

John Bouros – CEO, Alvion Pharmaceuticals



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John Bouros of Greek generics start-up Alvion outlines the company's rapid development since its foundation back in 2014, its product and market selection strategy within Europe, partnerships, business development, and his ambitious goals for the firm's future.

Could you explain Alvion's business model and tell us more about its successes thus far?

First of all, Alvion is the only Greek start-up pharmaceutical company. I founded the business back in 2014 after leaving Pharmathen following a great ten-year experience. In the first few years, we did business mainly in Greece, licensing hospital products that we marketed within the country, but also in Cyprus and Bulgaria. This was the first era of Alvion, but as with any other start-up, we developed our business unit, developing added-value medicines and non-infringing generics to out license to the entire world... a model similar to other major Greek pharmaceutical companies.

The development of Alvion was thanks to several investments made in research and development (R&D), whereas by entering into partnerships with vertically integrated organizations, we co-develop said products. Usually, these companies are also manufacturers that have factories we utilize; as of now, these products are licensed worldwide through us, mainly in Europe, the Middle East, North Africa, a number of Asian markets and Australia. Therefore, Alvion has an office in these sites, such as those in Ireland and South Africa through which we conduct most of our international business.

How easy was it to finance a pharmaceutical start-up like Alvion at the beginning in Greece?

Alvion was born during the financial crisis in Greece, right in the middle of it! Our first product was launched during the capital control era, and financing a pharmaceutical business requires an intensive amount of capital and injection of funds...it was very complex.

Nowadays, 95 percent of the business is extrovert, supplying multinational companies and strong local players across 40+markets, allowing Alvion to be profitable with a strong cash flow. Up to recently, the company was debt free, however, in the last few years, the company has been investing in quite complex proprietaries, resulting in a matrix of finance tools. Overall, it has been a difficult process but undoubtedly it has strengthened our capabilities.

How does Alvion go about selecting which products to launch in which regions?

Developing and exporting these intellectual properties across the world with the main focus in Europe is indeed our number one priority. Product selection is simple, we have a matrix of different products categorized by the difficulty of their development; it goes from easy products to develop that have more competition, to very innovative or extremely difficult-to-develop products that are more niche and enjoying our competitive advantages. Regarding therapeutic categories, we focus on four that drive the most sales: cardiology, urology, central nervous system (CNS), and diabetes. These categories are the highest in terms of volume and value worldwide, but always focusing on Europe.

Do you license your products directly to generic companies or to distributors?

We license our products mainly to large generic companies, either multinationals or the leading local players across 40+ markets. There have been occasions, with complex products, that we have come into agreements with originators or even large innovative companies.

Would you say that Alvion is still a small company, considering its growth and robust pipeline?

We are still a small company, but we have an extensive pipeline that keeps growing resulting in our confidence that we will soon become one of the leading companies not only in Greece but also in Southern Europe. This continuous growth is only possible by the investments we make in people and quality in everything we do, both in products and services. The company keeps expanding, not only by securing more markets and partners but also by hiring qualified people and developing new products. Having a large pipeline is a very important parameter for our business plan.

Generic companies across the world are increasingly investing in R&D and creating dedicated R&D teams. In this context, how does Alvion stay competitive?

No pharmaceutical company can do everything alone. That's where Alvion comes in. First of all, it is

a fact that large or even medium size generics companies invest in development. In addition to this they also often outsource a number of products to companies like Alvion. For example, a development requires a large amount of capital, so if a project fails most companies want to go the safe route and outsource so as to not lose any more money and time.

The more complex a product is, the more chances there are of positioning oneself as one of the few suppliers of said product, thus penetrating significant market share. In such products, we are very careful about selecting the right partners in the right markets. Having the relevant know-how, we take the risks they are not willing to take and that is what positions Alvion in the market. The model we use is a hybrid, whereby the marketing is dependent on our partners, but the various markets we can penetrate varies from product to product.

How are those partnerships coming along for Alvion? Are they solid and well-established for future development?

