



ALTANA Pharma

A New Beginning

Talking with John Suk, President, ALTANA Pharma

From left to right: John Suk, President and CEO, Diane Scheidler, HR Consultant,
Mike Egli, VP of Marketing and Business Development
Claire Paradis, Reception and Wai-Man Kwan, VP of Regulatory and External Affairs

What career path have you taken to reach your current post as President of ALTANA Pharma?

I joined the Canadian pharmaceutical industry after I graduated from Brock University with a degree in biological sciences. The Canadian pharmaceutical market is very unique. The market is highly regulated, very challenging, and an interesting amalgam of the U.S. and European systems. I was fortunate to have started on the front lines, working my way up from sales and sales management to marketing, and now general management.

I have been involved with many therapeutic areas and products, including some major launches, as well as a product withdrawal. I have worked for small firms and major pharma players in each of the four regions where pharmaceutical companies tend to be based (Switzerland, U.S., U.K., and Germany). The larger part of my career has been spent with McNeil, Glaxo and Roche. This post with ALTANA, however, is the longest I have stayed in one job (five years.)

In each of my work experiences, I have found fulfillment and learned important lessons that have helped me build ALTANA Pharma. For me, it was clear that the quality of the people and the management culture here were instrumental to our success. I learned as much from poor managers as I did from very good ones. Motivating people is not so much about power and coercive force. It is about harnessing the willingness of people to support ideas and products they believe in and be part of the outcome. This motivation is derived from the company culture that respects the employee as a valued contributor working to benefit the company. Trust and empowerment go a long way to creating such a culture.

I came to ALTANA Pharma, formerly Byk Canada, when I was recruited by a firm mandated to



John Suk, President, Altana Pharma

find the first CEO to start up company operations here in Canada. I was vice-president, marketing, for Roche, and while there was still a lot to do there, I could not pass up the opportunity to start a company up from scratch. It was not an easy decision, because Byk was unknown in Canada and their style and future success were not a given. I can say that no challenge has been greater or more rewarding than to start up a company, and to put your own imprint on it.

Discuss the goals you set for ALTANA Pharma at the time you set up the company in Canada five years ago. Have they been achieved?

From the very beginning, I set the goal of achieving 1% of the Canadian pharmaceutical marketplace by 2001. Back then, it meant around \$70 million in sales, yet in reality, for 2001 we earned in excess of \$100 million. We also set out to build a company unlike the rest in the industry — with a greater human touch, both with employees and customers. We needed to develop all of the key functions of a \$70-million company over the ensuing five years. We had to find a second product opportunity and it was very important that we have a strong presence in clinical research in Canada.

We reached our goal of 1% of the Canadian pharmaceutical marketplace in July 2001 and our sales are now in excess of 1.3%. We are projecting that our market share for next year will be 1.5%. It is very rewarding for me that each of these goals have been achieved or exceeded. With this level of market penetration, we can be sure that our products contribute in a meaningful way to the health of patients across Canada, and provide unique and necessary tools for physicians.



From left to right: Samira Bachouchi and Wai-Man Kwan

The people of ALTANA Pharma have been the reason for our success. We have always been able to attract great people to our company, even from the ranks of our major competitors. Our management is ambitious, but our people are centered. We continually get positive feedback from our customers; they tell us they prefer to deal with ALTANA. Perhaps they prefer our company because we genuinely try to add value, and, perhaps, because we try to understand their needs and to respond to them. These statements may sound like motherhood, but actually meeting these needs means a lot to our customers.

We have a very active clinical research team, second only to the one at our headquarters in Germany, with regards to the number of studies undertaken. We continually exceed the 10% guideline set by Rx&D with the Patented Medicine Prices Review Board, and it is my goal to maintain this level above 12%. We are, or have been, actively involved in all phases of clinical research with each of our current and pipeline products

(phase 2 to 3B and 4). This involvement has established us as a major contributor to Canadian R&D.

Your company recently changed its name from Byk Canada to ALTANA Pharma. What was the rationale behind that decision?

To be honest, the name Byk or Byk Gulden was never well-received in Canada. Of course, there was often confusion with our name and other consumer brands in North America.

