

Interview: Filiz Balçay - General Manager, Chiesi Turkey



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Turkey is quickly becoming a regional hub for pharmaceutical industry for management, clinical trials and manufacturing, explains the general manager of Chiesi Turkey.

How important is it for the government to clarify the incentives that have been discussed?

The healthcare system in Turkey has undergone the largest transition in its history. Named the “Health Transformation Program” (HTP), the country has significantly improved its healthcare system and enhanced access to healthcare facilities. Overall patient satisfaction has reached 75 percent. The expansion of healthcare services had an impact on total healthcare expenditures; thus, pharma spending soared and austerity measures were introduced to manage the total pharma budget.

Nevertheless, both MoH and the Social Security Institution are demonstrating a supportive approach to ensure patients have access to innovative medicine by granting fast track registration for products that address unmet needs, while at the same time implementing alternative reimbursement models.

As a part of the economy’s 10th Development Plan, there is a new target for the pharmaceutical industry: 60 percent of domestic demand needs are to be produced in Turkey by 2018. Chiesi is highly interested in investing in manufacturing and in taking an active stance to work on potential ways to comply with this target. There is still need for a better framework for potential investors in

manufacturing in the country.

In terms of Chiesi's regional investment approach, what is Turkey's role in the company's long-term investment strategy?

We have spent considerable amount of time strategizing the future for Turkey. Chiesi Group is highly focused and prioritized for potential business opportunities in Turkey, including having an M&A and manufacturing presence. Thanks to the current government investment incentives, the competitiveness of Turkey is being strengthened. This has also been recognized by the Chiesi Group.

In line with the 2023 Vision, our aspiration is to position Turkey as a hub for management and manufacturing. Turkey is already positioned as a regional management center for many multinational pharmaceutical companies.

How do you relay the message to stakeholders that you are a key part of the healthcare system?

Chiesi is an important player in the respiratory field with its existing and planned products in Asthma & COPD. This is coupled with Neonatology as an area to which we significantly contribute to reduce infant mortality, as well as our expansion into the area of rare diseases.

A low infant mortality rate is an important indicator of a country's advancement in healthcare. Over the last ten years, there has been a 75 percent reduction in this rate. However, there is still a gap when compared to Europe. With this in mind, Chiesi has initiated a project with MoH to fulfill unmet treatment needs in respiratory distress syndrome in neonates and has implemented an extensive hospital donation program.

In neonatology we have a substantial presence. We are clearly the leader in the field, but this position brings with it a lot of responsibilities: to be a pioneer, introduce more products, and to be sensitive to the needs of society. Chiesi Turkey has initiated a continuous medical education program because the number of neonatologists in Turkey is limited. Therefore, pediatricians are taking on this role in smaller communities. Along with CME, we have created a training network that comprises several steps, which let these pediatricians consult with neonatologists using different tools.

Another area is Cystic Fibrosis (CF), which again has a limited number of patients. CF screening has recently become a standard part of newborn check-ups. Chiesi will introduce two products for the treatment and improving the quality of life of CF sufferers.

What is your assessment of the Turkish healthcare system today?

There will be a need for new therapies and medicines due to a rapidly-aging population, an increase in chronic diseases and the emergence of new diseases, among others. Technological medicinal products radically changed the treatment of life-threatening diseases, and the quickly aging population makes it difficult to generate effective solutions for the ever-increasing healthcare needs.

At present, pharma companies are going through a significant challenge regarding their pricing system – Turkey's prices for pharmaceuticals are extremely low. Going forward, healthcare is in need of better budget allocation in order to sustain their services. Innovative medicines and solutions should be assessed using a value-based pricing approach, as well as based on clinical outcome and safety.

When you came to Chiesi two years ago, the company was new - what was the biggest change you had to make to your business mindset?

I was attracted to the entrepreneurial part of the job as well as Chiesi's strategic focus. We are a family-owned company, so we can communicate with management quickly as well as enjoy fast response times in terms of adapting to market needs.

Communicating and aligning around strategy is the key to success. In the general manager role, the biggest challenge is to make sure that everyone understands the strategy and how the individual's role fits into the big picture. The engagement level was poor two years ago. We have made great strides, and now the team enjoys the progress that we have made together thus far. The key driving force was that we created a strong willingness to change the status quo by holding small group brainstorming sessions during which the employees told us what works and what doesn't. This engaging approach helped us to influence the culture.

What is next for Chiesi here in Turkey?

Chiesi is an important player in the respiratory field with its existing and planned products in Asthma & COPD. It is also maintaining its place in the mass markets by entering into the areas of rare diseases. Chiesi's R&D investments in the respiratory field are going full speed ahead in order to provide patients with better treatment and improve their quality of life.

Chiesi Turkey's aim is to maintain its growth momentum, going beyond acting fast in the pursuit of new business development opportunities and executing best-in-class launches. Inorganic growth opportunities will remain in our scope, as Chiesi Turkey strategically needs to expand its presence

in different areas of the market.

After working with some of the biggest names in pharma - Pfizer, Schering Plough, MSD - two years ago, you made the jump to Chiesi. What motivated you to leave the global top ten and how has the journey been so far?

I have been in the pharma industry for 23 years. During this time, I worked for different multinational companies, but most of the changes were due to mergers and acquisitions: moving to Chiesi was only my second voluntary change. I started my career in marketing, then moved to different positions in sales and market access. I worked on multiple international projects and eventually felt I was ready to take on the next challenge.

The Turkish Affiliate of Chiesi was established in 2007. Chiesi is a young, ambitious, entrepreneurial respiratory focused company. Completing product registrations and working on obtaining market access took up the majority of the company's first two years. The operation became more commercial in 2009. I found the company to be a good fit because its approach to business and personal life matched well with my own - we are not only concentrated on business results, but there is a balanced approach to business and people - and that attracted me a lot.

When I joined Chiesi two years ago, it was the right time to create new momentum in order to maximize the value of our portfolio, and boost the energy and free up the potential of the team. Revitalizing business growth strategies along with executional excellence resulted in a strong performance increase. In 2013 and 2014, the company grew 18 and 19 percent, respectively, which stemmed from the existing product portfolio.

Raising the bar was a collective push by all Chiesi employees. With this large effort in place, we decided to revisit the fundamentals of the business in order to increase our productivity and effectiveness. Not only did we grow the top line to meet corporate expectations, we also found a lot of areas for cost optimization. In this way, we not only increased the top line, but bottom line growth was increased twofold as well.

Nowadays, the growth opportunities have matured along with our existing portfolio, and we are waiting for new products to launch. At the same time, there is an effort to embark on business development activities where we see a strategic fit with our prioritized business areas. Chiesi is a great example of an entrepreneurial mindset: currently, 35 percent of our revenue comes from business development.

Chiesi Turkey is delivering on its commitment to develop its most valuable asset: people. People make the difference and we are all about innovation and ideas that are fueled by people. A recently conducted engagement survey provided us with valuable insights to developing a roadmap to evolve our people and organization in the coming years.

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