Interview: Ilker Özbay – General Manager, Daiichi Sankyo Turkey



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The general manager of Daiichi Sankyo Turkey discusses his affiliate's expansion into a regional hub, current strategies for growth in the Turkish market, and the keys behind his affiliates multiple 'great place to work' awards.

In 2012, you had made it a goal to develop the Turkish affiliate into a regional hub for Central Asia and the Middle East. What progress have you made towards this goal?

The majority of our operations still relate to the Turkish market, primarily due to the sheer size of the market. That said, since 2012 we have expanded our business to cover markets such as Azerbaijan, Kazakhstan, Algeria, and soon Ukraine and Nigeria. Our business model for these markets is to work with companies that have existing operations in these markets, in general with Turkish companies that we can easily work with here in Istanbul. In the case of Algeria, a market traditionally served by our French affiliate, we were able to arrange for Abdi Ibrahim to produce our products in Algeria at their facility to comply with their new localization policies. This is a very important market that could reach 50 percent of the Turkish market value within three years if prices remain constant. Nigeria is next on our list purely due to the countries population; with 185 million people, there is a significant market value to be captured even without any public reimbursement. If our foray into Nigeria is successful, then we can spread into Africa country by country, through different agreements that we can support with our know how and experience.

We prioritized this geographic expansion in 2012 because it was apparent that the Turkish market was unlikely to grow, with some negative growth in terms of value before an unexpected increase of nine percent last year. In retrospect, it was a very successful strategy as it helped us achieve revenue growth in a stagnate market, and increased our profitability.

With the geographic expansion underway, what are your current strategies for growth?

Many companies have realized that relying on your own portfolio alone severely limits growth in this market. Market access is the main barrier of growth for innovators, to the extent that one of our combination products was submitted for reimbursement 960 days ago and still hasn't been approved. In fact, all unreimbursed combination products are frozen at the movement, as the government has arbitrarily decided to stop approving new combination products, and in general you can rely on your own pipeline to fuel growth due to these delays. As such, many companies are now looking at established products that haven't been promoted in several years, either their own products or another company's. By assigning a small team to begin promoting such products again, some sales growth can be achieved with minimal investment.

When you look at our portfolio today, it is pure cardiology. We have anti-hypertensive, heart failure, and antiaggregant products, with a coming Factor X A inhibitor. When you look at our future portfolio in Turkey and Europe, Daiichi Sankyo will be a cardiology company. Furthermore, for our Turkish business, we are interested in acquiring another cardiology product or two to complement our existing portfolio, and to leverage the impact of our small, focused field force.

Given the global and regional trend of rising cardiovascular disease, how is Daiichi Sankyo engaging with key stakeholders to encourage positive change in health policy?

First of all, the endemic numbers for cardiovascular events in the Turkish population are the same as the European numbers. However, there is some regional variation within the country, particularly in the southeast of Turkey where rates of cardiovascular events are much higher, largely due to differences in diet.

As Daiichi Sankyo, our primary goal is to help patients, healthcare providers and communities by providing innovative medicines, so of course our products and market access are the main points of discussion between our stakeholders and us. For our antiaggregant products, the SGK has narrowed the list of approved indications for reimbursement such that the product cannot be reimbursed for some of its approved indications for which we have scientific evidence to support. When we regularly meet with the KOLs in cardiology, this is a key topic of discussion and so far we have managed to get two out of three additional indications approved.

How do you differentiate your affiliate from your competitors?

For our clients, patients and physicians, the main differentiation comes down to the product itself, as clinical studies show with a good degree of objectivity how your product performs compared to the competition. Other factors that contribute to competition are human factors including the relevant teams, various marketing tools involved, and the quality of the relationships you build with stakeholders.

For example, our main competitor is the number one ranking company in cardiology market, as they have two products that directly compete against ours with nearly the exact same indications. We compete in other areas with two international who are in the first 10 big pharma, and our new Factor XA inhibitor will compete directly with two big pharma companies. Interpreting the differences in the clinical studies is somewhat subjective; we believe that ours are clearly better, however they interpret the same data somewhat differently. However, assuming that the products are equal, they have 150 sales reps behind a product whereas we only have 35. We have made the choice to only focus on high potential regions and prescribers, maximizing the impact we can achieve with limited resources; the strategy is quite effective as our sales are similar to those of our competitors despite the difference in size.

How important is it to bring R&D activities to Turkey to engage these key opinion leaders, and enhance the quality of relationships?

Daiichi Sankyo has brought a number of Phase IV clinical trials to Turkey, and these studies are a useful tool for catching the attention of some KOLs and building interest prior to a product launch. However, they play only a small role in the overall quality of a relationship with a given stakeholder.

Our strategy relies upon the quality of relationships, as our small teams must create strong effects with the stakeholders to compete with larger companies that can visit them more frequently, and cover more prescribers. The main challenge and key is coordination, as we must ensure that all of our contact with a given stakeholder is coherent, and managed so as to have significant impact. One point that I think highlights the emphasis that we place on the human aspect of business, and the value that we place in relationships, is that our company has been recognized as a great place to work several times, and is awarded the respect to human life prize each year. Specifically, we were ranked the seventh best employer in Turkey this week, and the top employer in the pharmaceutical industry; in 2010 we received we were ranked the best employer in the country across all industries.

What do you do to make Daiichi Sankyo Turkey such a great place to work?

We have an open communication policy, and when employees want to reach me I am always available whatever the time. We communicate positive and negative things in the same manner, honestly and respectfully. Our people are respected as humans as well as employees, as a mothers and fathers who have family lives, and we try to always see things and make decisions from this frame of reference. On the other hand, our team knows that we are in a highly competitive industry, and that they always have to perform to keep up the high standards of our business; including our fleet of Audi, Mercedes, and Volkswagen cars for our team. We are a small company, but one with a strong impact and a great emphasis on quality in terms of relationships, people, and corporate culture. Given the outside recognition that we've had from outside institutions, I view this as a fact, not just a boastful opinion.

Given your experience working with big pharma, what are the skills that you gained that have enabled you to lead this team so effectively?

For the last two years I have been on the board of both AIFD and IEIS, and this has helped me a lot. The two organizations are totally different worlds, the IEIS is the club of owners and powerful men, men with extensive experience who have achieved a lot. I am very lucky to sit and meet with them at least twice a month, and to be able to contact and communicate with them whenever I want. I try to listen more instead of talking, and always ready to contribute. I am actually the only professional on the board of IEIS, as all of the other board members are owners. AIFD is the Turkish EFPIA and is a perfect place to follow European pharma world.

I am the only person to sit on the boards of both associations, and it is a privilege to be accepted and treated fairly by both. I have my own vision, which is for the two associations to unite for their mutual benefit, either as a single association or in some sort of coalition arrangement, so that the industry can show the government a unified front.

What does the future look like for Daiichi Sankyo Turkey, and what story do you think you will tell us when we return in three to five years time?

As I explained earlier, I would like to reinforce our portfolio of cardiology products through the acquisition of some additional products from other players.

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