Indeed, the partnerships are solid and profitable. As we are building our brand name at a global level, it is expected that the company will only grow in the next ten years. We only work on long-term collaborations, where we supply our partners with the product or products across a territory for a minimum of 5 years from the date of launch. This generates solid forecasting for our business, where we can plan and map out where we are going in the future; some developments are initiated on occasions 6 and 7 years before the patent expiry. To secure our position among the firsts to get marketing authorisations, especially in Europe, we make sure we offer a very competitive pricing and supply chain.

Often generic products entering large markets such as the UK or Germany face strong competition when it comes for example to tenders. Alvion's business model takes this issue into account, resulting in co-developing of APIs, thus upping our competitiveness and profitability in the European and other intended markets. Of course, all markets are different and Greece (excluding of course the clawback) and Spain, to name two, are markets with slightly higher margins as they are branded generic markets.

We follow the dynamics of the territory and make sure we are and stay competitive in each market. We know the process and have a vast pipeline compared to any newly established pharmaceutical company in Europe. As a result, we adapt our offer to our partners and on occasion, this makes us one of the few developers of some products.

What makes a good Business Development (BD) manager? What are the guidelines for BD across Europe?

Indeed, for us, BD is very important, up there with R&D and regulatory. BDs are the ambassadors of our company and the product/service and need to have the capabilities to negotiate, sell, market and manage business relationships to take them to the commercial level. It is a demanding job, with a lot of travel and requires excellent communication skills in order to get the job done. Information in this industry is key, so BDs have to keep up to date with the field, product specifications, market and partner. Therefore, we invest significantly more in people, specifically in the BD Department, as the job is hard and we need the right people on the job. Patience, persistence and reliability are fundamental characteristics of a BD; we are a small team and work closely to keep motivated. When senior people join a small team like ours, is not usually for the financial remuneration, is more about the end goal, the team dynamics and the overall environment. I truly believe at Alvion we have

achieved this very well.

What are the benefits to Alvion's business model of being headquartered in Greece?

Greece is fundamental to our model as there is an immense workforce that knows the field very well, mainly from a technological standpoint. This is one reason we have invested in the country and taken in junior and senior colleagues and trained them on what we need. Another reason is our heritage, I am Greek and it is in my blood, I live and work here...so I am accustomed to Greece, regardless of the fact that we are often facing tremendous challenges which are really unfair. It is a difficult country that has only recently started to understand start-ups, so as you can imagine, there is no significant support or start-up culture yet; what you do find is a lot of bureaucracy. I have to admit that we have received more business support from Turkish companies rather than Greek ones, here the mentality is a bit fragmented. Overall, it is a learning process and this will help us learn and strengthen us as a company and we will continue investing in Greece and its people.

We last spoke 5 years ago. What has Alvion accomplished during this time and what goals does it have for the next 5 years?

Within the last few years, we transformed the company from a marketing company in Greece into a development company with many stories of success, in developing products, and registering them across Europe, MENA and Asia. Since the beginning, we planned to have more products, our own manufacturing and R&D development operations and be one of the largest pharmaceutical companies in Greece in the next 5 to 10 years. You know they say, unless you dream it, you can't achieve it! I am confident, we can achieve it, as the hardest part is behind us, the company has grown tremendously, and will keep on doing so.

We are always open to further investment partners, it has to be a win-win scenario, whereas to speed up our business plan, reach our goals faster and secure our position at the top, as we have always envisioned. We hope to continue investing in Greece and keeping it all in the country.

Generics tend to have more issues with affordability, as pricing seems to always be an issue. How do you overcome this problem and how should our readers understand this?

We need to be competitive because every market has its own regulations regarding pricing and reimbursement. The market dictates the dynamics of pricing, but we should reach an equilibrium where there is reasonable expenditure from the governments for pharmaceuticals. We saw this during the COVID period, and even now, with the increase of manufacturing costs due to electricity and energy prices going up it has been a challenge to maintain the supply on a profitable level. Therefore, governments need to be fair. In my opinion, it is important to push through and never give up, a solution will be found.

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