Interview: Rauno Oja – Member of the Management Board, AS EGeen Estonia



"The Estonian government is doing a good job when it comes to advertising possibilities of private-public partnerships."

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Rauno Oja, managing director of AS EGeen, discusses the company's geographical expansion during his tenure, turning to an international full-service CRO, EGeen's commitment

to high standards, and engagement with the community; carrying out communication activities on the ground in each country in which it operates.

Rauno, you have worked for EGeen for about seven years, for four of which you have been part of the managing board. How have you seen the company evolve over this period of time?

I would say our geographic expansion and scope of services are the most noticeable change. When I started, our main focus was namely in the Baltics, Romania, Ukraine and Poland. The latter is one of our most thriving branches of EGeen and we are very happy the way things have worked out over there. Furthermore, we have turned EGeen into a full-service CRO, so we can provide the clients with a wide spectrum of services. Coming up to my fifth year as managing director of EGeen, I would say that my proudest achievement has been keeping the company performing well.

What is the strategic relevance of the Estonian affiliate relative to the two branches in Latvia and Lithuania and globally?

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EGeen in Estonia started off together with the genome project, but our CEO is located in California and that is where our headquarters are. This gives us the proximity to our clients which are mostly US-based, although we also have some South Korean and European customers as well. In 2004 we span off into a CRO, as the people and the expertise was here and, accordingly, we decided to stay. In terms of head-count, the majority of the work is carried out at off-locations, mostly hospitals, and our largest office is in Ukraine with a fully-owned subsidiary of EGeen. In addition to this, we have a few people in Poland, in Latvia and Lithuania, Romania, Georgia, Slovakia, Czech Republic and Hungary.

You provide a wide range of service from clinical trial management, to clinical trial monitoring. How do you ensure that each clinical trial is executed to the highest possible standards?

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We carry out many rescue studies for projects that were stuck in terms of enrollment and global studies that have been running for a few years. We like to think of ourselves as a very efficient company, not only in terms of costs but also when it comes to planning ahead and having specific recruitment programs in place. Part of our commitment to our high standards is due to the engagement with the community, we spend a lot of time carrying out communication activities on the ground in each country by speaking to local doctors, government agencies, the connected health cluster. Furthermore, in terms of value proposition, it is important to provide a varied spectrum of services in the drug development process and to offer an integrated solution approach to customers.

Globally, we find that the cost-quality ratio in Eastern Europe is one of the best in the world. The development of the healthcare system in our region is picking up in some cases and equals that of Western European countries, yet the costs are not as high as in say France or Germany. Until five years ago, the industry was very excited about India but when troubling news came out of those regions, such as fraud, lack of quality of production as well as manipulation of data there has been a bit of a turnaround. I believe that in a way Estonia can be a seen an excellence hub with low operational costs.

You mostly serve international clients. How have you seen the needs and requests of your customers evolve over the years?

Overall, because of the abovementioned quality-related issues customers tend to be more and more wary when partnering with another company or when requesting the services of a CRO. The

tendency everywhere in the world is that more generics are being brought on to the market and generic companies are very cost-sensitive, so that is one of the aspects that is followed closely

The global contract research and development market, in terms of value, was approximately USD 28.8 billion in size in 2014 and is expected to reach USD 44.6 billion in 2018. What is your target for this year in terms of growth and what do you identify as your main growth drivers?

I think our growth strength resides in the capabilities of data management, protocol design and statistical writing to name a few, and this is the year during which we are pushing towards implementing these more into our studies. We are hoping to see a significant growth in the number of studies by default. It goes without saying that providing a quick turnaround for our clients remains a challenge, but I am quite confident we will manage that as this has been our way of operating for a number of years.

We hear from other interviewees that Estonia's competitive advantage in the R&D space is the possibility to partner with universities for drugs research programs. What is your view on this?

I believe Estonia has great scientists and state-of-the-art institutions to partner with in the research and development segment of the life sciences industry. The Estonian government is doing a good job when it comes to advertising possibilities of private-public partnerships. Estonia's applications for getting grants to take part in R&D projects is one of the highest in the European Union, so this obviously shows that either the ideas coming out of Estonia are good or the capabilities and the expertise is here. I truly believe it is a good country to be located. When it comes to medical devices, analytical machines or any high-tech medical equipment I am sure Estonia can emerge as a hub in the foreseeable future.

What would you tell all the potential customers that will be reading this interview why is EGeen the partner of choice?

Firstly, because all the studies that we have done in the past have shown a good recruitment rate and we have not had any failures in terms meeting the goals – if anything, we have overachieved them. Secondly, our cost-effectiveness and our reliability also play an important role in making us the partner of choice. Overall, our financial structure and the propositions that we can provide to our clients are more favorable than most of our competitors.

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