Our company, Byk Gulden, has been in operation since 1873. Twenty-five years ago it became part of a holding company, ALTANA AG, which was formed to handle the pharmaceutical and chemical holdings of the Quandt family. Today, the family owns 50% of ALTANA AG, and the rest is publicly traded in Frankfurt and New York (Symbol AAA). There are two divisions to ALTANA AG – ALTANA Pharma and ALTANA Chemicals.

The evolution of ALTANA Pharma resulted in several regional companies with different products and therapeutic foci. Each company was different and given a different name. To better reflect the new business of international brands, as exemplified by Pantoloc[®], and a strong international company image, it was imperative to rename the company using a distinctive logo and brand. We picked ALTANA Pharma to match the name of our holding company and to be consistent with our trading name. ALTANA Pharma is on the verge of becoming a large international pharmaceutical company, and the name change is an integral element.

The rounded contours in both the emblem and the word in the new logo give a fresh, more dynamic feel. This is further enhanced by the new corporate colour — blue. The absence of any “revolutionary” elements in the new logo is deliberate; our idea was to build a bridge between the tradition of Byk and the future of ALTANA. Needless to say, our employees are delighted with the change.

How successful has the company been to date? What have been ALTANA Pharma's biggest successes?

Our huge successes for ALTANA have been reaching all of our five-year and annual goals — being the fastest-growing affiliate in ALTANA Pharma internationally, having an excellent, active clinical team and having solid relationships with Solvay and Merck. I am very proud that we produce the second biggest selling proton pump inhibitor (PPI) in the class, even though our nearest competitor had a two-year head start. I am also very proud of the success we have had with Panto® IV, the only IV PPI available on the Canadian market.

We have great relationships with the Canadian Association of Gastroenterology in the Registry on Upper Gastrointestinal Bleeding and Endoscopy (RUGBE) initiative to study upper intestinal bleeding in Canada, and we are now forming partnerships with the Firestone Clinic and the Respiriology community in Canada.

Obviously, I am very proud of the team that we have assembled and this is a success in itself — one that enables all of the other successes. At ALTANA Pharma, we have a group of committed customer-focused and responsive leaders who are well-equipped to lead our company to its next level of development.

We can be proud that our people, products and services contribute daily to the well-being of the communities in which we live and work, and to the financial health of our country.

Discuss the role your recruitment process and personnel have played in your company's evolution.

We started the recruitment process for Byk Canada before I was officially an employee of the company. In fact, for the first several months of 1997, I was the only employee, which made recruitment a priority!



From left to right: Imran Zaman, Bob Williams, Simon Chiu, Frank Murphy and Marisa Bookman

I told my new bosses I could get a full sales force in place for a launch meeting by April 1, 1997, which would be just three months after I started. We used an external recruitment group, Adirect, and were successful in hiring a great team of sales representatives, managers and other personnel in time for our launch meeting. Hiring the right people took knowing what we wanted, and setting up an effective process to manage this task. Most of our sales force staff started work on the same day — March 31, 1997.

Our strategy from the beginning was to create a small company feeling, regardless of our eventual size, with a strong human touch and with strong values we practise consistently. We developed an operating set of values early on in the company. All our people can relate to and believe in these values. Our core values include:

Integrity:

Honesty, fairness, ethics, and letting actions do the talking;

Innovation:

Creative solutions to problems, question the status quo, design the future;



From left to right: Dr. Diane Torrey, Darlene Heath and Brenna Turner

Performance:

Set goals that motivate, take initiative, and take ownership of results;

Mutual Respect and Open Communication:

Foster trust, value all contributions, keep an open mind, tolerance, respect the individual, focus on the issue (not messenger); and

Work-Life Balance:

Keep a loose, fun atmosphere, give people the benefit of the doubt, and allow for work-life balance.

These values set the tone for an open, tolerant and productive workplace where everyone performs at a high level. More than words on the wall — these are operating principles.

The quality of the people that we have been able to attract is outstanding. The group is diverse in background, but they all share a dedication to the customer, an entrepreneurial spirit and a desire to avoid big company politics and bureaucracy.

