Interview: Tatyana Pechaeva – Managing Director, Lekhim Group, Ukraine



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Tatyana Pechaeva, Managing Director of the Lekhim Group, one of Ukraine's top ten domestic pharmaceutical companies, shares the main principles of her strategy which have enabled Lekhim to display high growth rates over recent years despite the country's unstable economy.

The Lekhim group of companies was one of the pioneers of the Ukrainian pharmaceutical sector, becoming the first company in Ukraine to launch suppository production in 1995 – among many other achievements. Where does the company stand in 2017?

This year we celebrated the 25th anniversary of the foundation of Lekhim which has become a leader among Ukrainian pharmaceutical companies in the development, manufacture, distribution, and sales of high-quality and affordable medicines of the key therapeutic areas manufactured in compliance with the GMP standards.

The Lekhim group of companies consists of two manufacturing sites: PJSC Lekhim-Kharkiv, located in Kharkiv, and PJSC Technolog, which is based in Uman. The company's headquarters are located in Kyiv and are in charge of developing and implementing the group's management strategies, as well as determining the manufacturing development and overall business tactics of the company.

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provide the domestic market with vital medicines. Our list of products contains more than 160 items of the following dosage forms: ampoules, tablets, suppositories, vials, etc.

Today Lekhim «Лекхим» is among the top ten major players of the pharmaceutical industry in Ukraine, also having taken the lead in the sales of enzyme preparations, antibiotics, TB medicines, urological ones, as well as the medicines used to treat cardiovascular disease.

Despite the period of economic and political instability that has been occurring in Ukraine in recent times, we have managed to display double-digit growth rates over the past few years. In 2017, we expect to achieve at least the same results as over the last five years.

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What has been the recipe driving such success, given the deep recession that hit Ukraine’s economy in 2014 and 2015?

The complicated political and economic situation in the country over the last several years has become a challenge for business. During this period, we have started to explore export opportunities, to master new sales markets and to expand the product portfolio. On average, Lekhim registers and launches up to 10 new medicines each year.

In addition, we have intensified and accelerated our efforts to confirm our quality standards by international authorities. Furthermore, we are preparing documents for a WHO prequalification as well as for the receival of a EU GMP quality standard which will enable to expand the scope of our sales and supplies of the medicinal products.

From the outsourcing of the centralized public procurement of medicines to international agencies to the implementation of a reimbursement mechanism covering 21 International Nonproprietary Names (INNs) in three therapeutic areas (asthma, cardiovascular diseases, and diabetes), many changes have been recently transforming Ukraine’s health ecosystem. How have these changes impacted Lekhim’s activities?

As a whole, the reforms have had a positive impact, facilitating more open access to necessary medical care for many Ukrainian patients.

It is worth noting that Lekhim is a member of the Association of Ukrainian Manufacturers of Medicinal Products. In tandem with the association, the company prepares and submits amendments to the legislation and regulations in order to improve the performance of the Ukrainian health care system.

We take pride in the fact that Lekhim has already won several government bids for the purchase of medicines through UNDP, UNICEF, and Crown Agents, thus confirming the quality and affordability of our products.

Nevertheless, I cannot help thinking that the advantages of the domestic manufacturers are underestimated by both international organizations and the government in favor of foreign pharmaceutical companies. It is regrettable given the fact that Ukraine has a significant number of pharmaceutical companies which can be instrumental in the treatment of our patients.

As a representative of the Ukrainian pharmaceutical industry, I would like to get more support from the Ministry of Health of Ukraine as well as from the governmental bodies in charge of the industry.

The lack of a clear understanding of the development strategy of the pharmaceutical sector, procrastination in the implementation of the reforms, and the volatility of the economy in general moreover prevents the companies from long-term business development planning.

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The common efforts of the Ukrainian business and the government aimed to develop the pharmaceutical sector will not only promote the increase in exports, thus having positive effects on the economy, but also deliver higher-quality, timely health care to the Ukrainian patients which conforms to modern standards.

Ukraine’s history since independence is indeed marked by a striking instability, as the country has already had 22 different Ministers of Health since 1991. In this context, long-standing pharmaceutical companies probably stand as the most reliable partners of Ukrainian patients…

Quite right, inefficient management on the governmental level significantly complicates any company operations. Nevertheless, the Lekhim group has managed to maintain not only dynamic growth rates in these challenging times, but to permanently improve and upgrade our production capacity.

In this regard, we do not want to rest on our laurels. Intensifying our collaboration with multinational companies and fully leveraging our contract manufacturing capacity is one of our top priorities. For example, we are now completing the construction of a new 4,000 square meter workshop in Uman.

In 2016, we also set up a new subsidiary in Lithuania which will enable us to expand our business to the EU market.

How has the company’s strategy changed over the past few years?

Although the main market for the Lekhim group is Ukraine, exports are of paramount importance for our business development.

Overall, the Lekhim group exports its products to 25 countries. Our products are already sold in Belarus, Turkmenistan, Uzbekistan, Kazakhstan, Azerbaijan, Georgia, Armenia, Moldova, Russia, and the Baltic States. We have been implementing plans to expand exports in Asian and African countries.

Our products and manufacturing processes already comply with stringent EU standards, while displaying an extremely competitive cost-efficiency profile.

As a pharmaceutical company, we consider close cooperation with the whole healthcare system, from distributors to pharmacies, health professionals, and patients as our main task. Only our mutual efforts will enable us to help improve the health of the nation. A well-designed organizational structure of the company allows to make decisions promptly, react to external changes and to marketing challenges, build trustful relationships with all our partners and colleagues. I would like to wish your foreign readers good health, the achievement of your goals, and good luck in your future endeavors!

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