. This very handful tool is already being used internationally by some of Sanofi-Aventis affiliates. We hope to expand this new range of services to the rest of our international clients. Meanwhile, most domestic companies still do no more than focus on call management. In the few years our objective is to make those local players familiar with our advanced products. In comparison with multinationals, local companies have a high number of reps and low revenue per head. The deployment of SFE (Sales Force Effectiveness) is the key to increase their profitability and Cegedim Dendrite CRM solution is sure to support SFE for those local companies. Finally, local companies need proper evaluation and traceability of their products and strategies. CRM solutions, again, are the answer to this need. Korean pharmaceutical business mentality needs to evolve and thanks to increasing competition I'm confident that it will.

What is your final message to the readers of Pharmaceutical Executive?

Cegedim Dendrite has a complete portfolio. Besides having Korean personnel with a real understanding of the local needs, we have data, CRM solutions and professional services. Be it a multinational, be it a local firm, we understand better our customer and have the capacity to customize our services to each client's needs.

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