

Business Unit

Healthcare



# Global Market Expansion Services for healthcare



**Think Asia. Think DKSH.**



# Market Expansion Services: dedicated to growing business

We help companies to grow their business in new and existing markets. We expand their access to knowledge, their sourcing base, their revenue opportunities, and their market shares. Providing business partners with a comprehensive package of services to reach their individual goals is what we call Market Expansion Services.

## **Your strategic partner**

DKSH is a Swiss company and the world leader in Market Expansion Services with focus on Asia. Our four Business Units – Consumer Goods, Healthcare, Performance Materials, and Technology – operate worldwide through an extensive network of experts. We offer a comprehensive range of services along the entire value chain: from sourcing, marketing and sales to distribution and after-sales services. Along with this, we offer long-standing relationships, local knowledge, and on-the-ground logistics. As a strategic partner, we safeguard the business of our clients and customers while always sharing our unique market insights. It is our aim to be a trusted link between suppliers and customers, taking care of the products of our business partners as if they were our own.

## **Business Unit Healthcare**

DKSH Healthcare is the leading provider of Market Expansion Services for the healthcare industry in the areas of pharmaceuticals, over-the-counter (OTC) and consumer health products, as well as medical devices. As part of the global DKSH network, Healthcare offers outstanding product and industry expertise, sales and compliance competence, as well as local and regional market knowledge. DKSH Healthcare has the processes and infrastructure in place to provide integrated tailor-made solutions that deliver results for our business partners.

# The best of both worlds – yours and ours

## Experience and networks

DKSH has done business in and with Asia for more than 140 years. We are truly at home in Asia, where we have become an integral part of many local business environments. And we are no strangers to the rest of the world either: DKSH operates in 35 countries, with 540 business locations in Asia and 20 in Europe and the Americas, and employing 22,000 specialized staff from 50 nations.

## Integrating diverse services

We bridge the markets of Europe, Asia, and the Americas, and have the ability to adapt to the businesses we serve in any local market. The diversity of industries DKSH is involved in is only matched by the range of services we perform: from sourcing raw

materials to setting up and running flagship stores for luxury consumer brands, and from feasibility studies and product development to the many facets of marketing.

Our more than 180 state-of-the-art distribution centers work with the largest SAP application in Asia to help execute, track, and analyze hundreds of thousands of business transactions every day. The detailed information we gain from this process contributes to the expert knowledge that we use to provide strategic advice to our business partners. Offering all these diverse services from a single source is another important aspect of what we at DKSH call Market Expansion Services.

## Experts and entrepreneurs

In order to provide deep industry expertise for these many fields of business, we are organized into four Business Units and further specialized into Business Segments and Product Groups, maintaining the hands-on and entrepreneurial style of business our company was founded on. DKSH provides a balance between specialist knowledge of our partners' industries and a practical business approach that efficiently gets things done.

Locations in the Americas		Locations in Asia Pacific	
Chile	1	Australia	6
USA	1	Brunei	2
		Cambodia	4
Locations in Europe		China	61
Denmark	1	Hong Kong	33
France	1	India	8
Germany	2	Indonesia	2
Great Britain	1	Japan	13
Italy	1	Korea	34
Netherlands	1	Laos	2
Norway	1	Malaysia	67
Poland	1	Micronesia	7
Spain	1	Myanmar	9
Switzerland	2	New Zealand	2
		Philippines	3
		Singapore	3
		Taiwan	40
		Thailand	216
		Vietnam	19

## DKSH

Total Sales: CHF 8,600 million (2009)



22,000 specialized staff of 50 nationalities



Operations in 35 countries



540 business locations in Asia Pacific



20 business locations in Europe and the Americas



Network of more than 5,500 suppliers and over 500,000 customers



Over 180 state-of-the-art distribution centers



Largest SAP application in Asia



# Healthcare

## What we do

DKSH Healthcare is a leading provider of Market Expansion Services for the healthcare industry in the areas of pharmaceuticals, over the counter and consumer health products, and medical devices. In 2009, Total Sales of the Business Unit Healthcare amounted to CHF 3,135 million.