ALTANA Pharma experiences very low turnover, and our people are a very relaxed and dedicated team. The company fosters a positive work culture that respects the individual and encourages work-life bal-

ance. Our goal is to maintain a positive, rewarding and challenging work environment, and to provide an atmosphere that allows our people to excel and to win, personally and professionally.

What challenges does ALTANA Pharma face to set itself apart from the rest of the Pharmaceutical industry?

It has always been our goal to be different from the mainline industry. I have worked for several different large pharma companies, all of whom had excellent people and strong abilities to succeed in the pharma market. Yet, I found that personal satisfaction in a large and often bureaucratic company was elusive.

What has set ALTANA apart is our attitude: to win in the marketplace, to act more quickly and consistently than our competitors, to be innovators in the market, to genuinely work toward the betterment of our customers, to focus completely on the task at hand, and to challenge some sacred cows in the industry. We came into the market as underdogs, unknown and small. We took on the big companies and demonstrated an ability to win. Winning is fun — the final ingredient in attitude.

Our challenge will be to maintain our responsiveness, entrepreneurial spirit as we grow and to keep our eye firmly on our goals of maintaining a strong customer and employee focus.

To be candid, there are elements of our company that are not unique. Our employees have worked in the industry and they work within the framework of Rx&D and PAAB, and our customers are no different than anyone else's. In the end, a company has to be about culture and the employees: how employees are led, what they value, how they are aligned and focused, and how positive their attitudes are towards customers and each other. Our challenge is to retain this culture we have built, and to not let our success or growth change our values. We must continually attract and retain the talent we need to be successful. My personal challenge is to protect the employees of ALTANA Pharma from external forces that could impact our culture.

Due to our ownership structure, we are somewhat protected from the merger mania in our industry and I believe this creates a better environment for our employees, and allows us to continue in a focused, unified mission to expand our business.

What new products are on the horizon for ALTANA Pharma?

Today, with Pantoloc® and Panto®IV, except for our co-promotion with Merck on Maxalt®, we are a one-product company, but what a product!

Our pipeline is extremely productive, locally and internationally, for a company of our size.

Our future includes a very strong presence in both the GI and respiratory markets.

We will soon enter the respiratory marketplace with the introduction of Alvesco®, a novel inhaled steroid for the treatment of asthma. We will follow that with Roflumilast®, a possible breakthrough oral PDE 4 inhibitor for both asthma and chronic obstructive pulmonary disease. This is a very exciting class, which promises new treatment options for a debilitating disease. This drug is in the advanced stages of phase III and will be one of the first respiratory drugs to market.

We are developing Soraprazan®, an acid pump antagonist for GI disease, which will be an important innovation on existing therapy. This product is in phase II.

We also have other PDE inhibitors in development including pumafentrine, which combines PDE3 and 4 inhibition. Ciclesonide (Alvesco®) is being developed for nasal and dry powder formulations. There is also a very early and interesting project for a non-antibiotic eradication treatment for H. pylori. There are other projects in oncology and inflammation, but these are the most defined opportunities at present.

What vision and goals do you have for ALTANA Pharma over the next five years and beyond?

By 2006, we foresee ALTANA being a \$400 million company with 2 % of the Canadian marketplace and



"No More Pickles, No More Pens - Thank You ALTANA " From left to right: Wolfgang Gessele and Linda Shales

a strong presence in both gastroenterology and respirology. We will have launched both Alvesco® and Roflumilast® to widespread acceptance, and our company will be active in both clinical and basic research in Canada. We expect that our over 300 employees continue the tradition of excellence that has brought us our success. ALTANA Pharma is consistently ranked as one of the best places to work in Canada, with a stable, challenging and fulfilled work force.

Our employees are valued members of volunteer associations, and our customers enjoy their relationship with our company. We track customer satisfaction, and again, we rank very high in meeting the needs of our customers.

Our parent company in Germany continues to invest in the Canadian operation, which is viewed as the most consistent, credible operating affiliate in ALTANA AG.

ALTANA Pharma will be a growing player on the Canadian pharmaceutical landscape for years to come. Our contributions will be recognized by our customers, our patients, our peers and our employees. CPM