Interview: Nikhil Masurkar – Executive Director, Entod Pharmaceuticals, India



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08.02.2018

Tags: India, Entod, Ophthalmology, Eyecare, Pharma, UK, Market Access, Strategy

Nikhil Masurkar, executive director of Entod Pharmaceuticals, talks about the company's ambition to invest in stem cell research and become market leaders in the field of ophthalmology in ten years' time by adding more cost-effective and highly effective dosage forms to their strong product portfolio.

Can you briefly introduce your background to our international readers and tell us a bit about the evolution of Entod?

I am UK registered pharmacist, I started off in clinical pharmacy, moved on to retail pharmacy, and then walked into the pharmaceutical industry in the UK for a few years to get a first-hand experience. I worked in the NHS, there I got to see the economics side of the business. I founded my own company as a subsidiary of Entod Pharmaceuticals in India based in the UK called Entod Research Cell UK Ltd. We started with a small range of ophthalmic products there which we sell now in the NHS, throughout the UK and around Europe, and I must say we have been growing quite fast in these markets. The UK wing of the business deals mainly with the regulated markets, whereas the parent company in India is focused on the Indian, Asian and African markets.

You specialize in ophthalmics, ENT and pediatric medicines. Can you tell us about your existing product portfolio and which segment performed better in 2017?

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Although we have ophthalmics, ENT, and ENT pediatric segments, 60 percent of our sales comes from ophthalmics. In this segment we have 130 finished products that we produce, market and sell globally. A great percentage of this is sold in India, and around 30 to 35 percent is sold abroad.

How do you assess the level of awareness and education of the medical area?

Because we are a specialty pharmaceutical company, our main focus has always been ophthalmology, and within this franchise we have a very strong network of ophthalmologists, who have been supportive to our cause for the last 40 years. As part of this, we have always been competing with the multinationals, and all this time has been quite difficult, but the last 10 years we have seen exponential growth in our company. This has been purely because of our business model, which is quite unique compared to the rest of the ophthalmic players. Our model is patient-centric, based on cost effectiveness without differentiation between the products for the local and the export markets. We want the same product to be available at more or less the same price anywhere in the world. We do not want to be a pharmaceutical company who people fear or look down on, for us it is about being as approachable as possible. With this philosophy, we have managed to grow at the fastest desirable rate. In the ophthalmic segment we are growing around 25 percent and our company is growing about 40 percent every year since 2008.

You mentioned that one of the strategies to remain patient-centric is to be very approachable could you tell us more about it?

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We are approachable in two ways. One is that anyone who uses any of our products, if they email us about any sort of query, we get back to them within 24 hours. It could be a simple query about the use of the medicines, or if it is a clinical query we direct it to the practitioner who prescribed the medicine. The other way is to get involved in patient programs run by doctors – regarding awareness of glaucoma and cataracts to name a few. We run many camps and we donate on average 10 to 15 percent of our stock to sponsor and have free camps in India. Specifically, regarding glaucoma, we have schemes for patients with education programs around medication. We run all these campaigns in different languages, which is an element that makes us different from MNCs that typically carry out the same in one or two languages.

Ophthalmic is a niche area, as an Indian company how do you assess the level of education and awareness in this field?

India has one of the largest association of ophthalmologists counting to about 20,000 members and 15,000 out of them are currently active. This makes India the largest ophthalmics fraternity in the world, even larger than the US. Technology and medicine is quite advanced and so is the knowledge of medical professionals. In terms of therapeutic areas, I believe ophthalmic is in the top three in terms of medical advancement in India.

What is the value that Entod's brands bring onto the Indian ophthalmic market?

We have almost 95 percent of ophthalmic molecules available. Unlike MNCs who push in a significant manner we do not want doctors to be biased by the choice of molecule when prescribing them to patients. Considering that we have almost every molecule ophthalmologists need, it is just a matter of choosing which one is more suitable for a specific treatment. Of course, some molecules give higher margins than others, but especially young doctors do not like biased promotion of pharmaceutical products and we are very much aligned with this mindset.

In 2006, you founded Entod's International Research Partner company (ERC labs) and subsequently set up formulation R&D laboratories in Glasgow and Mumbai. What is your current R&D strategy and how important is R&D for Entod Pharma?

Entod has historically been focused on formulation R&D. We do not as such research newer molecules, we try to improve the formulations of the existing molecules that we have. Our research is, therefore, more focused on innovative drug delivery systems and we are carrying out a lot of work in that area because we see a lot of potential. Our take, given that we operate in ophthalmologist, has always been that we do not need newer molecules but better dosage forms. If you take for instance other therapeutic areas, medical advancements have been impressive whereas in ophthalmology we have been using eye drops since 1920s – our very research objective is to have better dosage forms that last longer and improve patients' compliance.

