

Bong Gil Nam - Chairman & Owner, Pharmbio Korea



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Bong Gil Nam, chairman and owner of Pharmbio Korea, offers his insights on his company's importance in differentiating itself from the generic competitors in the market. Mr Nam also explains his strategy to expand into the East Asian market and provides his assessment on how established Korean pharmaceutical companies can help lead Korea's innovation drive.

Can you introduce yourself to our international audience and what sets Pharmbio Korea apart in the Korean pharma landscape?

I studied medicine at university and began my career at Boehringer Ingelheim, where I spent 13 years. I was in charge of marketing, registration, advertising, and sales. Following this, I joined Samsung when they were starting a pharmaceutical business in the group. There, I had a chance to learn their management philosophy and mindset. After that, I joined another domestic pharmaceutical company, heading the R&D lab and R&D department. Subsequently, I established my own business. So, what is distinctive about Pharmbio Korea is efficiency - we try to manage the company base on this.

Thanks to my background, I have a strong connection with key opinion leaders, especially leading doctors here in Korea. One aspect that differentiates us from other Korean pharmaceutical companies is that although it is very common to start a business with generic products, Pharmbio has always been trying to develop original products.

Our revenue rate is over 20 percent, and the estimated growth rate for this year is 23 percent. As long as we are dedicated to what we do, there is nothing to worry about. In my opinion, if we continue to challenge ourselves, we can even reach growth rates of 100 percent.

As a global strategy, we aim to expand our export markets.

Our local strategy is to continue developing new products so that we can bring added value to Korean patients. That is my dream. We are planning to build extra manufacturing facilities in our manufacturing space in Chungju. Currently, out of roughly 3,600 square metres of manufacturing space, only 650 square metres are occupied. We want to expand in exporting and build more manufacturing facilities to serve future demand.

What are the current star products that are driving your growth rates?

The current leading product for Pharmbio Korea is *Norzyme*, a Pancreatin product. This product has quite an importance in our product portfolio. We are also succeeding with our painkiller products and probiotics products. Speaking of *Norzyme*, Pancreatin products have been considered to merely aid digestion. Patients with cancer, or with pancreatitis usually have poor digestion, encountering difficulties eating. This product has assisted patients with better digestion, which also assists with their treatments. In this ageing society, medications that can support patients with cancer have become all the more important, as do those which can relieve pain and aid digestion.

Moreover, we have Endonase-F, which contains protease to dissolve mucus prior to an endoscopy. It reduces the time required for an endoscopy and helps to more easily detect a regional lesion or early stage cancer by innovatively enhancing endoscopic images. In addition, it improves the durability of endoscopic equipment. Many doctors in Korea have expressed their satisfaction vis a vis Endonase-F and we have published studies in several journals on its effectiveness.

Consequently, it has become one of our main products. Our most important strategy is to discover potential medications with an unmet need and despite however challenging it may be, develop these candidates through our innovative technology. Pharmbio Korea continues developing products that can be beneficial to the current epidemiological trends.

In terms of developing new products, the most important consideration is differentiation. Pharmbio Korea does not produce generic products; we strive to develop original products and that have a medical need in the market. In this regard, what is most important is the searching activity. This activity involves frequent overseas business trips. For example, Pharmbio Korea delegates attend

annual JP Morgan Health Conference in San Francisco. We are trying to develop our own products based on what we have seen and learnt through our global participation. Furthermore, having found these new technologies, we either collaborate with the original companies or even invest in them.

You recently signed a collaboration agreement with US based firm Trevena. What makes you stand out as a partner for international companies looking to the Korean market?

When negotiating contracts with countries in Europe, Japan, Canada, and the US, we utilise various marketing frames or sales forecasts, and discuss the information with our counterparts. There are several reasons why we are selected – one of the main reasons is because we are a pharmaceutical company that develops products for general hospitals, and we practise ethical marketing rather than OTC. In addition, as I have experience having worked for Boehringer Ingelheim, my marketing strategies are westernised.

Pharmbio Korea has many esteemed partners in Europe and has developed business relationships through a solid basis of trust. Through that reliable network, Pharmbio Korea is now seeking to establish connections with our existing partners' partners. We are continuing to expand using this strategy. Recently, we have started exporting our products to Turkey and to Peru through this pursuit.

Given the government's plans for Korea to embrace the 4th industrial revolution, especially with regard to health care and life sciences. What is the role of the established pharmaceutical players in supporting that ecosystem?

The current government is investing significantly into the concept of the Fourth industrial revolution. However, it will take quite a length of time for the results to become apparent. The established pharmaceutical market is very rigid, and it takes time to move towards the trend of the fourth industrial revolution. The most successful case to date would be biosimilars, which still involves a huge investment in manufacturing systems. Indeed, companies like Samsung Biologics have entered this field through a large amount of investment, yet this sort of scale is out of reach for most Korean companies.

Nonetheless, Pharmbio Korea is preparing a biosimilar product through collaboration with an American company. We want to bring their technology to Korea and would like to import or

manufacture the product locally. We have no choice but to learn from companies that already possess the technologies; we cannot simply develop the products internally as it takes too long.

Small sized-companies also lack the capacity to launch their products by conducting clinical trials. Consequently, it becomes critical that pharmaceutical companies like Pharmbio Korea, already well established, continue developing products by completing the steps that cannot be pursued by the smaller companies. That would be our role in this trend. We are always searching for small-size companies with good technology for new investments and collaborations.

An example of this is Tamiflu. Several years ago, when the flu was spreading, Tamiflu was developed by a small lab, even though it was marketed by Roche. The development of the medication had been stopped at the animal testing stage. Subsequently, Roche merged the lab, resumed the development, conducted the clinical trials and obtained an approval to launch the product.

You have capabilities across the entire value chain, from R&D, manufacturing, and commercial operations, how do you make sure your personnel, your staff, in general, are kept to the highest standards?

There is a saying in Korean: 'Many hands make light work'. I believe that a team should work together. I try to give freedom in decision making to my employees wherever possible. I think this helps them to improve their skills too. Moreover, we facilitate free discussion with our management level staff, correcting me whenever I am wrong and vice versa.

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