Interview: Themis Moustakas – CEO & President, Health Watch Swiss AG; General Manager, Protonmed Serbia



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CEO of Health Watch Swiss and general manager at Protonmed Serbia, Themis Moustakas has built a quality company thanks to Swiss practices and an entrepreneurial spirit over the last four years. Moustakas reveals how to best approach the mercurial Serbian market, the trick to bidding on government tenders, and how the road to EU membership has already been shaping practices at Protonmed Serbia.

On behalf of Health Watch Swiss and Protonmed, can you introduce yourself to our international readers?

Health Watch Swiss is a branded company based in the canton of Zug which deals with marketing, registration, and sales of prescription medicines into South East Europe: this is our primary geographical focus. We have a well-developed network here, differentiated from market to market across 13 countries.

What are the milestones you have reached over your journey into the Balkans?

The most significant moment in the history of the company is the establishment of Protonmed. Protonmed is the highest achieving, most profitable and strongest facet of our business operation in the Balkans. Since 2013 we have successfully become the market leaders in the country through the introduction of therapies that previously were not available in the Serbian pharmaceutical market. Curiously, despite trading in generic products, we often play the role of the innovator, and

this is because we have presented the first product within each category to be launched.

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Secondly, Health Watch Swiss *Albania* (set up in 2016) is another important milestone. It is the latest development and complements the program we have just started in Bosnia and Herzegovina. This is the first year that we have won two successive state tenders for nephrology and have managed to build upon our ophthalmic portfolio. We expect to bring new ophthalmic products to the market in 2018.

During this transformation from a small company to a multi-million-euro business, how have you kept your unique spirit?

We try to combine the principles of a Swiss organization and bring them to a region that has historically been multi-cultural, multi-faith, diverse and somewhat politically-sensitive. By virtue of these 'Swiss watch' principles, we can successfully navigate and manage the region, employing the standards, methodologies, and regulations that typically pertain to Western Europe. It can come across a little awkward approaching the area in this way – but although challenging at first, we have successfully established a different pathway.

What does the entry to the EU mean for Serbia?

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It will be a long journey which will be exciting and advantageous for the pharmaceutical industry. However, let's not focus on purely the entrance into the EU but the ascension to the market and the changes it brings. After decades of uncertainty and troubles mixed with political risk, Serbia is on the right track; inflation is at stable low levels (2.3%), economic growth is steady (3-5%), and debt has been controlled. The macroeconomics in Serbia all point towards a positive future.

Unfortunately, the healthcare sector is still facing challenges from various avenues – whether it be the grey economy, bureaucracy or heavy state administration. These combine to create severe issues on a regular basis. Opening Chapter 35 of the EU negotiation- Healthcare within the EU – will cause a cascade of reforms, leading to a more open, transparent and flexible system which will permit us to be more efficient in our Serbian operations.

How can Serbia combat the grey economy?

To be frank, Serbia is already doing a huge amount to counteract the grey economy's harmful impact. Even over the past couple of years, we've seen a tremendous improvement in business

transparency, both regarding corruption and ease. The government is very pro-investment, pro-business and subsidizes manufacturing labor forces. The labor environment's legislation is quite flexible and very pro-business, so the fundamental aspects of developing business-friendly practices exist.

Of course, there is still some way to come, and I think there is only so much that the government can do. Responsibility also lies with us to do what is necessary to bring our business activities to a level of soundness that is required to be part of the EU. In fact, this is a collective responsibility shared by every stakeholder, in doing the right thing to support a more transparent economy.

HWS trades under the brand name of Protonmed in Serbia, what inspired the brand?

We had to navigate a region containing ten languages and needed to develop a company that is quickly differentiated from the other businesses in the Serbian arsenal. We wanted to cater for therapeutic solutions that haven't been available previously. The recipe for success here was listening to the market in that we didn't copy and paste preexisting structures but instead tailored our approach to the market.

Further, partnerships are of real importance whether it be with suppliers, manufacturers, innovators or with companies that have innovative products that would like to introduce them into our region. We strive for partnerships with the best local experts: distributors, wholesalers but also the people that work for us. I am proud to say that we have managed to pool together a competitive, challenging and competent team who have been the cornerstone of our success.

How do you go about choosing the right people?

It is worth noting before answering this question that in this market there is a large pool of educated and highly-skilled people. There are competent professionals with qualifications and some relevant experience. Because of this, Serbia is a powerful recruitment tool. As an added advantage, given that the economies are rather young, there is less advantage that other economies to gaining through extra experience: it is more about the education level that one has achieved.

Consequently, it is easier to teach new practices and engage with a young, skilled workforce that has hunger to learn. At Protonmed, we strive for quality and are still on the lookout for new, ambitious employees to join the dynamic team here.

Your prime therapeutic areas are ophthalmology and nephrology. Why choose these therapeutic areas and what was the thought process behind their selection?

We wanted to identify and meet a need that was alarmingly underserved. We have now introduced therapies to Serbia that (if you rewind five to ten years) were nonexistent and unknown. We are proud to see them being delivered today.

Our plans include expansion into the central nervous system: cardiology medicines and oncology, too. This is a story that is in its middle chapters, there is still a long way to go, and we would like to work more closely with patients, doctors, and medical professionals in order to continue writing the next chapters.

You were victorious in winning the recent tender for Lexavon. How did your expertise equip you to winning this tender?

This is another curious case whereby curiously; the generic is the first product innovator. This means another innovative and unique treatment is available for Serbia and reflects our ability to listen to the market. In fact, this is the first anti-bacterial eye drop which treats children from 12 months old. We have good intentions for the product and its future expansion.

We have a very sound understanding of the system and the markets here in Serbia, whether it be reimbursement, pricing, timelines and requirements for approval. To give you an idea, we are reviewing variations submitted in 2014, and so it is fair to say the system is quite slow. We still have state pharmacies, tenders with trade names and different reimbursement systems that are for hospital and private sectors respectively. It is a complicated system that faces constant reform and changes. We approach these bottleneck situations quite often and use our expertise to manage them better.

We employ our knowledge, flexibility, and speed to ensure that any opportunities and changes that come our way are not missed. Without the staff we have, the Swiss principles as our platform, and our experience in the field, it would be a far tougher challenge to tackle.

What advice would you give to a CEO or General Manager considering a position in Serbia?

Learn and get to know the market as much as humanly possible. Listen to the market, carefully observe what is happening and identify any unmet needs you pick up along this process. Try to understand how the system works and relate to how people think, construct ideas and how they behave in this economy. There is no more effective technique to do business in unknown, local markets than to listen and to observe.

Serbia’s business model is similar to and indeed shares personality traits with the Western model of doing business, but it enjoys its particularities. It is these particularities that you must get to know in order to prosper here: and believe me there are a lot that can be very rewarding.

On a more personal level, you have been CEO of Health Watch Swiss and General Manager of Protonmed for ten years. What is it that keeps you motivated on a daily basis?

This has always been a personal dream of mine – and the vision at the beginning was to develop the best pharmaceutical company in the region. Not the biggest, but the best. We at Health Watch Swiss are not interested in quantity but the quality. We work with professional, top-quality people, using only the best available products to us and operating at the highest level pharmaceutical standards. To better explain, we adhere to compliance regulations that align with Swiss control: far higher than the local regulation.

What keeps me going? To create, develop and enjoy the benefits of managing one of the best pharmaceutical company in South East Europe.

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