

Aspen Malaysia - Andrew Ooi, Country Manager



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Aspen Malaysia's country manager details the company's success in the country with a specific business model based on acquiring and remarketing originators. Although Aspen is a renowned generic player, market dynamics have pushed the company in a different direction until today in Malaysia.

Malaysia only became one of Aspen's subsidiaries last year. What triggered this transition from distributor to affiliate and how are you positioning the company?

The regional director for Aspen Asia, based in Hong Kong, decided in 2011 that the Malaysian operations could grow much faster as a subsidiary, rather than as a distributor. Of course to start as a subsidiary it was fundamental to have a certain critical mass and at that time only the Philippines was a serious candidate. Aspen Philippines was Aspen's first Asian candidate even though Japan and other countries had impressive markets but many barriers as well.

Aspen Malaysia has been acquiring originators from GSK, MSD and Novartis to give them a second life. The idea is that since many of these MNC's have large portfolios, it becomes difficult for them after some time to give attention to every single product even though these are excellent products. Therefore at Aspen, we acquire these products, rejuvenate them and actively promote them; this is our business model in Malaysia and Asia.

We do not sell generic drugs yet in Asia, even though Aspen is acknowledged as one of the top 10 generic companies in the world and the biggest generic manufacturer in Africa. Of course, we will be looking at implementing certain generic products in Asia, but only to a certain extent. Moving to generics takes time as doctors might not understand why we are moving from selling originators to generics. Aspen Malaysia will look at a few molecules to fit into our current product portfolio and launch them as an Aspen brand. This requires first to build the Aspen brand in Malaysia and given that our operations have only started a year ago, it is necessary to communicate around Aspen before bringing in new molecules and generic products.

How has the company performed last year and what recent acquisitions have helped strengthen the Malaysian affiliate?

Last year, Aspen Malaysia grew by 23 percent and this year is very promising as we just acquired this month a very important product from GSK called Arixtra (anticoagulant). This will be Aspen's most profitable product with a turnover of USD three million. Malaysia is the first country in Asia where Aspen will launch this product and it is a great privilege to lead the way.

Malaysia is yet a small operation in Asia, considering that the Philippines has over 150 employees and we have 28. However, we are growing rapidly, as only a month ago we had 16 employees. As of today, Aspen Malaysia has a turnover of USD 11 million including our new Arixtra product.

Taking over a distributor is always challenging and we must be satisfied of having grown both our staff, product portfolio and revenues to such an extent in such a short period of time. Our success is due to Aspen's decentralized business which is unique in Asia compared to the rest of the world. Our strength is our speed of action and agility which enable us to change strategy in a very short period of time.

Could you tell us a bit more about how Aspen Malaysia plans to grow with the recent acquisition of Arixtra?

Arixtra is very unique for Aspen in the sense that it is still actively promoted by GSK, whereas usually we acquire older products which are not actively promoted by the parent company anymore. This product has multiple indications (heart (cardio) and orthopedic), but GSK has only been promoting it for heart and cardio purposes. We believe the orthopedic area will generate the revenue side and we are excited to show them this very advanced product. In addition, GSK has been promoting this product almost exclusively to the government sector, but we believe the growth will be in the private sector.

Arixtra has helped Aspen raise its awareness and image among doctors in Malaysia. On top of this, since we offer a very valuable and efficient proprietary product at a much lower cost (three times cheaper), our products can easily become very attractive.

It is important to understand that many older versions of products have exactly the same benefits as the new ones. The only difference is that large companies stop promoting them because they are too busy developing new ones and taking care of very large portfolios. We believe these products deserve a second chance and since doctors know about these products they can be confident of using them again.

The government has been pushing to use primarily locally manufactured generic drugs to fuel their public hospitals. How confident are you moving from the public to the private sector?

The private sector is definitely an area of growth, however entering this segment is not easy as most of our portfolio is not composed of the most recent products developed in the world today. Convincing a doctor of using an older version of the product is challenging. However we are using clinical practice guidelines which ensure the product's highest quality standards to push our products in the private sector; this is our strategy.

There is incredible space for growth in Malaysia. What are Aspen Malaysia's aspirations for the next three to five years?

Malaysia will contribute to the growth of Aspen in Asia considering the results we have obtained so far and the promising future ahead. We are therefore looking to partner with key multinationals as they may be looking to divest some of their products. Our objective is not to become a contract field force company but it is an option as this may allow us to grow our presence in Malaysia.

My personal objective is to lead Aspen Malaysia to become top 5 in 12 years. This is because when we started our operations in Malaysia, Aspen Australia was in its 12th year and they had managed to become top 5. If Aspen Australia managed this result, it gives me confidence to do the same.

Aspen on a global basis will continue acquiring proprietary products and companies. For instance Aspen acquired Sigma Pharma in 2011, largest Australian generic manufacturer. Aspen's flexibility through acquiring, licensing or selling our own generic products allows us to find always the best options for each country and gives us confidence to lead in the future.

Speed is our strength in Malaysia and we believe that the success will come from our sales people. This is why we have decided to give them more flexibility by allocating full year budgets to each of

our 18 sales people to help them invest in the areas where they see potential for growth. One of these areas is Continuous Medical Education programs.

Overall, Aspen is dedicated to bringing quality, effective medicines at affordable prices to the people of Malaysia. We look forward to working hand in hand with the industry and the government to help Malaysia develop.

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