

Interview: Elif Elkin - Managing Director, Abdi İbrahim Otsuka, Turkey



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Abdi İbrahim Otsuka, the Turkish-Japanese hybrid pharmaceutical company, celebrated their five-year anniversary just last year and have ambitions to become the Number One Japanese company in Turkey. Elif Elkin, in her second general manager position, sets out her priorities, comments on the marriage of Turkish and Japanese work practices, and highlights the startlingly low level of CNS disease awareness in Turkey.

How did the affiliate come into being?

In 2012, Abdi İbrahim established an entirely separate entity. Otsuka is one of the top three companies in the psychiatry scene across the world, and it is in the Top 26 companies across the entire pharmaceutical industry. It is a giant company, with total sales coming in at nine billion US dollars—more than the entire Turkish pharmaceutical market! Abdi İbrahim and Otsuka saw the opportunity to improve patient outcomes in Turkey, and as such, came together.

Crucially, though, both Abdi İbrahim and Otsuka companies share the same essence and vision. Written on the walls of the buildings where we work every day are phrases such as “heal more lives,” and “heal the world.” At Otsuka, the vision is to ‘create better products to heal more people.’ This ‘real people’ focus purveys the two companies, going beyond the pill to work together to improve patients’ lives. Wellness, after all, is as important as being cured.

Moreover, both companies are incredibly passionate. Otsuka is a discovery company, creating original molecules, and now has the first worldwide treatment for polycystic kidney disease, we

have just received the registration in Turkey, and we are waiting for reimbursement; this brings us tremendous pride.

What most excited you about the new joint-venture at Abdi Ibrahim Otsuka?

Managing a joint venture between a Turkish and Japanese culture is fascinating as a news story and even more interesting to handle. From Abdi Ibrahim's production side, we manufacture Abdi Ibrahim Otsuka medicines for sale in Turkey while also exporting to Otsuka's affiliates in Singapore, Algeria, and Tunisia. In the future, we will have the chance to broaden our geography further.

The relationship between Otsuka and Abdi Ibrahim goes back over 15 years, starting out as a licensor-licensee relationship whereby Abdi Ibrahim licensed in products from Otsuka, and over time, the two cultures, the companies, and the managers became so close that they decided to take the risk and create a separate entity. The new outfit would share risks and benefits together—as real partners. What is unique and authentic about this partnership is that it is a 50-50, direct split—uncommon in pharmaceutical companies. As a result, we must manage incredibly well across all lines of communication so that every decision is well thought out.

What is the level of autonomy of Abdi Ibrahim Otsuka within both organizations?

As a 50/50 split, I report directly to the board of both companies, which is composed of three members of each company. We have two board meetings every year and regular information exchange across the course of the twelve-month period. It is curious; we are treated as an independent company within the framework of two organizations in Turkey, combining vast experience and expertise of the local market, and we have the opportunity to connect the power of R&D, innovative products, an exciting pipeline and Otsuka's vision, with Abdi Ibrahim's phenomenal experience of the local marketplace.

Fundamentally, we have the capacity to transfer high-quality Japanese technology to facilities in Turkey. Pharmaceutical production is Abdi Ibrahim's responsibility, and we operate sales teams in the following areas: cardio-renal, our specialty-treatments, and our psychiatry team where we have the well-known medicine Abilify-Maintena.

What did you identify as the areas for improvement when you took on the role last year?

Our dream is to become the Number One Japanese company in Turkey—a market that shows tremendous growth potential. We have great products, and we have a promising launch pipeline. We are particularly well-reputed in psychiatry, but this is not enough—we want to be at the forefront of psychiatrist's minds when considering pharmaceutical companies and administering

medicines to patients.

In Turkey, the critical issue in the CNS disease space is underdiagnosis of patients. We must work to raise the number of diagnosed patients because many people live and suffer from undiagnosed diseases that are treatable. Take schizophrenia, for example; there are around 600,000 schizophrenia patients in Turkey, but the number diagnosed and treated is far less significant. Our company strives to promote awareness of mental illnesses, through the mediums of social media and digital marketing, as well as spreading the word across healthcare professionals and pharmacists.

Critically, however, we aim to raise awareness in communities. Treatment, healing the lives of the patient and improving the experience of the caregiver is a vital aim for Abdi Ibrahim, but to get there, we must increase diagnosis rates.