## Experience, sales competence, and reach

Our more than 7,000 healthcare experts operate out of 109 locations in eleven countries and provide a broad reach into the various channels of multiple professional healthcare outlets and institutions, such as hospitals, clinics, pharmacies, drugstores, doctors and dentists, optical outlets, and others. DKSH's long history in Asian markets gives us the advantage of a local marketing approach and broad knowledge of re-

gional regulations, compliance, and market situations. Based on our peerless market insight and pan-regional reach we have helped numerous companies to enter the region and to successfully expand their markets. With our own Thailand-based manufacturing facility Olic we are also one of South East Asia's foremost contract manufacturers for standard format ethical and OTC medicines.

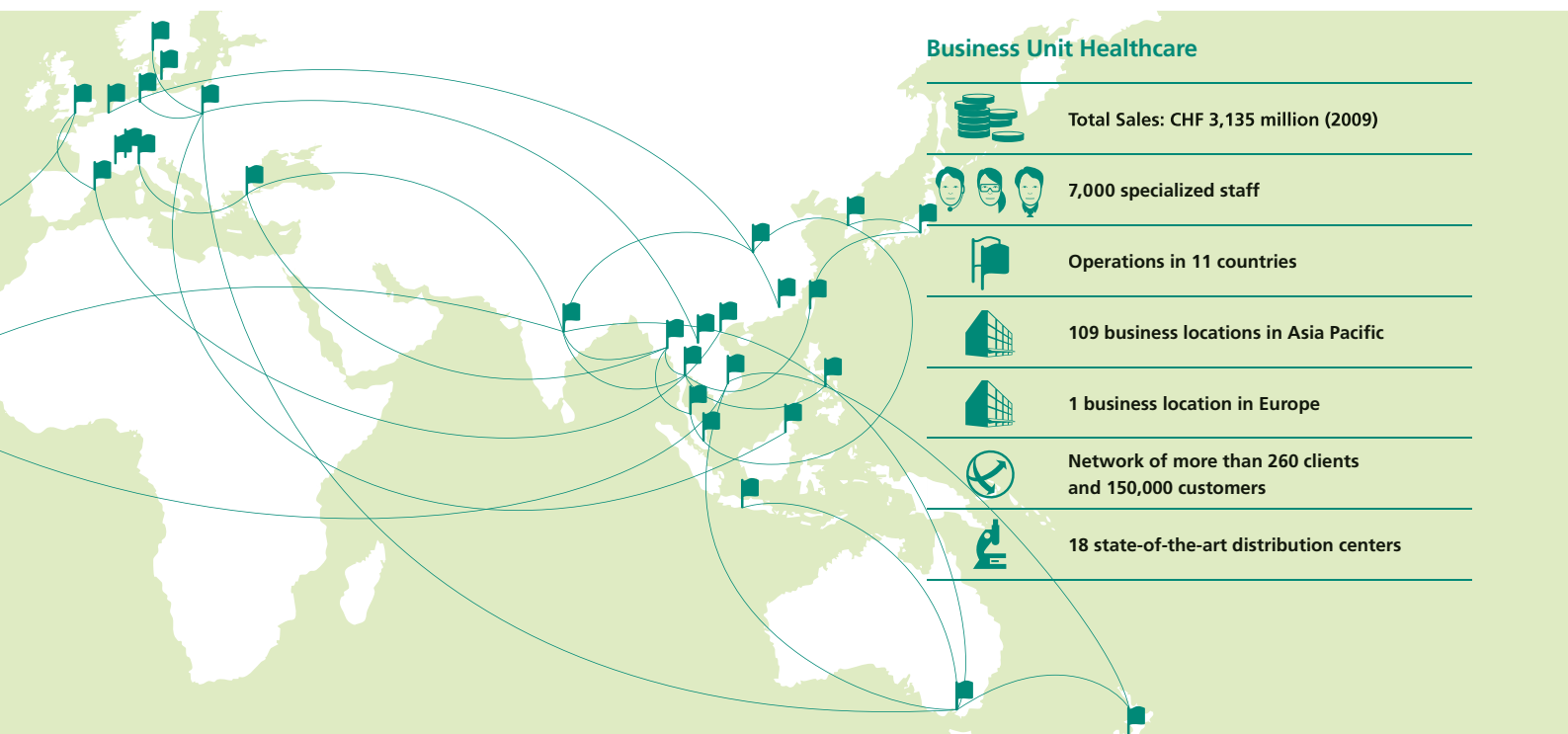
## Comprehensive portfolio of integrated services

