

Interview: Victoria Tarabanova – Country Manager, WÃ¶rwag Pharma Ukraine



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Victoria Tarabanova, country manager of the Ukrainian office of WÃ¶rwag Pharma, a company dedicated to treating diabetic comorbidities such as neuropathic, cardiovascular and neurological diseases, provides insights into the company’s remarkable efforts to enhance Ukraine’s health ecosystem and its enduring commitment to Ukrainian patients and physicians – even during the heights of the 2013 crisis.

You have been heading the development of WÃ¶rwag Pharma’s representative office in Ukraine since its beginnings in 2003. Could you walk us through its main milestones?

At the beginning of the millennium, the Ukrainian pharmaceutical market’s double-digit growth rates and the enhanced impact we could have on one of Europe’s most populated countries meant that WÃ¶rwag Pharma decided to establish a direct footprint in Ukraine – and they entrusted me with the mission to set it up. From a personal standpoint, I immediately considered this opportunity as the perfect next step in my career and as a very exciting challenge.

Our representative office’s beginnings were particularly successful: from its set up at the end of 2003 until the 2013 Revolution, WÃ¶rwag Pharma has continuously displayed double-digit annual growth rates in Ukraine. Building on this rapid development, our local revenues overcame the EUR10-million mark in 2013 [USD 11.24 million] and our office was then gathering over 60 employees.

Nevertheless, the deep political and economic crises that broke out at the end of 2013 massively impacted our activities. Following the collapse of the Ukrainian pharmaceutical retail market in 2014 and 2015 [*which lost around a third of its total value in comparison to 2013, e.d.*], we were left with no choice but to adapting our office's structure to this new market reality and let around 40 percent of our staff go.

Although this crisis entailed the loss of a third of our local revenues, WÄrrwag Pharma did not reconsider its commitment to Ukrainian patients or abandon the market – far from it! As a matter of fact, we provided substantial humanitarian aid in 2015 and 2016, while over 120 state medical institutions across the country (including both hospitals and polyclinics) freely received WÄrrwag's high quality medical products, especially biofactors [*biofactors are essential substances such as vitamins, minerals, herbal ingredients and trace elements that can influence and balance human metabolism, e.d.*]

The Ukrainian economy is now back to growth, and – according to the World Bank's projections – this positive dynamic is set to further gain momentum over the next years, while the Ukrainian pharmaceutical retail market is set to grow by 8-10 percent in 2017. How do you plan to position the affiliate to fully leverage this recovery that seems to materialize?

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Overcoming this crisis – with all the difficult decisions it implied – has undoubtedly been the biggest challenge I've ever had to face throughout my career. Nevertheless, as I look back, these strategic decisions were absolutely crucial to ensure WÄrrwag Pharma is now on the right tracks to leverage the promising signs of recovery that Ukraine has been recently displaying. In this regard, I am confident that – as from 2017 – our representative office will renew with its historical double-digit growth rates in Ukraine.

In this endeavor, the strategy that we are following is fully aligned with our company's overarching development approach, – *Fit 4 Growth* –, which encompasses four main pillars: complexity reduction, prioritization and focus, modernization, and compliance.

Over the past four years, deep changes have been significantly transforming the Ukrainian healthcare system and its structure. We believe that 2017 will mark the long-awaited beginning of a new era of growth; nevertheless, we already know that reaching our objectives will require designing and implementing different strategies than the ones we used to rely on. To give you an example, the Ukrainian crisis has triggered a substantial and ongoing consolidation across the entire value chain, whose full impact is still difficult to evaluate, especially when it comes to the wholesale and retail sector of the pharmaceutical distribution system.

In Ukraine, biofactors make up around 90 percent of our portfolio, consisting of prescription products, OTC products, food supplements and cosmetics. These products will naturally stand as our main growth drivers over the upcoming years. In some product niches, we already hold substantial market shares – sometimes over 30 percent. Our objective is then to consolidate our leadership in these product categories and assess what will be the new propellers of our affiliate's growth. In this regard, we are now recalibrating our portfolio to Ukraine's new market dynamics, taking into consideration all changes that have been recently happening.

In the grand scheme of things, we will remain loyal to our company's historical development approach, and our new business approach will still integrate strong social and humanitarian dimensions – as summarized by WÄrrwag Pharma's slogan, – *Getting Closer – Helping Better* –.

