# Interview: Siegfried Leitner – General Manager, Accord Austria; CEO and Co-Founder, A-Med



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*Siegfried Leitner, general manager of Accord Austria and Germany, and CEO and co-founder of A-med, provides an insight into the early years of his Accord affiliate and how it was able to establish itself in Austria and elaborates on the current portfolio of Accord in Austria. He also provides an in-depth look into the changing dynamics of the Austrian generics market and breaks down the mutually beneficial relationship between Accord and A-med.*

**Could you please introduce the journey of A-med and Accord in Austria to our international readers?**

Accord first started in Europe within the UK as part of the Intas group, and like many companies, began the journey by using distribution providers. The next logical step was to open affiliates within the European domestic markets they were present; therefore, in 2011, we commenced operations here in Austria and started German operations soon after.

There was a huge requirement during the initial years to supply hospital clinics, as many were unable to obtain basic cytostatic products. This was mainly due to many companies going through mergers and cancelling products as they were not competitive anymore in the Austrian market. In short, there were mass supply shortages throughout the hospital clinic sector and Accord saw an opportunity to fill this need. Thus far, the reaction from medical professionals has been amazing and we are now very strong in injectables and oncology, as well as having a presence in the retail

sector.

One reason we have been able to build such a positive image within the market so quickly is Accord's innovative system of chain supply management. We have a constant supply of EU approved nude vials, that is without labels, of our products stored in the UK. Therefore, when a doctor requires, for example, an oncology product quickly due to a sick patient, we can deliver the order within a week, compared to our competitors which can be up to a six month wait time.

**For many it would seem a daunting task to start from scratch and found an affiliate, what was the driving force behind this decision?**

During my past, at Sandoz and Actavis, there were various acquisitions and mergers happening, it seemed, on a daily basis. In 2011, Actavis, went through a restructure, and we decided this was the perfect time to found A-med and talk to Accord to open the local affiliate. Equally, as companies grow processes slow down as bureaucracy takes hold of operations. We saw this as an opportunity to work with more flexibility and freedom– in essence – controlling our destiny.

Thus far we have had great success! This year's Austrian budget is seven million EUR (8.2 million USD); allocated, 50 percent in retail and 50 percent in hospitals.

**Why have you chosen to locate the company in Salzburg?**

For two reasons. Firstly, Salzburg is a central location between east and west Austria – therefore – our sales team distributed across Austria does not waste time travelling. Secondly, we operate the German affiliate just a stone's throw away in Freilassing, minutes over the German-Austrian border.

**What is the company's portfolio in Austria?**

Firstly, we are filling a real need in oncology, an area Accord is very strong and it is a solid foundation for us to grow from. Secondly, we have grown over the years parts of the portfolio where others large international generics companies are present. At first, we were reluctant to move down this approach, but with careful planning and our ability to quickly learn how to navigate the market it has been a really positive.

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Lastly, Accord globally is positioning itself into the new area of biosimilars. Filgrastim, or in Accord's case, Accofil®, has already been released and is indicated for the treatment of chemotherapy induced neutropenia. Later this year we also plan to be one of the first wave companies to release the PEGylated form of the drug, Pegfilgrastim, as it comes of patent in August. All companies will

be late in releasing this product as currently presenting biosimilar data to the EMA is a very demanding process.

**Do you take a tailored approach to the market?**

Definitely! Our upcoming products are drugs coming off patent, and fit well into the changing demographics of Austrian society. We are moving more and more into oncology and are placing ourselves in the CNS therapeutic areas. Accord globally has a very promising and vast portfolio that we can tap into it. Saying that, A-med, our distribution arm we founded in 2011, has an agreement with Accord that any product not currently in their portfolio, we are able to source from external companies.

If you look at UK distributors, they do not just distribute a single company's portfolio, but use a technique of collaborating opportunities from different areas and companies, to create diversity. At A-med, currently we have about ten projects with different companies with specific molecules that Accord at present do not supply.

**What are the synergies between Accord and A-med?**

Accord was able to generate a positive revenue stream from the beginning as they were able to use the A-med platform as a way of entering a market with little to no risk. Vice-versa, A-med had risk limitation as we understood Accord is a very strong partner. They are both mutually linked, with one company's success leading to the other's; A-med's potential grows in parallel with the growth of Accord's portfolio.

The real challenge was clearing up the confusion at the hospital clinic level on how the two entities interreacted, but once this was clarified we have been able to provide a very positive image. This helps more Accord, as basically Instas/Accord is an Indian based company, while A-med is perceived as an Austrian company. Historically this is important here as companies, like Sandoz or Ratiopharm, who have large operations in Austria, are more inclined to get prescription preference.

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**You mentioned the importance of being part of the first wave of generics onto the market. How much does this influence a company's market share?**

At first, we were automatically a late comer in launching generics as it always takes time to set the roots of a company; therefore, it was difficult to gain market share and it was a matter of survival and being flexible in our approach – although – this was a limited short-term approach. For

example, if we launch a generic with ten companies present, we can gain a two percent market share, but if only four companies have products, this can be around 20 percent. Now we are in lot better position than before and can release drugs as they come of patent, and establish a greater market share. In Austria, it is a first in, first served type of environment when it comes to drug launches.

Furthermore, establishing a household Austrian reputation is of paramount importance as products are prescribed based on a brand name in a certain nomenclature – even though – theoretically prescription should be based on price. We must build strong relationships with prescribers to ensure they are confident in using our products and understand we can give them support. We constantly communicate with them through emails, conferences, seminars and our sales force. Moreover, the A-med name helps with this as we can market ourselves as an Austrian company.

**How does Accord differentiate itself from its competition?**

Accord really comes into its own as we provide not just the drug, but the whole package of a product; that is the protective sleeve, sealed vial, labelling and product support. This is of paramount importance for cytostatic drugs where safety is a concern, and with our systems we give confidence to medical professionals that Accord is a reliable partner.

**What are your aspirations going forward for Accord Austria?**

In both the market we operate in, Austria and Germany, we have been growing like crazy! Commercially, last year we had sales of 12 million EUR (14 million USD) and this year we will reach sales of 25 million EUR (29.3 million USD); huge increases. Moving forward, we must now consolidate our position, not just focusing on growing in the commercial aspect, but also from the organization side, from back office, front office as well as our communications with headquarters.

**You have taken a giant leap in founding your own business, what would be your advice for any future entrepreneurs?**

There is always space in the market, so plan well, and then do it!

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