

Interview: Yavor Kostov - Country Manager, Mylan Bulgaria



"As a member of the Bulgarian Generics Pharmaceutical Association (BGPharma), Mylan is working on establishing a sustainable and predictable healthcare environment."

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Yavor Kostov, country manager at Mylan in Bulgaria, discloses his strategies to successfully lead an affiliate through corporate changes and explains the important mission of Mylan to provide high-quality treatments to people around the world in general and Bulgaria in particular.

As you are a medical doctor by training, what triggered your decision to join the pharmaceutical industry in 2000 and how do you feel having practiced medicine influences your approach to business?

I deeply believe that the pharmaceutical industry and healthcare professionals are on the same side since both stakeholders are working towards the same mission: bring the best possible treatment to patients. I started my professional career as a medical doctor and I was motivated to develop my professional profile while helping patients. Having said that, by working in the pharmaceutical industry, I found that there is another way to support both doctors and patients.

Hence, I first started working at a research-based European company, and later on I moved to Abbott. I was general manager at Abbott Bulgaria when Abbott and AbbVie decided to separate their businesses and I remained general manager also when Mylan acquired Abbott Established Pharmaceuticals Division. Last year, Mylan also acquired Meda so my current priority is to successfully drive the integration of Meda and Mylan businesses on the Bulgarian market. I have to say that all my prior experience in different segments within the pharmaceutical industry from

branded to added value medicines and generics is helping me to successfully drive the operations of Mylan in the country.

It means that you have been a general manager through three different acquisitions.

What advice would you give to any general manager that has to lead a global integration in a country level?

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Having worked through several corporate changes my main advice would be to have a clear long-term perspective with a solid roadmap behind each M&A, keeping in mind at the same time a clear focus towards the customer – in our case, ensuring patients and customers’ unmet needs are satisfied. It is also very important to involve the local team, and every team member. Such involvement is crucial since they have to clearly understand the company’s mission and the specific role that they play in. I have to stress that this can only be achieved through clear and transparent communication that involve the entire team in the process.

In that sense, with our dynamic history, Mylan Bulgaria is a very fast-learning organization. We are constantly developing talents and competences, as we need to acquire the expertise related to our new products and the know-how to balance such diverse portfolio. So the Bulgarian leadership has set transparent goals and, based on the clear communication, we have managed to keep our position in the industry, maintain the highest ethical standards and retaining our talents.

How important is the legacy of Abbott and Meda in the current positioning of Mylan in Bulgaria?

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Mylan has a unique footprint due to mixing legacies and portfolios and it is also very challenging to manage. We started by producing in-depth product portfolio analysis to set the right commercial and market priorities. Mylan has an extensive portfolio with more than 7,500 products all over the world so it was not an easy task to select which ones are best fitted to serve patients’ needs in in Bulgaria. We always look at the market needs to decide which products conform our portfolio but, additionally, we also have to keep our mission in mind – providing access to seven billion people in the world and especially seven million in Bulgaria with high-quality medicines

Therefore, we first focused on oncology, cardiovascular diseases and diabetes as the main social burdens in the country, as well as on HIV/AIDS – this latter being an area in which Mylan is one of the global leaders, with about 45% of everyone being treated around the globe using Mylan ARVs.

In parallel, we are now starting to leverage our OTC segment to diversify our footprint and, thanks to Meda legacy products, we started in allergology and dermatology. I want to highlight that with Mylan global portfolio and already having more than 65 medicines on the market, there is still room for growth.

Mylan globally has spent more than three billion USD in R&D in the last four years and more to be added, as we have launched globally an interesting pipeline of 16 biosimilars. Expanding on biosimilars is what I believe will help the Bulgarian National Health Insurance Fund (NHIF) to create economic savings in key areas such as diabetes and oncology. This will allow to subsequently allocate the financial surplus in other therapies or services. Nevertheless, biosimilar players, institutions, payers and HCPs have to continue to work together towards educating about biosimilars quality and safety, as well as establishing the right – pathway/framework to ensure biosimilars uptake and their positioning in the local pharmaco-therapeutic guidelines. There is still a lot to be done.

Bulgaria may be challenging for pharmaceutical companies in terms of limited funds and squeezing pricing model. What actions is Mylan taking in regard to this financial limitation?

As a member of the Bulgarian Generics Pharmaceutical Association (BGPharma), Mylan is working on establishing a sustainable and predictable healthcare environment. We would like to continue to position the generics and biosimilar industry as a recognized and reliable partner for all stakeholders from governments to healthcare professionals and patients associations.

BGPharma has a very transparent dialogue with the institutions in order to enhance the pro-generic legislation. I believe a crucial next step is to develop an Ehealth system that will accurately track the NHIF's expenditure in order to clearly identify how is the budget allocated and what are the outcomes obtained. The Bulgarian institutions should look at the neighbouring countries, which successfully implemented this system, in order to identify the best practices in the digitalization transformation.

Additionally, the current reference pricing system in Bulgaria ensures the lowest price among European countries, which enhances the financial sustainability of the NHIF but it is also creating a lack of some basic treatments for patients due to parallel export or the withdrawal of the products by the companies. As a solution to this situation, I personally agree with the position of some industry leaders to set up the reference price at the average of the three lowest prices in Europe. However, I would exclude from this reference system basic generic drugs and well-established

products that have been known for years with a lot of clinical evidence and already reduced prices, in order to ensure that they stay on the market. If these products are withdrawn from country, they will have to be replaced, by the NHIF, with significantly more expensive innovative products.

Additional regulatory requirements like Health Technology Assessment (HTA) and pharmacoeconomic analysis are slowing down the uptake and access to cost effective generics, added value medicines and biosimilars.

When we met with the GM of Mylan in Hungary, he told us that even though Mylan is one the world's leading global pharmaceutical companies, the company awareness in Hungary is still to be improved at the doctor and pharmacist levels. What are your conclusions for the Bulgarian market?

I agree that we have to share our vision and mission with the society and, in Bulgaria, we are already doing this through our socially-focused activities. We have launched several programs such as "Back to balance", "Healthy Fit" and other diagnostic activities to support both doctors and their patients and we will continue to do good.

Also, Bulgarian patients are well aware of many of our OTC brands and we are planning to develop this segment to increase the awareness of the company and bring us closer to patients. We also make sure to closely communicate with doctors because many OTC products are actually prescribed or recommended by them.

Moving ahead, what should be your next priorities to further develop Mylan in the country?

At the moment, in Bulgaria, we are growing above the market average in volume. We are a leading company in gastroenterology with a unique positioning in CNS and cardiology. Therefore, I would like to reinforce our presence in other therapeutic areas like HIV and oncology. These are therapeutic areas with patients unmet needs and Mylan can offer breakthrough solutions. Then, we need to develop the best business model to successfully drive all our different business units in order to better serve Mylan's mission in the future, as well as patients' needs locally. Last but not least, I aim to further develop our internal talent pool to strengthen the affiliate and to show the value of the people we work with in Bulgaria.

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