DKSH Healthcare offers a comprehensive portfolio of integrated services ranging from product registration, marketing and sales to physical distribution. As a one-stop-shop we offer an entire menu of business services, from warehousing, distribution, sales, marketing, regulatory assistance, as well as brand

management and manufacturing. With our breadth of capabilities and deeply rooted relationships we are trusted partners for many of the leading names in healthcare in the region. Our sales force is one of the largest in Asia, aided by cutting-edge processes and IT tools and a regionwide modern infrastructure.

## In-place infrastructure

Our 18 ISO-certified state-of-the-art distribution centers across Asia set standards in the areas of compliance and safety. Also, our proven processes, cold storage facilities, and special handling abilities for restricted products enable us to offer solutions across the entire supply chain. Following the local Code of Ethics, DKSH Healthcare has made a clear commitment to ethical business practices, thus furthering an already solid reputation in the market.



# Healthcare – value chain

Healthcare’s three Business Segments cover a diverse array of business areas within the healthcare industry. With their integrated capabilities in regulatory services, marketing, sales, logistics, and manufacturing we offer right-for-you solutions to any size business.

## Business Segments

- Pharmaceuticals
- OTC & Consumer Health
- Medical Devices

## Market insight for reduced risk and complexity

Through our networks in the region we enjoy unrivalled customer access in key markets and we support and represent more than 260 clients with over 150,000 customers. Our 3,000 strong field sales force relies on our own proprietary EchoPlus system to combine itineraries and customer relations – which translates into relevant and valuable sales information, helping business growth and market expansion at the same time. Aside from enhancing the efficiency of our sales force this breadth

and depth of up-to-date relevant business information generates better market insight which in turn leads to improved business results. Together with the global DKSH data platform, the unique EchoPlus field force management system gives us a competitive advantage that also enables us to spot trends early and recognize business opportunities, both for clients and customers. With market insights like this we can be trusted to understand the needs of our business partners and work to reduce the risks and complexities of the far-ranging Asian markets.



### A people business

We understand that healthcare is first and foremost a people business where culture is key and where continuity and stability reign. Our sales force, with an average of ten years of industry experience, stands for the highest of service quality, professionalism, and reliability. Our partners can be

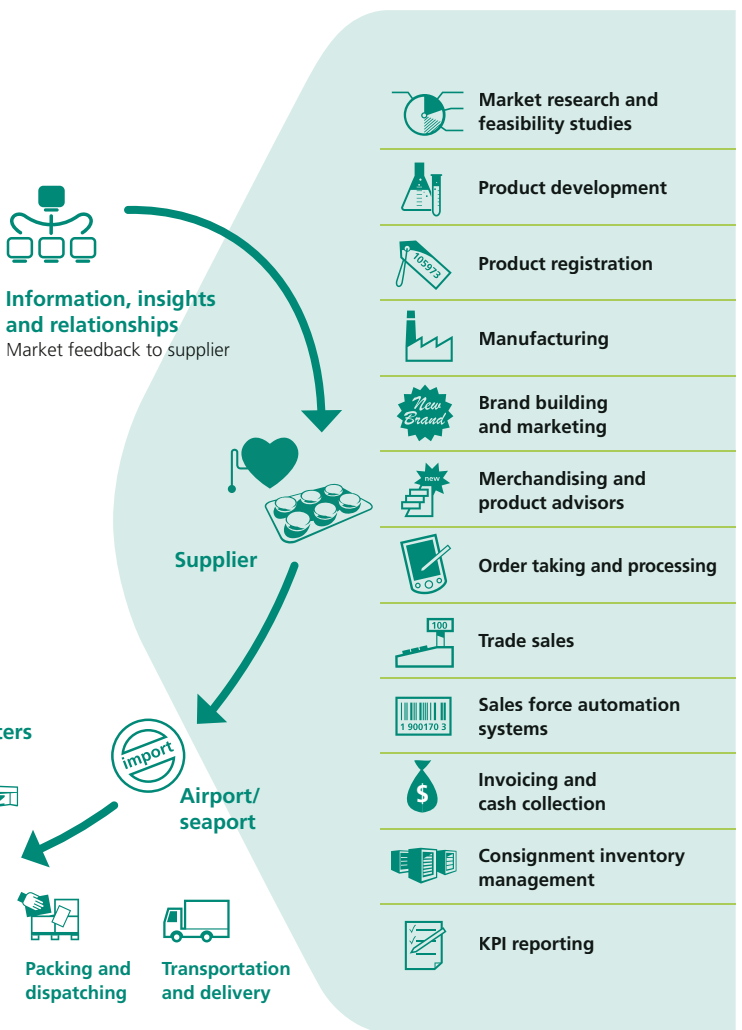
confident because with us they meet with well-defined and structured cross-functional processes with clear roles and responsibilities and full product traceability. We combine an openness to ideas coming from clients with customers' product needs to create business opportunities. DKSH Healthcare's smooth supply chain