Indian drug-makers have seen a bit of a backlash in recent times due to regulatory issues, especially in the US. However, you have state-of-the-art US FDA, MHRA and WHO GMP certified manufacturing units where only the highest internationally accepted standards are met. How do you communicate the quality of your products and facilities to the stakeholders across the world?

We look at quality in two ways. One is the quality of manufacturing which is when the US FDA and the UK MHRA come into play and the quality of the formulation itself which is not very well regulated – regulators only look at it from an efficacy point of view. Our aim as a company is to provide medicines in countries where those medicines do not exist – this is much more important

than selling a product in the US where you have a decent healthcare system in place and you have a good availability of ophthalmic molecules. For Entod is much more exciting to go to a small country in Africa or to prospective growing economies and try to push our range of products there and make a real difference in healthcare.

You operate in more than 55 countries across Europe, Africa, the Middle East and South-East Asia with 20 % of your financial turnover coming from these countries. What is your internationalization strategy?

Our main focus is in Africa right now and within Africa we have certain markets that we are penetrating quite well, Nigeria and Kenya being some of these. We started with South Africa and while it was not our main target it turned out to be a good move in terms of sales as it helped us sell the product that we launched there to some other African markets. South-East Asia is also very much on the radar with the Philippines being one of our biggest export markets. In addition to the above-mentioned countries, in which we are doing well, we have smaller and potential businesses such as Indonesia which is going to play a crucial role for our company in the next ten to 15 years. Most of our internationalization strategy has been based on the predicted business trends in the foreseeable future.

How do you identify the areas that need innovation and commit yourselves to bringing it there?

Firstly, whenever we identify a new market to tap, we find a strong partner with an established sales force on the field. In addition to this we conduct extensive market research with attentive analysis and we engage in doctors' surveys in ophthalmology. Once we identify the molecules that are required in practice, we come up with the device strategy to commercialize them, starting from regulatory to how we can possibly promote the product in that specific market.

In the pharmaceutical and medtech industry up to 30 percent of business is done through partnerships (from production, to marketing, distribution and R&D). What is your partnership strategy?

As a company we invest in the manufacturing side of the business quite significantly, as well as in the product development and in the regulatory sphere. A good potential partner would be a company that has a good distribution network and that can also provide strong marketing and sales solutions in a given country. We firmly believe thatwe would benefit from these elements. We are in a niche area and we hugely focus on training by sending our product teams to different countries and let them gain hands-on experience. Our philosophy revolves around having a

sustainable long-term growth in a given country, so we go to that country, we set things up and we train the team in the region. This very training aspect is what distributors require and it is required especially by those who invest significantly in the field force since they need trained personnel to be successful. We tailor the training depending on the country and to this purpose we cover a wide range of topics such as healthcare needs, epidemiological profile and clinical practices. This makes us attractive to them.

How do you compete with major players such as Novartis, Allergan and Santen in the ophthalmic segment?

Allergan and Santen probably have about ten products in their portfolio, whereas we have 100+. We offer a basket of cost-effective products to the prescriber and this is what increases our competitiveness in the market. At the same time, we also get involved with the ophthalmic fraternity actively participating in ophthalmic conferences in different countries, we have educational sponsorships which we keep as unbiased as possible. The Indian pharmaceutical market is all about numbers, the more products the more people you have and, accordingly, the faster you grow – provided that you have the right strategy in place. Up to this point, it has worked out very well for us.

The global ophthalmic drugs market is projected to grow with a CAGR between 5.2% and 5.5% over the forecast period of 2016 – 2022 and surpass USD 21 billion by 2022. What opportunities do you see for Entod Pharma and what is the company's strategy to grab them?

The way I see the future of Entod pharma in the next five years is by taking those market shares, provide medicines at a low price, to invest in newer therapy and not just in symptomatic ones, e.g. gene-based therapies such as stem cells which could cure long term conditions like glaucoma. However, to invest in this in the long term we need a bigger platform, and this is why we decided to internationalize our brands. We would be happy to come up with the right gene-based therapy which could cure conditions such as glaucoma or cataract, for instance, and not sell our remaining products any longer. In India, there is no regulatory body for stem cell research, so we have a long way to go in this area. We know many doctors who would like to get into stem-cell research but do not have the funding or the backing from the government. We have many like-minded people on board and while it is slightly premature for us to get into stem-cell research, it is definitely an investment that we are looking into.

How do you see Entod Pharma contributing to the local and international ophthalmic market?

In the foreseeable future, from a projection of our current growth, we are aiming to be market leaders in the Indian ophthalmic sector in ten years' time as we are growing at almost double the market growth. Last year we had stats showing that we grew almost twice as fast compared to our immediate competitors. We are climbing up the ladder very fast and this is why the vision for Entod is very ambitious.

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