How does WÃ¶rwag's social approach trickle down to the local level?

When it comes to diabetes, we see that Ukraine's prevalence rate *[around 2.5 percent of the adult population, e.d.]* is significantly lower than the world's average *[not less than 5 percent, e.d.]*, which is mostly due to the substantial frailties of our country's screening and diagnostic capacities. Given this worrying context, WÃ¶rwag Pharma as a company dedicated to improving the lives of diabetic patients and tackling diabetes comorbidities has then decided to put its international expertise at the service of Ukrainian patients and stakeholders.

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Over the past nine years, WÃ¶rwag has then set up and staffed more than 25 diagnostic centers in the country, which are focused on diabetic neuropathy, a widespread and serious sequel of diabetes that affects patients's nerves and organs such as eyes and kidneys. We do not aim to substitute ourselves to Ukraine's Ministry of Health only to complement its action with our expertise and resources. As many reforms are currently underway, we hope that one day an efficient, neuropathy focused diagnostic capacity will be fully integrated within the structure of our health system. In the meantime, WÃ¶rwag Pharma will however tirelessly continue to support our country's KOLs, physicians, and patients, who all praised the great outcomes that our diagnostic centers have generated since their implementation. Leveraging these outstanding results, WÃ¶rwag Pharma suggested to the Ministry of Health to expand the scope of this initiative.

Overall, the Ukrainian health system still displays dramatic shortcomings inherited from the Soviet era: a low state budget allocated to healthcare, a medical infrastructure that is not adapted to the management of chronic diseases, as well as an unsatisfactory access to pharmaceutical products because of the absence of a mandatory state medical insurance system. More than twenty five years after our country's independence, we have now reached a critical point where deeply reforming our health system has become a vital necessity. Nevertheless, structural reforms were recently introduced, such as the set up of centralized state procurement procedure *[whose management is so far outsourced to international organizations, e.d.]* as well as a reimbursement mechanism covering 21 International Nonproprietary Names (INNs) in three therapeutics areas (asthma, diabetes type 2, and cardiovascular diseases). Although we still identify substantial rooms for improvement and more reforms are yet to come, this progress undoubtedly proves that the Ukrainian health ecosystem is heading toward the right direction.

WÃ¶rwag Pharma strives to be an active contributor to this promising dynamic. As an international company with deep roots in the most advanced health systems, we also invited to Ukraine international KOLs, such as Prof. Dan Ziegler, Deputy Director of the Institute for Clinical Diabetology, German Diabetes Centre at Heinrich Heine University, DÃ¼sseldorf, and Prof. Peter Kempler, MD, PhD, Dsc, Semmelweis University, Budapest, Hungary, as well as Dr. Alin Stirban, Head of diabetic and endocrinological center, Remscheid, Germany to ensure local stakeholders can benefit from WÃ¶rwag's international network and expertise. In the meantime, our Ukrainian office is closely partnering with other affiliates to foster knowledge transfer and bring into our local health system the best practices implemented in other health systems.

In terms of health outcomes, Ukraine still lags behind most European countries. Nevertheless, our country is now following the same improvement process as our neighbors, and WÃ¶rwag is proudly contributing to move our country's health capacity forward.

What are the main objectives that you want to achieve within the next five years?

When it comes to our local growth strategy, it makes absolutely no doubt that we will stick to our two-fold development vision, where business development goes together with a strong social approach,

including for example the further development of our neuropathy centers or the set up of new forms of humanitarian aid.

Globally, WÃ¶rwag Pharma stands as an ambitious company that is growing every year. Furthermore, we see that many reputed industry leaders have joined our company's headquarters to accelerate our company's development. I deeply believe that the Ukrainian representative office has a great role to play within our company's growth vision, whether it relates to commercial results or corporate expertise.

In this regard, I truly want to enhance a two-way relationship with our company's headquarters, which will first require that all the departments of our Ukrainian office, from sales to regulatory affairs, are perfectly aligned with our company's strategy and processes. In this vein, I also want to see more international experts coming to Ukraine, with the idea to ensure our employees and our company's stakeholders can directly benefit from their experience and fully leverage their exposure to other countries' health systems.

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