processes enable us to run the entire value chain for our partners as well as offering modularly tailored solutions for individual service needs. And with the synergies of the global DKSH Group at our disposal we can leverage cross-industry and cross-regional customized solutions to produce outstanding results.

### Services for customers



### Services for suppliers



# Business Segment Pharmaceuticals



Business Segment Pharmaceuticals provides Market Expansion Services with a focus on marketing, distribution, warehousing, transportation, order processing, collections, and reverse logistics. In addition to several other business models we offer full agency services and life cycle management to companies who do not have legal entities in Asian countries by providing a contract sales force. We cater to large multinational as well as medium-sized companies, to hospitals, clinics, pharmacies, doctors, and drugstores.

## Covering the entire value chain

Our Business Segment Pharmaceuticals offers services along the entire value chain,

among them special services like cold chain handling and redressing, as well as providing valuable contact and service points with our customer care centers. DKSH is the only company in the region that offers integrated solutions in this segment, while also providing superior service and market insight via our EchoPlus field force management system. This informational advantage, our deep industry expertise, and product knowledge make us a trusted long-term partner for all aspects of distribution and logistics. We represent over 100 pharmaceutical companies, many of them world leaders such as Roche, BMS, MSD, Sanofi-Aventis, Bayer-Schering, Astra Zeneca, Astellas, Eisai and thus more than 10,000 products.

## In-place infrastructure and networks for sales success

Our unrivalled customer access is supported by the largest distribution organization in the region, with consistency, reliability, and responsibility in our customer relationships as the key to our sales success. As part of DKSH, our in-place infrastructure and long-established networks across the region reduce business risk for our partners and help create sustainable growth. In taking advantage of our Market Expansion Services experience our business partners are free to focus on what they do best: research and manufacturing.

### Sharing success

DKSH creates value and reduces risk by developing a sub-regional partnership in pharmaceutical distribution.

### Challenge

A global top five pharmaceutical company looked to reduce reliance on a single distributor in Asia by diversifying its customer base. With the pharmaceutical industry's margins under constant pressure, the client's challenge consisted in increasing cost-effectiveness while at the same time maintaining the level of their sales and marketing services. DKSH's Business Segment Pharmaceuticals saw this as an opportunity to expand services with the client and create a long-term partnership.

### Approach

Both parties approached the proposal with a high level of openness and an understanding of each other's needs.

Early in the discussion process, cross-functional teams were formed to interact with each other on regional and local levels in Malaysia, Thailand, and Taiwan. While the process was regionally and globally driven, buy-ins from both parties at a local level were required to achieve a successful implementation and operation.

### Result

Throughout 2008 numerous meetings were held to define costings, activities involved, and the best way to transfer the business from the existing distributor. Once the terms were agreed, local implementation teams met and started the implementation planning process for the go-live at the beginning of 2009.

The local teams worked in a coordinated way across the three countries to ensure the client's needs were uncovered, analyzed, and incorporated into the operations. This required a high level of co-op-

eration with IT, sales, finance, and supply chain. The result was a successful start on the due date. The client since continues to express satisfaction with DKSH service levels in regular reviews, and the partnership is successful for both parties.

