

# Interview: Madhusudhan Venkatachari - CEO, Natco Pharma Canada

---



*"Canada is one of those markets where if you file a product dossier completely as per current regulations, you can count on timely approvals and reasonable transparency by the authorities."*

---

22.12.2017

Tags: [Canada](#), [Natco Pharma](#), [Pharma](#), [Oncology](#), [Generics](#), [Strategy](#)

---

*Madhu Venkat, CEO of Natco Pharma Canada, highlights the company's portfolio strategy, its strategic road map to be the first mover and become a leading generic supplier in oncology by 2020. He further illustrates that to be successful in Canada, it pays off to be a niche player and vertically integrated manufacturer.*

## **The Canadian affiliate of Natco Pharma was created in 2012. What made 2012 a good moment for the company to venture into the Canadian environment?**

Natco first introduced some of its products to Canada in 2006, through the intermediary of distributors. However, we soon realized that we were losing the market integration with this model. Natco is indeed a fully integrated company, providing everything from the active pharmaceutical ingredients (APIs) to the finished dosage manufacturing, but our activity in Canada made us miss out on marketing authorization opportunities. We thus decided that it would be preferable to integrate the marketing or front ending aspect to our activity and subsequently launched the full-fledged venture of Natco Pharma Canada in 2012. Natco's very niche focused pipeline is one of our single most important assets. Hence, preserving it and not going third party with the approvals made sense as a business model for us.

## **What are some of the key highlights since then?**

[Featured\_in]

2012 was the year when the Company was incorporated. We got our first product approval and the commercial activity truly started in 2015. 2016 was the year that really marked the beginning of our success with the approval of Oseltamivir, a generic for Tamiflu®. With a successful launch and consistent supply of this product during a season of high demand, we got recognition and traction in marketing of our other generic products. Following this, we expect to launch many other niche generic products in the years to come.

**Globally, Natco is active in the therapeutic areas of oncology, neurology and central nervous system. How does this trickle down to Canada?**

Natco Pharma is primarily focused on oncology, and in Canada the focus will remain in this field. We will continue to have antivirals and CNS drugs in our portfolio, but our focus shall be oncology products. In this field we also see the opportunity to eventually launch some biosimilars. In Canada we currently have 17 approved products, two of which we will be launching over the next couple of months.

**What is Natco Pharma Canada's portfolio strategy?**

[related\_story]

In Canada, we are aiming to be amongst the first to launch if not the first generic version of the branded product. The second dimension of our portfolio strategy is that we focus on niche generics, though by legacy we have inherited some me-toos and not spend our resources on commodity products where too many players are already engaged in.

For the Canadian market, we leverage our US filings and complete them with additional studies needed for the Canadian regulations. As a matter of fact, you might have seen a series of recent approvals for Natco in the USA, many of them are expected to find their way to the Canadian market as and when the local regulations permit. There is a significant difference however: while the products are distributed through partners in the USA, Natco Pharma Canada launches them as a subsidiary here in Canada.

**How do you advocate for Canada at the headquarter level in India?**

As a matter of fact, I do not have to advocate too heavily. Natco Pharma does not have many subsidiaries and amongst those Canada is one of their more successful ones. As the Canadian market is important to the global Natco group, the management team has never shied away from allocating the required investment for getting its products suitable for the Canadian filings.

**Where do you see the most prevailing challenges in the Canadian environment? And opportunities?**

Pricing can be challenging in Canada. However, as a vertically integrated manufacturer, Natco Pharma is able to compete in this market. Furthermore, I personally think that challenges are what they are and that the only way to get past them is with a clear strategy. Every stakeholder pursues his or her own interest, this is true in case of the governments. As industry players we need to adapt.

In the end, challenges can even become opportunities if you navigate them well. Competition eliminates fringe players, and in a logic of the 'survival of the fittest', we try to ensure Natco Pharma is the fittest and survives. Many price pressures are created by the fact that there are too many players competing for too small a market. This is why our niche-focused portfolio is suited to the price-sensitive Canadian market. We avoid overcrowded therapeutic areas by focusing on products where the API is difficult to source and require sophisticated manufacturing.

Also, pricing is not everything that counts when you compete in a market. Canada has faced a series of backorder situations. As a supplier one must ensure consistent supplies. At Natco we have been able to avoid back order issues due to our strong manufacturing integration.

Canada is one of those markets where if you file a product dossier completely as per current regulations, you can count on timely approvals and reasonable transparency by the authorities. With the right strategic approach, you are often able to leverage on previous filings to other markets and move fast if your dossier meets all requirements the first time around.

**Indian drug makers have seen a bit of a backlash in recent times due to regulatory issues. How has that affected the perception of companies like Natco within Canada?**

Evidently, the stigma can cling to Indian companies like Natco. However, I am very confident that people are smart enough to do their homework and realize that Natco Pharma is a company that has never had any issues with the FDA or other regulatory bodies. Our supply record is irreproachable. In Canada, the big retail chains we have been working with will tell you that we are in fact a very trustworthy partner. We will continue to build on this reputation, and are very active in reinforcing the Natco brand in Canada.

**When we met him in India in 2011, Rajeev Nannapaneni, CEO of Natco Pharma, told us "Natco's business model is entirely designed as an alliance model." How does this reflect in Canada?**

In the USA and to some extent in Europe, the alliance model is still in place. However, since your meeting in 2011, Natco has come with subsidiaries in several markets like Brazil, Australia, Singapore and of course, Canada. In Canada, we manage our own operations, and our partners are our customers.

To our customers, we are the partner of choice based on our consistent supplies, as well as our capability to bring in first to market generics. This enables our partners to secure their positioning and seize pricing opportunities as first movers. Several of the products in our pipeline are generics for molecules that cost the governments millions of dollars. Natco Pharma's upcoming launches are expected to bring relief to the Canadian healthcare system.

**Natco has the ambition to become one of the top generic oncology medicine suppliers in Canada by the year 2020. How does your road map look like to achieve such an ambitious goal?**

The necessary work in terms of products, relevant studies, required product support programs and the team is in place as we march ahead towards our goal of becoming an important oncology player by 2020. We are looking forward to several launches in 2018, 2019 and 2020 as many data protections and patents are coming off.

**What will be some of the key priorities you will pursue over the coming years?**

Our main strategic axe is our launch strategy. We will ensure that we will not compromise the offering brands are making, and that the required patient support is available for the critical products in our pipeline. Our focus today is therefore on filing and setting up the infrastructure for successful launches. All in all, I can promise you that you will hear a lot more about Natco Pharma Canada in the coming years!

**As the person having set up the affiliate of Natco Pharma in Canada, what advice would you give newcomers to the Canadian market?**

To focus on a niche segment, and to try and bring something new to the market. There is no point in flooding the market with already existing products, because the Canadian market is not that big. However, a strong supply structure is absolutely critical to be successful here.

[See more interviews](#)