

Interview: Matthias Diewald (MD) - General Manager and Asli Volkan - Dept. Manager, Pharma, Helm Kimya, Turkey



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Matthias Diewald (MD) and Asli Volkan (AV) elaborate on HELM Kimya's longstanding presence within Turkey and the type of market opportunities available for co-development and contract manufacturing. They also explain the significance of establishing strong partnerships with local industry leaders and how this can effectively drive future success for the company's pharmaceutical operations.

As an introduction for our readers, please give an overview of where HELM Kimya stands today, and describe what strategic priorities the company is focusing on now.

MD: HELM Kimya is an affiliate working in the global network of Helm AG, headquartered in Hamburg/Germany. The company's strategic direction is ultimately established at the top in the HQ in Hamburg. The mission of the Business Unit Pharma of HELM AG is primarily centered on intelligently selecting and developing earliest-to-market off-patent pharmaceuticals anticipating our customers' needs.

With regards to HELM Kimya, our function is to achieve this mission through co-development and contract manufacturing with partners in Turkey. We spend significant resources in selecting the right molecules and finding the right partner to develop and manufacture these pharmaceuticals.

The products are marketed by the global network of HELM. With regards to Turkey, we're striving to position the country, and more specifically our partner, as a preferred supply point.

AV: Historically, HELM was one of the first companies developing pharmaceutical generics in Turkey together with Turkish partners and exporting to Europe. The first co-operation with a local partner started in year 1996 – the first export following shortly afterwards.

The idea was to develop off-patented pharmaceuticals in a territory where a strong Pharma industry-knowledge was present and to capitalize on earlier off-patent market opportunities. We started with the launch of more basic generics such as the powder filled antibiotic, cephalosporin. Continuing this success, we began developing more complex generics, and within three to four years, we had a developmental pipeline of several different molecules.

What is the significance of Turkey to the company's global operations?

MD: Turkey plays an important role in HELM's Pharma strategy. Since 1996, through Turkish production, we've managed to launch approximately 15 products produced in Turkey into international markets. Meanwhile we are using our network in Turkey for outlicensing/tech-transfer of developments into Turkey and API-supply to the Turkish Pharma Industry too. With regards to API-supply, we are using mainly the API-specialists of the Pharma-teams in HELM's affiliates in India and China to provide added-value to the Turkish developer like regulatory support, quality-assurance in India or China, optimizing the purchase-price and organizing the supply-chain.

Overall, however, the vision is to continue developing and manufacturing high value-added generics in Turkey, and subsequently exporting to our core markets. In this industry, it takes a long time to establish consensus among stakeholders, identify promising molecules, and select the right development partner. These partners we found and will continue finding in Turkey.

AV: Helm Kimya also has several developments of molecules, which we try to out-license to Turkish manufacturers. But this model has produced its own set of profitability challenges and market delays, with respect to the stringent GMP auditing guidelines for importation, in addition to the fixed reference pricing system and further devaluation of the lira.

Turkey's broader healthcare industry has undergone significant changes over the past decade alone, altering the competitive landscape for all players across the pharmaceutical value chain. How have these dynamics shifted Helm Kimya's interactions with its partners, in addition to the company's overall strategic direction?

AV: Our portfolio teams are now screening molecules for 2020 and onward. As the market is rather saturated right now, our partners are starting to demand more specialized and value-added pharmaceutical products—special indications, more complex combinations. It was easier to choose a molecule 10 years ago, a point of time in which we would be content with developing and selling a basic antibiotic. We're now spending approximately 40 percent of our efforts in choosing the right molecule and extensively strategizing the proper time to launch it.

MD: We're starting to see the number of potential partners in Turkey increasing. Our existing partner, which are always preferred and we hope to be able to continue working with in the future, are growing and investing further which provides even more opportunities to cooperate and grow together. HELM is not a company that invests a fixed budget of X million to achieve a turnover of Y million in Z time. We have a more project-oriented approach: If a project is supporting our Vision and Mission and the economics of an investment into a project are attractive, which in the Pharmaceutical Industry of course is always linked to a lot of threats and risks, we will invest into this project – this can be one project per year or five. Crucial is to find the right molecules and the right partner. HELM being a family-owned company with solid financials and lean operating structures is supporting this approach.

What are your personal leadership philosophies on chartering success for a company like Helm Kimya, as opposed other organizations you've led in the past?

MD: Basically, pharmaceutical development is a project where you have to bring plenty of people having various knowledge, culture, working- and communication-styles together to have success – it is about about people and teamwork. The better the communication, the higher the likelihood of success. From my perspective as general manager, I have never once had an issue with communication between our people in the Hamburg HQ and the colleagues employed by our partner here in Turkey. All people we are working with are able to meet eye-to-eye on every single working level with regards to HELM's global scientific and commercial standards. This is perhaps the greatest success factor for our projects with our partner in Turkey.

As the general manager of Helm Kimya, how do you envision the firm's role alongside Turkey's ambitions in becoming a world-class economy for health services?

MD: HELM Kimya's mission of Turkey being a major supply point for earliest-to-market pharmaceutical developments seamlessly aligns with the government's policy with regards to the Pharmaceuticals Industry in Turkey. The government is prioritizing the development of higher value-adding industries such as pharmaceuticals, which will help facilitate and bolster exports and

reduce the trade-deficit. These increasing capacities of the Turkish Pharmaceutical Industry are supporting our mission.

Using our platform, what is one final message on behalf of Helm Kimya that you would like to give our readers?

MD: We are extremely happy and proud to be active in this market, with such strong ties and open-relationships with our partners. The value of Turkey to HELM's global Pharmaceutical operations is outstanding. We've made significant progress with our activities here so far, but we're even more excited for the future developments currently in our pipeline. In the coming years, we will continue refining our core functions and look forward to introducing increasingly robust and value-adding molecules made in Turkey.

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