Interview: Amal Naj, CEO, Berlin Pharmaceutical Industry Co, Thailand



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Berlin Pharmaceutical Industry's CEO, Amal Naj, explains how he has grown the company, its next regional and medical targets, and his vision for its future.

What has led to Berlin Pharmaceutical's success over the last five years?

In 2010, the market was going through a major transition due to the progressive 30 Baht co-payment policy, which was impacting the way companies were investing in Thailand. This policy can be looked at from various perspectives, but I believe the universal healthcare system has been a tremendous benefit to the people of Thailand because it has given them an unprecedented access to healthcare. Moreover, the market shifted from name brand products to a more generic centric market, which is Berlin Pharmaceutical's main niche. This has given us the opportunity to bring our line of medicines to our Thai customers at an affordable rate. Furthermore, over time the company, which has been a family-run business, has focused on reducing costs, improving efficiency, improving margins, aggressively enlarging our product portfolio in order to compete in the fierce Thai business climate. We have mapped out very clear and focused strategies to deliver growth for the long term. In addition, we have built a strong organization of people, with systems and processes to encourage and measure performance. We have been doing all this without losing the mission for which the company was founded, which was to serve the patient with lowest possible prices for our medicines, and also support the medical community, which means the

doctors and pharmacists, with programs and initiatives that are valuable to them. There is no single factor that one can attribute to our strong growth and our leadership position in the branded generics market in Thailand; it is doing many things right while learning from our failures.

With a diverse background in journalism and corporate pharmaceutical leadership, what special qualities have you brought to the organization?

When I was a reporter for the Wall Street Journal,, I covered many large industries, from steel to automotive, and large technology companies. Although as a writer, one is an observer mostly, but the whole intense process of observing, engaging, understading and analyzing and ultimately making sense of all the stuff to tell the story has been of tremendous help to me as a businessman. It helps one spot a problem early, figure out the issues and get to the roots quickly. Communication is critical to fostering transparency, teamwork and a cordial culture within the organization, and if there is one single thing from my days as a journalist that has been helpful in business it is this. Of course, one learns so much from writing about the corporate foibles, and success and failures—the daily fodder of the business writer—and this, however superficial, kind of helps one guide in deciding where to take risk and what to avoid.

What special qualities make Berlin Pharmaceutical Industry a unique organization amongst your competitors?

Berlin Pharmaceutical has a very unique story. It was founded in Thailand 1932, by the late Dr. Chai Chainuvati, who would often pay the bus fare to the patient so he or she would come back for the next treatment, and the bus fare was more expensive than the medicine. That spirit of the organization remains intact today and I am proud to be able to continue the legacy. Since 1932, the company has steadily grown from its humble beginnings to the number one generics manufacturer in Thailand. Much of the company’s formative development in later years was shaped by Khun Vanida Chainuvati, the founder’s daughter-in-law, who built a strong organizational foundation and established the company as one of the most respected and valued by the medical community of Thailand. The philosophy of the company, shaped by the founder, continues to be the driving force of the organization; it is embedded in the minds and hearts of all members of the Berlin company.

What are you doing to ensure that Berlin Pharmaceutical Industry continues on a path of success despite market challenges?

First, quality, it is something you cannot compromise on. Which means constant vigilance and compliance of regulatory sandards. Even as raw materials prices go up, you cannot compromise

quality. In essence, we are constantly narrowing the perception that exists between generics and the original, and making our branded generics at par with the image that the original enjoys in the market today. Second, continually driving the organization to meet the market demand for lower and lower priced medicines. Third, in the conduct of our business we continue to demonstrate to our customers—the hospitals, pharmacies, the clinics—and the patient that they can always rely on Berlin. Which means quality, price, delivery, responsiveness. Branding Berlin as a company they can trust and rely on. Fourth, we have forged partnerships with other companies to secure a pipeline of products to expand our therapeutic presence. Fifth, we are looking at ten years hence and assessing where we need to invest in securing products, such as biologics.

Which line of products do you see as having the largest role in moving the organization forward?

The company has traditionally been focused on cardiovascular medicines, but it is currently expanding its line of products to include a more expansive line of gastro-intestinal, metabolic and orthopedic products. More recently we have shifted our focus to more therapeutic areas, such as oncology and central nervous system (CNS) products. Moreover, we are expanding our line of products in diabetes because we are already the number one provider of diabetes medicines in Thailand and we are looking to expand that sector because diabetes is on the rise worldwide and aim to exceed the demands of our patients.

The organization sells products to other SEA nations, such as Laos, Singapore, the Philippines and Myanmar. With the opening up of the ASEAN Economic Community in December of this year, what new and untapped opportunities do you believe exist for the organization?

Berlin Pharmaceutical is very excited about the prospect of growing into new markets, but we always strive to understand the dynamics of any market before we decide to sell products there. Being that the pharmaceutical industry is heavily regulated and it will be very interesting to see how regulatory standards will eventually be put in place. I believe that having a standardized system in place will allow for Berlin Pharmaceutical to access new markets and bring our innovative medicines to other Southeast Asian markets through its affiliated company, Paradigm Pharmaceuticals, which has operations in several ASEAN markets. However, I do foresee increased competition as markets open up, but I always welcome competition because I believe it allows for only the best organizations to withstand change and allows for companies to re-strategize and become more innovative.

What aspirations for market growth do you have for the organization?

We want to continue to stay as a leading company in Thailand. Internationally, we want to expand our presence in the ASEAN markets, and take advantage of a broader scale of operation that the regionalization will help create. We have to grow and continue to grow; staying content with where we are will be a dangerous option in a the fast changing pharmaceutical market.

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