

Interview with Jeh Ping Chang, General Manager, OEP Philippines

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[OEP Philippines](#)

Mr. Chang, can you please give an overview of the establishment of OEP Philippines and the company's current activities here?

OEP Philippines started by acquiring the operations of Elan Pharma Phils, an Irish company. In 2003, when Elan Pharma decided to dispose of their subsidiary in the Philippines, Mr. Peter Tsai, the Chairman of OEP Taiwan, travelled to the Philippines and decided to acquire the operations. That's how OEP Philippines started.

The new management of OEP Philippines, by then, realized that it should transform and develop its own product portfolio to build up the competence for the long term development of the company. We identified opportunities in the generics market, and started to search products from various countries and even some new products from local development.

Right from the beginning, the OEP Philippine operations was independent from its headquarters. We plan our business autonomously and build up our own product pipeline. In the recent years, we've built up our strength in the fields of respiratory, cardiology, anti-infective and the metabolism. Right now, we're moving into the specialties of Ob-Gyne and Gastro-enterology for our key focus areas.

OEP Philippines is the largest subsidiary in terms of sales of OEP Taiwan. What makes the Philippines such an important market for OEP?

The main factor is that the market is quite sizeable. Unfortunately, it is very difficult to have reliable health care data about the healthcare environment. However, it seems that, at best, less than half of the population can afford to access to medication, which means there is still great market potential.

The Philippines is an English speaking country, we see OEP Philippines as our talent pool for our future expansion demands in the Southeast Asia. We'll also recruit people from the country to work at our head office to support the regional business in the future.

So far you have been doing pretty well in the Philippines, currently being ranked the 24th pharmaceutical company in the Philippines, and one of the fastest growing according to IMS. What do you think have been the factors that contributed to this success?

One of the factors has been our product portfolio, being able to offer different products from different sources. Since we have been quite successful, that interests more suppliers to be our partner and

offer more products to us.

With quality and affordable medicines from our partners, it helps us to build up the ground work for the business successfully.

Sometimes when a "super generic" offered to us, (a super generic means when you are first [or second] in the market), we seize the opportunity to gain market share. This is where we want to continue to position ourselves.

In the last few years the market was dominated by major pharmaceutical companies. Now, in addition to the innovators, generics players have entered and developed a new market. Now patients can afford medicines that they could not afford before. There are lots of potential, and we grow our business together with the market opportunities.

We employ local Filipino talent in business operations, and that's another factor for success. It helps us to shorten the learning curve effectively.

As you mentioned, access to medicines is a critical aspect in the Philippines as only a smaller percentage of the population can afford the drugs, something that is very different from the situation in Taiwan. What have been your efforts in improving the quality of life of the Filipinos and increasing the access to medicines?

It's a challenge to all pharmaceutical companies. The Act of Cheaper and Affordable Medicines announced last year has generated public awareness to have different choices in medication. However, there is still a room for improvement on educational programs on diseases and its clinical management.

The insufficient budget allocated for public hospitals also limits their service to the patients. Since the healthcare programs in Taiwan are mature and successful, we are working on the collaboration programs between the medical centres of the Philippines and hospitals in Taiwan for long term cooperation.

We are also aggressively involved in the CME programs by inviting Taiwanese key opinion leaders to visit the country for a meaningful exchange of information and clinical experience. These programs will also help us increase our value to the medical societies and be of better service to the patients. For example, last May (2010), we invited a professor from Taiwan to lecture at a post graduate educational program in one of the local medical centres. They worked together to operate on a patient of neck cancer successfully. But when we found out that the patient could not afford to have a reconstructive surgery, we decided to coordinate and support the patient to travel to Taiwan and underwent a free reconstruction operation offered by a medical center in Taiwan.

This is our idea of how we can leverage our connection with institutions in Southeast Asia and Taiwan, and it will make us a unique generic company to better serve the Filipino patients. I believe this will have some impact in the future, since healthcare should have no boundaries. Part of our obligation is to look into the welfare of the patients.

We are also focus on the patients' educational programs for disease management. With the increasing usage of internet and information technologies, these programs will help the public learn more about the disease for better daily care and prevention.

It is very interesting to see that relationship between Taiwan and the Philippines has been contributing to the advancement of the healthcare of the country. As a Taiwanese company, do you think OEP is better positioned to serve the Philippines market and the Filipinos?

Yes, I believe so. Taiwan has a mature pharmaceutical industry and with high quality products, we are able to meet higher standards and higher quality requirements, so in terms of product quality we are better positioned compared to other Asian countries.

In the Philippine market, we are competitive also in terms of price. Since we are geographically close to each other, it's more cost effective for product shipping and supplying. This makes us competitive also pricewise.

We believe in corporate citizenship and obligation to serve patients from the value statement of our head quarters. The Chinese are more optimistic to believe in returning back from contributions.

On a personal note, as a Taiwanese leading a Filipino subsidiary, what kind of advice would you like to give to an Asian expatriate coming to work in the Philippines?

Filipinos have a completely different culture and way of thinking compared to people from other countries. Basically, they are happy people and tend to be contented by nature. On the other hand, most of them are passionate. They commit to everything, but you also need a monitoring system to follow up the execution.

As an expatriate, the cultural background that you have in your own country might be completely different. So the advice I would like to give to an expatriate coming in is to prepare yourself for a different culture impact â?? things you have learned from your own culture might not be applicable in your work here, and you have to live with that.

As a Taiwanese, how are you managing the Filipino subsidiary? How would you define your management style?

I think of the company as a big family, when we all meet together. However you also have to look at the individuals. In business management, productivity and return on investment should always be put into evaluation. I make a lot of investment to train our people, and to encourage them to utilize the skills to achieve their goals. We share our success stories, and we also encourage learning from mistakes. I make transparent policies for people to follow, and I hate to leave grey areas between black and white. I trust people who work with me, but when someone abuses that trust and has been found to be cheating on me, it will be almost impossible for him to have a second chance. I am always sincere and a man of my word, and I'm expecting the same in return.

In business, we always support each other. This also means that when we agree on something, everybody shares the responsibilities. Every year, I'll share my KPI to the managers and they pick up the ones related to them to include them in their KPIs. In turn, they share their KPIs with their supporters so that we're all aligned to our goals.

In order to communicate clearly with the team here and the international readers of Pharmaceutical Executive, what would you like your final message to be?

My final message would be to be realistic: execution, execution, execution! That is the fuel to achieve your goals in this country. The only way to success is to put your strategies into execution. You have to show the passion to perform through execution.

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