Interview: Julia Sidorova – Country Manager, Alvogen Ukraine



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Julia Sidorova, country manager of Alvogen, a new international player to the Ukrainian market, provides insights into the targeted strategy that Alvogen employs throughout the world and how this is tailored to the specificities and needs of Ukraine's health system, while she also highlights opportunities for potential partnerships in the rapidly evolving and promising Ukrainian market.

You joined Alvogen in February 2015, which marked a very hard time for Ukraine both economically and politically. What were your priorities at that point in time?

At that time, Ukraine was indeed going through many difficult and challenging changes, not just economically but also geopolitically. Saying that, this was a very exciting time professionally as I saw Alvogen as a company striving to implement a new market approach in Ukraine and bring a new generation of expertise into the Ukrainian pharmaceutical industry.

The reason Alvogen set up the Ukrainian affiliate in 2014 is that we saw the crisis as a great window of opportunity for a game-changing company like us. Ukrainian people are well educated and they expect high quality, effective medicines, something Alvogen holds in abundance. In stable markets, it is moreover difficulty for newcomers to find – some might say – a chink in the armor to gain large market access, and these countries are mostly dominated by large, historical international organizations.

Our approach is that the recent crisis has opened up the healthcare market situation in Ukraine, which allows us to move forward our very ambitious development plan. In this regard, our early results are excellent and prove that this approach was absolutely right. Alvogen is now the fastest growing pharmaceutical company in Ukraine, with sales revenue in 2016 after only two years of operation, doubling that of 2015.

You talk about opportunities opening up for Alvogen in Ukraine. In more depth, what are these opportunities?

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Firstly, I will breakdown the current healthcare situation in Ukraine. The market here is not yet fully developed in the volume of drugs being distributed, being less than other neighboring markets like Romania and Poland. On the other hand, Ukraine has immense potential. This large population is one of the reasons we see great opportunities to tap into.

Secondly, Ukraine holds a large number of domestic pharmaceutical companies that manufacture and sell products solely in Ukraine, These local companies, unlike many international organizations, sell treatments at a very affordable price to the Ukrainian patients, which creates a peculiar situation as in many instances there is no requirement for Ukraine to import medicines. We then see an opportunity to place ourselves between cheap, local products and the expensive international treatments, while maintaining Alvogen’s signature high standards of quality

Elaborating on this, Alvogen holds a high-quality global portfolio of over 300 drugs in many critical therapeutic areas such as oncology, cardiology, respiratory, neurology and gastroenterology, many of which domestic companies do not produce, allowing us to find this market middle ground. We are constantly producing forecasts on the healthcare system and highlighting possible areas of market penetration, looking at which drugs Ukrainian patients does not have access to, and how a specific drug will develop us from a business standpoint.

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In essence, our objective is to identify the piece of the puzzle that best fits the needs of the healthcare market – a strategy that Alvogen actually follows here in Ukraine.

Thirdly, in Ukraine, we are now looking for partners and partnership programs to accelerate the promising organic growth we have experienced over the past two years. Given that Ukraine’s economy and the country’s pharmaceutical market are steadily recovering, Unfortunately, many investors are still fearful of Ukraine, an understandable concern due to the political unrest and

current situation in the east. Nevertheless, this is undoubtedly the right time to be present in the country, as purchasing power of the population and the consumption of pharmaceutical products are now rising again, and the government is actively assisting the pharmaceutical industry to reach its full potential.

After months of discussion, the Ukrainian Ministry of Health has recently implemented a pioneering reimbursement mechanism covering 21 INNs in three therapeutic areas. How has Alvogen reacted to this change?

Like many other companies, we have been aligning our drug portfolio with the three therapeutic areas chosen by the government for this reimbursement mechanism: diabetes, asthma, and cardiovascular.

We are particularly proud to announce that we were successfully chosen as one of the companies to participate in this new system – and this came as a big surprise for many established Ukrainian brands.

We are now looking to further develop our cardiovascular franchise, as we believe this is a major market in Ukraine and an area we are lacking in from a portfolio perspective.

What are you looking to achieve within the next five years and what reputation do you want to build for Alvogen in Ukraine?

Firstly, as country manager I want Alvogen Ukraine to be a company that people strive to work for, including a comfortable and enriching working environment that will attract ambitious staff with diverse expertise across the pharmaceutical industry.

Secondly, one of our key objectives is to place Ukraine on the pharmaceutical map as a place of success, and we see ourselves as pioneers in this process. As an affiliate, we have grown despite difficult times, showing the world that with the correct positioning and business strategy, Ukraine actually holds eye-catching growth opportunities.

With regards to reputation and brand recognition, this is a process we must build over time. When we first entered the market in 2014, doctors and other stakeholders had never heard of Alvogen. We are now in the process of building a brand that regulators, KOLs, and healthcare professionals associate with high quality products focused on unmet medical needs, aligned with Alvogen’s ambition to improve the lives of the Ukrainian patients.

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