

YongBum Choi - General Manager, Ferring Korea



Ferring's executive management emphasizes the long-term value for people, creating value through science and innovation

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YongBum Choi, general manager of Ferring Korea, explains how he plans to foster the Ferring values in the local affiliate. Mr Choi also breaks down the stigmas associated with assisted reproductive technologies and lays down Ferring's ambitious growth strategy through breakthrough products launches every two years

in Uro-Oncology & Gastroenterology.

You have had a successful career at large publicly traded pharmaceutical firms, including Novartis and AstraZeneca. Having recently joined Ferring, a privately-owned company, what have been your first impressions?

The fact that Ferring is a privately-owned company was one of the major reasons why I joined. Decisions in Big Pharma companies very much depend on the opinions of shareholders. I do not disagree with a public listing in principle: being publicly-traded also has its advantages, particularly for raising capital. However, shareholders' interests are usually biased towards short-term returns to the detriment of long-term value.

Conversely, Ferring's executive management emphasizes the long-term value for people, creating value through science and innovation. This outlook allows us to tackle short-term setbacks and challenges with thoughtful patience. Moreover, Ferring places people at the heart of what it does - **"People come first at Ferring"**. To me, this is not just a corporate slogan: the company truly

embraces this philosophy. Publicly listed pharmaceutical companies' credo or mission statements does not necessarily align with their business strategy or corporate culture as the interests of shareholders, patients and physicians do not coincide. As a private company, Ferring can be more earnest in its dedication to serving patients, physicians, and employees. I also feel like Ferring is more considerate of the local situation and cultivates local talents.

What have been your main priorities to implement this corporate philosophy in Korea?

Unfortunately, there is still a gap between Ferring Korea and the group's global standards, both in terms of philosophy and business strategy. Ferring Korea is much more localized. My priority is to enhance the alignment between local and global operations, while simultaneously respecting the specificities of the local environment. It is a balance. In order to make this transition, communication is key. I want our employees to feel part of and visualize their contribution to the bigger society. I also want to adapt the global standards to Korea.

Last year, we adopted a new company slogan: "**Step Go Forward**". The first step is crucial. To take the first step, mistakes must be accepted, but transparency and honesty are essential so as not to repeat them. By acknowledging our own mistakes, we are able to correct course. However, we would not be able to learn from our mistakes without others' help. We need to "**Learn and Grow Together**", which is the 2019 slogan of Ferring Korea.

You mentioned Ferring's strong commitment to patient-centric science. Per Falk, previously the group's Chief Scientific Officer, was appointed as its President and his ambition is to reignite the sterling reputation Ferring had as an innovation-driven company two decades ago. What is your opinion on the new strategic direction Ferring is taking?

Leveraging its scientific heritage, Ferring did a great job at geographic expansion during the last decade. Moreover, the group made strategically targeted investments to expand our portfolio with products that complemented and enhanced its biggest assets. However, Per Falk's strategy is very different and I am very enthusiastic. I would like Ferring to invest in breakthrough therapeutic areas such as world-first products of microbiome health and gene therapy for uro-oncology. If Ferring wants to become a global leader in the therapies of the future, it needs to position itself in these areas while strengthening its world-leading position in women's health. Now is the time to

open a new chapter in Ferring's history and open a new world for physicians and for patients.

How is the Korean affiliate performing?

Ferring Korea is well-established in the market and our portfolio is performing extremely well. For example, our Desmopressin urology product covers about 50 percent of the market share, even though there are 19 competing generic products available. Another example is our Pentasa Gastroenterology product which boasts about 65 percent of market share. Although I am excited about things to come at the global level, at this moment, I think we should focus on strengthening our market leading position within the current portfolio by further enhancing the value we bring by determining which patients most benefit from our treatments. We must expand from being physician-centric to being patient-centric with physicians.

Moreover, we also plan to launch new products every two years. Our new In Vitro Fertilization (IVF) product should obtain regulatory approval this year and be launched in the next one to two years with reimbursement. In three to four years, we will launch a gene-therapeutic product for bladder cancer and then our microbiome product will come into market one to two years after that.

At the global level, Ferring is active in five main therapeutic areas: women's health and fertility, urology, gastroenterology, endocrinology and orthopaedics. What is your offering in Korea?

In Korea, we are present on three of those five therapeutic areas: women's health, urology and gastroenterology. At this moment, gastroenterology is our largest segment, followed by urology and women's health. In the coming years, we will focus on developing the uro-oncology segment, adding onto our urology leadership while strengthening our foothold in gastroenterology with microbiome. When it comes to women's fertility, it is a smaller market due to the low birth rate in Korea. However, I am optimistic the situation might change as the government tries to reverse the falling fertility.

Currently, Korea government has announced reimbursement scope expansion for drugs already approved and available on the market. However, this could put pressure on pricing which may hinder innovation, and there are worries among global innovative companies.

How competitive is the landscape Ferring is operating in?

In gastroenterology, we face tough competitions from both multinational companies as well as local players but are nonetheless able to maintain our market position. In urology, competition comes mostly from local firms, but we have a strong foothold.

In women's health, our strength comes from the trust customers put in Ferring as we constantly strive to reinforce the efficacy and safety of our products.

In IVF, there are also several multinational players, but our portfolio is competitive. In the case of IVF, we will launch new products in soon which could make a personalized treatment available for the patients to help them start a family.

With the proposed expansion of reimbursement, there is growing concern over its impact on pricing. The narrow scope for risk-sharing agreements is also a concern How do those issues affect Ferring Korea in terms of sales and market access?

I am confident that the government will become more flexible for expanding the scope of risk-sharing agreements, especially for rare diseases and oncology, which will positively impact our uro-oncology portfolio. We recently hired a Market Access & Public Affairs director to prepare for the coming changes. I whole-heartedly agree with the government's efforts in expanding the NHI coverage. It is a good strategy that will greatly benefit Korean patients.

Notwithstanding that, as Korean population get older and the young working population decrease, it will further put pressure on the NHI budget of government. In these circumstances, I agree that the government has little choice but a cost-containment policy of pricing management, and should adopt an efficient healthcare policy. For this purpose, both the government and pharma companies must collaborate together and the more flexible risk-sharing agreements would be a good option.

That being said, companies can also play an important role in helping the government tackle some societal issues. Korea government has made huge efforts in elevating its world-lowest birth rate. However, those kinds of support programs also needs to develop various ways to make giving birth easier, by investing research funds in the fertility area and supporting pregnant women for their healthier and safer lives.

What goals would you like to achieve at Ferring Korea in the next five years?

Internally, my goal is to change our culture of growth and establish an environment of constant learning and mutual collaboration as well as build our capabilities. Externally, I would like to initiate successful marketing and branding campaigns focused more on patients to live better lives.

Moreover, I want to introduce Ferring's newest innovations to Korea and position Ferring as a leader in personalized healthcare by linking treatment with diagnostics. The technology is already there to bring about the customized patient care revolution.

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