### Market Expansion Services at work: full-service excellence

Our integrated sales and marketing services now provide increased support to the client in Thailand and Taiwan, enhancing their cost-effectiveness while allowing them to focus on core brands. For DKSH, meeting the client's specific needs has resulted in enhanced scale of business and opened up the opportunity to expand our service offering to the client.



# Business Segment OTC & Consumer Health

Our Business Segment OTC & Consumer Health offers region-wide Market Expansion Services in all areas where the product connects with the consumer: governmental as well as private hospitals and clinics, doctors, chain pharmacies, independent pharmacies and drugstores, hyper- and supermarkets, convenience stores, and Chinese medical halls. First and foremost, we are concerned with brand building and brand management, which means facilitating a

connection between the Asian healthcare consumer with local and global OTC and consumer health brands across the entire region. This requires the ability to understand the needs of our business partners and to create tailor-made solutions.

### Covering the entire value chain

DKSH's Business Segment OTC & Consumer Health is a full solutions provider with all business models available as well as various

individually charged services such as: contract manufacturing, trade research, regulatory services, logistics and warehousing, product and channel distribution, sales, marketing, outlet performance and advertising services, local language brand and label name adaptation, and even brand licensing. OTC & Consumer Health delivers brand value creation to our clients through large channel distribution coverage, effective and intelligent sales execu-



tion, marketing, consumer communication, and accurate trade research plans. We are the only one-stop total solution provider in OTC and consumer health with all these capabilities.

**Services that fit businesses of all sizes**

The Business Segment provides Market Expansion Services for some of the largest OTC and consumer health companies in the world, but also for small and medium-

sized firms who have a unique product or selling point. Panadol, Vicks, Durex, Tylenol, Tiger Balm, or Strepisils are just some of the well-known brands we represent in various Asian markets and our client list features global players such as Reckitt Benckiser, Johnson & Johnson Consumer Health, Procter & Gamble, Taisho, and Hisamatsu. DKSH has the largest OTC and consumer health focused sales and marketing team in Asia. Representing hundreds of world

popular and locally famous brands every day we service over 130,000 accounts in eleven countries. In order to achieve this we employ marketing and sales experts who have years of local expertise in OTC and consumer health marketing and sales, with many of our sales managers having worked for supplier companies in the past.



## Some of our category expertise:

### We market and distribute topical OTC and consumer health products such as:

- Acne control
- Birth control
- Cosmetic skincare
- Ear care
- Eye care
- Feminine hygiene
- Medicated shampoo
- Medicated skincare
- Pregnancy tests
- Therapeutic emollients
- Wound care

### We market and distribute oral OTC and consumer health products such as:

- Allergy
- Antacids
- Birth control
- Cough and cold
- Dental care
- Digestive remedies
- Infant nutrition
- Oral analgesics
- Oral care
- Traditional medicine
- Vitamins and dietary supplements

### Market knowledge equals added value

With this sales and marketing power in place across the region, we create new and increased value for the brands we represent each day through better communication strategies, more efficient trade channel penetration, unsurpassed trade, and market research. We offer vast experience and a network of relationships across the region in all categories and segments of OTC and consumer health brands. Through our intimate market knowledge we access a broad range of consumer segments, thereby creating and enhancing brands to fit a given market and thus driving business.





### Sharing success

DKSH creates value for suppliers and business partners by exploiting new category opportunities and fitting their brand to the respective market.

### Challenge

In Malaysia, DKSH successfully set out to position a premium US brand in the teeth whitening category. The brand itself delivered excellent results. The challenge, as presented by the brand supplier who handled the business, was to create and enhance consumer awareness for this new segment of toothpaste, and to offset the larger competitor's ability to outspend the new brand.

### Approach

After securing large pharmacy chain agreements to grow and build the new category, the DKSH marketing team developed an effective campaign, which drove brand and category awareness through targeted advertising. The DKSH sales team also focused store distribution to suit the target profile of the brand's consumer and conducted dentist detailing to gain professional recommendation. Strategic shelf positioning was also optimized to achieve strong visibility of the brand to the consumer when in store.

