

# All set for expansion

Hyphens Pharma's success lies in introducing new medical products that meet patients' needs

by douglas chew

HYPHENS Pharma's strategy of focusing on key therapeutic segments targeting the South-east Asian market is paying off.

The company, which has operations in Singapore, Malaysia, Vietnam, the Philippines and Indonesia, has seen its sales revenue multiply seven times in the last eight years.

Mr Lim See Wah, the company's managing director, estimates that the market potential for pharmaceutical products in the Asean region totals US\$6 billion (S\$7.74 billion).

"With the rapid economic growth in Asean, demand for pharmaceutical products will inevitably grow in tandem," he says.

"Developing countries like Vietnam, the Philippines and Indonesia have per capita drug expenditure that is only 10 per cent or less of the level of Singapore. That indicates the vast potential for expansion in these markets where we have a presence in."

The picture wasn't always so rosy. When Mr Lim took over management control in 2002, Hyphens was raking up losses, was technically insolvent and caught in a negative cash flow trap. To turn the company around, he adopted "painful" cost cutting measures.

The company decided to focus all its energy on Vietnam, which was then its major market, cutting activities elsewhere. By 2004, these measures had paid off, and Hyphens was ready to introduce new products and develop new markets.

Today, Hyphens has more than 140 staff with 90 medical repre-



PHOTOS: CHONG JUN LIANG

sentatives marketing its products to medical professionals.

Hyphens' core competency is in the sales and marketing of innovative medical products in five segments: allergy and related diseases, women's health care, gastroenterology, ophthalmology, and radiology.

Hyphens does not conduct in-

house research and development (R&D) to create new drugs, as the cost is prohibitively high and not economically viable for a company of its size.

Instead, the company focuses on translating innovations into commercially viable products and then bringing them to market.

By focusing on selected therapeutic areas, Hyphens has built up strong domain knowledge that permits it to be at the forefront of innovations.

It extensively engages with pharmacists within the group to leverage on their extensive network in the health-care industry.

In the process of evaluating new products, Hyphens consults these medical experts to get a balanced view of the validity of the innovation as well as their commercial potential.

Besides sourcing for commercially ready products, Hyphens is also building up its capability to

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— Mr Lim See Wah (left), managing director, Hyphens Pharma

search for new products that are still in the clinical phase of development.

Mr Lim believes that Hyphens' growth potential is virtually unlimited. "Having spent the last eight years building up a solid foundation with proper organisational structure, good corporate governance and multi-country platform, we are set for faster expansion in the coming years," he says.

The growth opportunities can be multi-faceted, he adds. These include expanding the company's innovative product offerings in the chosen therapeutic segments, exploiting the full potential of its existing product pipelines in new markets, and acquiring complementary health-care companies to expand its core competencies and extend its distribution network in the Asean region.

"We aspire to be one of the fastest growing specialty pharmaceutical companies in South-east Asia," says Mr Lim.

"We hope to create value through innovation, that is, to continuously introduce new products that better meet the patients' needs than existing products, and drive the adoption of such innovations in the health-care community."