What is the current level of reimbursement for psychiatric treatments?

More than 95 percent of the population is covered, and the more we can ensure that patients are seen by doctors the more people will lead healthier lives. Often, psychiatric and psychosis patients cease usage of prescribed therapy following less than a year cycle, because they feel marginally better and have grown tired of medicating. Sadly, patients need to continue treatment; consequently, we must ensure patients have the self-discipline to maintain adherence to medications for long-term health benefits.

Would you consider in-licensing of other products, particularly in psychiatry?

Otsuka's pipeline in psychiatry is already particularly robust, and just recently, Otsuka introduced a wonderful discovery for schizophrenia: a monthly injection version instead of daily treatment. The product is particularly welcome because of the aforementioned patient adherence problems, whereby following a year's usage, patients often stop taking medication. Indeed, we observe an 80 percent drop in patients taking tablets following one year's usage. Making one injection per month is less of a burden for the patients and offers a more streamlined route to care.

Next year, we expect to see next-generation molecules from Otsuka—one of which is already 'In the kitchen'—and covers more than purely psychiatric treatment areas. As a result, for the time being, we do not seek in-licensing opportunities.

Secondly, our most commonly used molecule covers a broad range of indications. From schizophrenia to bipolar to autism to depression, the molecule is active. We now seek increasing the usage of our products while we wait for breakthrough products from Otsuka.

What shape does the competitive landscape take on in psychiatry?

The latest IMS figures revealed that it is one of the Top Three therapeutic areas of Turkey. There is enormous competition in this area, from local companies to global multinationals. We are the market leader for our molecules, and with a 'mother-father' partnership backing we have a strong reputation in R&D, development, effectiveness, quality, and our medicine offer low side effects.

We have several strong arguments that we can put forward to our doctors.

Moreover, corporate social responsibility and supporting community health care centers—whether that be mental hospitals or healthcare centers—is an essential facet of our work. Our team members often present ideas ranging from voluntary projects including painting with patients or distributing used books amongst our patients.

We also support the psychiatry environment through supporting doctors in creating awareness about the disease. Recognition for the company continues to grow, and we look forward to conducting a survey next year that will shed light on the company's perception across Turkey.

What personal goals have you set as general manager for Abdi Ibrahim Otsuka?

I want to see the company grow; right now we have just started walking, and through teamwork, we will create a running company. If we compare 2016 and 2017's figures, we have 50 percent growth—and we have an even more ambitious plan for this year. My dream is to be able to say that I was there during the journey of Abdi Ibrahim Otsuka on its path to becoming the Number One Japanese company in Turkey.

How do the Turkish and Japanese business cultures combine?

Firstly, I have led an international career, and in business development, I have had interaction with the entire world from India to Korea to the United States to Turkey, which acts as an anchor for cross-cultural communication and education. In Turkey, we are unique in being the only joint venture between a Turkish and Japanese company, which helps personal, professional development and helps you to see things from different angles.

Interestingly, the Turkish and Japanese cultures are quite similar. Both cultures are very respectful, family orientated, and the importance of both styles is human relationships. In contrast, Turkish people are flexible, full of surprises and adapt fast to change, whereas Japanese culture hates surprises! Long-term stability is preferable to high jumps.

The company has been doing exceptionally well for the moment; indeed for over half a decade, we have been progressing well. We are ambitious and wish to grow and develop more products in Turkey for the Turkish people to ensure better treatment which we then may be able to share with

other geographies.

What is your final message to our international readers?

Evidently, for a Japanese company to establish operations in Turkey—particularly considering the Japanese attitude for risk aversion—is a massive vote of confidence for Turkish business.

However, the issue of unpredictability is not specific to Turkey, and indeed the whole world faces turbulence. Here in Turkey, particularly in the pharmaceutical market, there is a vast opportunity for global pharmaceutical companies to find new partners for production.

Localization should not be an issue because low-cost manufacturing at high quality is readily available. Admittedly, our pricing system is a considerable challenge, and for companies to make a profit and invest more in the industry, we must manage better. To close, with a population of over 80 million that becomes increasingly aging, and bearing in mind that many live with undiagnosed conditions, there is excellent potential in this market.

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