Interview: Melinda Badenhorst – General Manager, Novagen Pharma – South Africa



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The general manager of Novagen Pharma reveals how they are the second largest supplier of ARVs within the private South African market, how there is much room for the generics market to grow given that it currently represents just one third of the total private market and how as the generics industry has become increasingly commoditized, trust in one's brand is the key to success.

This is the third report we are producing on South Africa and it is the first time we have the pleasure of meeting Novagen Pharma. Could you please introduce the company to our readers and explain how the business fits within the Link Healthcare Group?

Link Healthcare Holdings acts as the holding group. Within the group there are four different entities. Equity Pharma is a pharmaceutical company primarily concerned with ethical pharmaceuticals. Homemed, focuses on diagnostic machines and rapid test , and Equity Medical Technologies, focuses on specialised wound care. Novagen Pharma focuses on generic chronic medicines. Novagen Pharma was established in 2009 and initially focused on the private market with a number of ARV molecules only, by supplying ARVs through courier pharmacies. We launched the first generic fixed dose combination for emtricitabine and tenofovir which really established us as a player in the generic ARV market. The Link Group, focuses on niche molecules and niche therapeutic areas.

You have been the general manager for a number of years. What have been your priorities for the company?

In October 2015 I will have been with the company for four years. I have been working in the industry for 18 years. When I joined Novagen Pharma, the company had primarily been focused on ARVs, supplying them to the private market via the courier houses. Over the last three years our primary focus has been to branch out, by marketing ARVs to the independent retail pharmacies, while also introducing other chronic generic products. We remain focused on diabetes, hypertension and depression.

In a commoditized generics market, how do you differentiate yourselves?

One of our pillars of excellence is that we endeavour to always have sufficient stock. We put ourselves at risk by carrying six to eight months' stock. We pay special attention to all our customers and key business leaders. Building trust with customers is key. Having a consistent stock supply builds this trust and loyalty.

How is Novagen Pharma helping to increase access to affordable medicines in South Africa while also finding solutions for unmet needs?

Our objective is to make good quality medicines available to everyone, which explains our focus on generics. Novagen Pharma´s strategy is to be middle of the range when it comes to pricing.

Within our total private pharmaceutical market, generics account for only a third. There is still great potential for the generics industry to grow given that two thirds of the private market is often unaffordable to many people.

How big an issue is the time it takes to register a generic product?

It takes on average 36 months to register a product. This certainly hampers our industry, as well as the healthcare on offer to the patient. Some products are being fast-tracked, such as ARVs. The fastest that we have been able to register a product was 14 months.

When we met with Vivian Frittelli, CEO of NAPM, he told us how it was important to continue working on the perception of generics in South Africa. How do you see the situation?

Perceptions have evolved over the last 15 years. Initially we faced doubt and numerous challenges selling generic products. Overtime the country´s legislation has also changed. In 2004 mandatory generic substitution was introduced which assisted in an increased generic usage.

To have a generic product registered in this country requires the same stringent documentation and approvals as that for an innovative drug.

Our products are manufactured at facilities that enjoy FDA, EU, WHO, Canadian and Brazilian approval. When it comes to orphan drugs and rare diseases, quality is of the utmost importance. The quality of our products is another one of the pillars of excellence that we as a company stand for.

What is your five year vision for the future of the company?

Our objective at Novagen Pharma is to also become a major player in the non-ARV therapeutic categories where we are present. You are regarded as a major player when you are ranked amongst the top three to five companies in the market.

The generics industry has become increasingly commoditized. If you are playing in this market, you need to know the game. You do not necessarily need to be the largest, as long as your brand is trusted by both the prescriber and the patient. Our ambition is to remain a trustworthy player in those therapeutic areas that we have decided to focus on.

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