### Result

In 2007, the brand won the top health and beauty award from a major chain pharmacy group in Malaysia for the toothpaste category, beating other major international brands. Four years after the

brand's launch it is still delivering double-digit annual growth as the DKSH team works to continue to drive and improve brand and category awareness amongst the target consumer group. The brand itself now holds the number one position in the teeth whitening category in chain pharmacies, independent pharmacies, and hyper-supermarkets.

### Market Expansion Services at work: brand-building experts

Fulfilling the needs of the consumer by recognizing a strong trend in an established category, DKSH managed to link and adapt a successful brand from the USA to major consumer health distribution channels in Asia.

# Business Segment Medical Devices

Our Business Segment Medical Devices provides Market Expansion Services in Asia, offering customized solutions and services from distribution to full agency for medical devices and hospital consumables. Catering to the hospital environment, including operating theatres, day surgery clinics, and outpatient surgery units, we also target a number of main subsegments of the medical devices business. With our expert therapeutic knowledge and our long-standing relationships we provide reach into the various channels of hospital environments for our clients while also offering comprehensive after-sales services to our customers. While focused on distribution, we are also developing capabilities in subsegments such as clean rooms for orthopedics and provision of integrated operating theaters as well as repair and maintenance services.

## **Flexible service across the region**

Working with some of the leading medical devices manufacturers such as Terumo, Johnson & Johnson, Medtronic, Abbott, B.Braun, Alcon, Boston Scientific, and Roche Diagnostics we provide financial strength, regional reach, and a flexible service model along the entire value chain. This includes orthopedics (Smith & Nephew), cardiac devices such as stents and implants (Medtronic and Boston Scientific), in vitro diagnostics (Roche Diagnostics), wound care (Convatec), hospital supplies (Terumo and B.Braun), diagnostic imaging, ophthalmics (Alcon Labs), endoscopy, and patient monitoring. Our specialty channel networks extend across eleven Asian markets.

## **IT power and relationships for results**

The Business Segment Medical Devices has developed specific IT tools to optimize the consignment inventory service. This helps







clients to manage hospital consigned inventory accurately and with minimal waste while providing transparency of stock at various consignment locations. Through extensive, region-wide hospital relationships we can provide access to new hospitals and increase sales in existing ones.

#### **A dedicated and expert sales force**

The DKSH Medical Devices sales force is trained together with the client, ensuring we represent their business as if they would themselves. Our dedicated consignment inventory specialists ensure the product is in place on time, thus saving time for our sales representatives to focus on selling. Expertise and experience with all regulatory matters assure full compliance with foreign legal requirements such as US FCPA and others. With a vast regional infrastructure in place, quicker delivery translates into improved customer satisfaction, shorter sales cycles, and an increase in sales volume. Our fast and efficient distribution service also includes around-the-clock operations for life saving products.

### Sharing success

DKSH has developed a unique service offering for the medical devices industry, enabling clients to shift from self distribution to an outsourced model without having to worry about quality standards or costs.

### Challenge

One of the leading medical devices manufacturers in the world wanted to change their logistics model in order to focus on core capabilities such as marketing and sales. The client was looking for a partner capable of providing around-the-clock service, fast delivery times, and management of consignment inventory at hospital wards.

### Approach

DKSH embarked on an extensive evaluation of the client's business model in the

countries concerned. Senior DKSH staff were tasked to this assignment to ensure a complete understanding of the client's specific circumstances and requirements. Although the client had made the bold decision to outsource distribution services, they were nervous about costs and the potential impact to their business.

### Result

DKSH proposed a dedicated solution for the client that included warehousing in a specialized medical devices facility allowing for service of time-critical deliveries directly to customers 24 hours a day. The DKSH team also supplied all of the necessary information interfaces for the client to guarantee transparency on their business. In addition, DKSH initiated its consignment inventory management service for the client. A specialized team conducts regular cycle counts of consignment in-

ventory that is based in the hospitals so consumption can be measured and reported for later invoicing. This service enables tracking of individual bar-coded items and thus reduces wastage while ensuring that the product is at the right location. Its introduction guarantees inventory optimization and at the same time allows sales representatives to truly focus on the customer and on providing the best possible service.

### Market Expansion Services at work: win-win experts

DKSH provides services that allow companies to focus on core capabilities while sales increase.



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