Interview: David Goodman – CEO, Pharmascience, Canada



"Pharmascience already offers a great platform to distribute and market biosimilars in the markets and therapeutic areas we are strong in."

10.01.2018

Tags: Canada, Pharmascience, Pharma, R&D, Innovation, Generics, Pediatrics

Dr. David Goodman, CEO of Pharmascience, talks about the strategy for the international expansion of the company, key for which are long-lasting partnerships. He also analyzes the re-organization of the company amongst the two main axes of generics and branded products and highlights its dedication to R&D, especially in the generic oral and injectable fields as well as in innovative gastroenterology, and hospital-based formulation improvements primarily for the unmet pediatrics population.

David, when we last spoke in 2013, you wanted to expand your international business and be recognized as one of Canada's strongest diversified pharmaceutical companies. What have been some of the major milestones of the evolution of Pharmascience over the last four years?

One of the most important milestones has been the acquisition of Uman Pharmaceuticals, a Montréal-based company. Through it, we acquired a business of contract development and contract manufacturing of high potent injectables for the US market. Three products have already been launched from Uman's pipeline and we have expanded our investment in the site, allocating CAD 30 million (USD 23.65 million). Thus, we are now also able to manufacture oral solids in addition to the injectables.

We also made some fundamental changes in Pharmascience’s structure. While we used to separate our business into Canadian business and international activity, we consolidated into one vertical. We now concentrate on the generic business on one side and the branded business on the other. This change was logical to us, as both areas depend on difference success factors and was very well received by our customers. On the generic side, logistics, costs to goods and timing are the main focus points, while the branded lines request much more demand creation. As a result, timelines and focus have become clearer in the wake of this change.

What is the scope of your contract manufacturing and service activity?

[Featured_in]

We are really just starting in the contract manufacturing business but are very eager to expand it in the future. Our specific areas of focus will likely include bioanalytical and formulation as well as manufacturing for high potency oral and injectable products. The demand is ever-growing and we have the required skillset to meet inquiries and develop this part of our business.

What therapeutic areas are you currently investing in and see amongst those driving growth for the company in the future?

We are still very much pursuing growth in over the counter (OTC) lines. Some of our OTC brands are leaders in their respective areas, and overall the growth in that market has been at double digit for us over the last years. Our penetration of the OTC market was successful, and we have been able to grow our competencies in building brand awareness for our products. For example, we recently received an international award recognizing our creativity for our latest Lax A Day commercial, which in turn also stimulated new demand for the product that were above expectations.

[related_story]

Pendopharm, a division of Pharmascience, just launched GLATECT™, the first and only alternative in multiple sclerosis treatment to Teva’s Copaxone®. Our first success in obtaining approval for this type of product that shows that we are not only proficient in marketing products, but have the ability to getting them through approval as well.

Lastly, we’ve restructured ourselves to be able to focus more on internal development of innovative products which allows us to continue meeting the needs of patients in Canada, but also a platform on which to build out our global specialty business.

David, you are actively advocating for R&D investments in Canada, and Pharmascience plays its part with some CAD 49 million (USD 34.69 million) invested in R&D in 2016, placing it at the rank of 51st investor in R&D in the country. What advantage do you see in conducting R&D in Canada?

Canada remains our biggest market, and conducting our R&D in the country allows us to be as close to our patients as possible. The products are being developed in close proximity to those they are designed to help, which we see as highly beneficial. Moreover, the government has made it structurally interesting to conduct R&D in Canada, granting tax credits for instance.

Pharmascience's products are already present in over 60 countries, and you have offices in Vietnam, South Korea, Ukraine and Saudi Arabia. What importance does its international expansion hold for Pharmascience

About 25 percent of our global revenues come from our international business today and we want to increase that share in the future. The part of our international activity that goes through affiliates having direct in market selling and promotion knows a slower growth as the demand has to be generated that our Business to Business international sales. Our generic sales internationally are rapidly growing and we pursue the strategy of ensuring the regular launch of new products. Coming up fast with the right product launch is a key for successful growth not only domestically but in our international markets as well. It is all about innovation and innovation is about the product. This is something Pharmascience has proven to be able to deliver.

What characteristics in a partner are you looking for?

We consider that growth is really about working with the right people, those who have a similar mindset to ours. We want to develop collaborations that will be there for the long-term. As a privately-owned company we can guarantee longevity in the relationships we enter. This is only one advantage of our business model. Our practice has always been to take the time to make sure we find the right partners These partners have help us create affiliates around the world also enhanced long-standing other commercial partnerships. We look for partners that have a similar approach to work as we do. This allows us to quickly find the synergies we can thus build upon.

Partnering with local international companies gives us access to an understanding of the markets we cannot construct on our own. Our approach to international collaboration also complements well the high level of diversity already present within the company. Amongst our employees, there are more than 60 different nationalities represented.

The global pharma landscape has considerably changed over the past ten years, biosimilars being one of the main game changers that have arisen. Does Pharmascience plan to venture into this field as well?

Pharmascience already offers a great platform to distribute and market biosimilars in the markets and therapeutic areas we are strong in. Gastro-enterology would be one of those therapeutic areas, multiple sclerosis would be another one. Biosimilars have distinct market access challenges and want to make sure that we involve ourselves with specific products in categories we know we can deliver value to our customers and our product partners.

You just made an investment in Edesa Biotech. What was the rationale behind this decision and how important is external growth for Pharmascience?

We decided to make this investment as it was located in a therapeutic area we knew, and allowed us to license products at the same time. Over the last years, Pharmascience has done several investments in companies in order to support the growth of our therapeutic franchises in Canada. As an established distributor, we are a good partner of choice for these companies. Pharmascience is very dedicated to this type of partnerships, as entrepreneurial diversification is one of the pillars in our strategy.

As CEO of Pharmascience, what keeps you up at night?

Our priorities are in constant evolvement, but once our mind is set we are dedicated to what we decided. However, I sometimes wonder: have we over-expanded ourselves? But then again, those are the daily concerns of any growth-oriented CEO of a growing company. I would say, most important to me is pause to reflect, but never pause to stop.

See more interviews