

PHARMACEUTICALS ENTREPRENEURIAL MOGUL ON THE BALKANS

Wherever you are in Bulgaria, whatever you do to satisfy any healthcare need, any time of the day or night, 7 days-a-week, there is a world-class state of the art standard drug supply company to meet any need, whether to cure or obtain drug information support. Commercial League National Pharma Center Inc. (CL) is a leading pharmaceutical distributor in Eastern Europe as the Financial Times special report on the Marketing in Eastern Europe put it two years ago. This is the first company of its kind in the region that maintains the European standard of Good Distribution Practice under EC Directive 92/25/EEC, well above the rigorous requirements of the local law. Deliveries of all of the over 6 thousand pharmaceuticals registered and a wide spectrum of medical products to four thousand retail pharmacies and 200 hospitals nation wide in 2 hours from the time of order are among the technical features of CL operations from its own 28 full-fledged branches and transportation unit of over 350 vehicles. Although Bulgaria's EU accession is at least another five to seven years away, the company is the only Bulgarian distributor to boast associate membership in the European Association of Pharmaceutical Wholesalers and Distributors (GIRP).

As Bulgaria achieved more stability and slowly increased drug expenditures side by side with painfully raising the buying power of its employed population, CL kept growing apace. Starting from a small rented storage space in a panel apartment building in early 1991, last year company sales topped 100 million dollars. For Tihomir D. Kamenov, now 42, it took 11 years to create the most successful marketing and distribution company in his native country. Starting from scratch in the new era that unleashed the market forces, he was a visionary, an educated risk taker meeting the call for a new breed of entrepreneurs. The times were ripe with opportunity and he took it to found the sole company in the region that today is a premier partner of about 70 multinationals from the Big Pharma across the world. Our suppliers feel secure with the developed chain of responsibility, marketing capacity and the quality service they find with us, says Chairman Kamenov.

A 1983 *cum laude* graduate of Sofia Law School, Tihomir hammered out his masters degree on modern economic development and international financial institutions at the Institute of Social Studies in The Hague, Holland. He then worked on the Responsibility of State and Other Entities for Violation of International Commercial and Humanitarian Law on another international fellowship. After three more years at the Hugo de Groot Center for International Law Studies of the University of Leiden, The Hague Academy of International Law, the Geneva based International Committee of Red Cross and the Research Centre for International Law, Cambridge UK, his Ph.D. theses was nearing completion

when he returned to Sofia at the end of 1989 and became the Bulgarian lawyer for Apple Computers. British Petroleum was another prominent client of Kamenov in 1990 and his entrepreneurial spirit was ever bursting. The partnership law firm he established with friends disintegrated before too long, but every one of his partners then became a name all Bulgarians know today in the field of law.

Anxious, encouraged and enhanced by the cosmopolitan way of thinking, it took him only a short while to realize what he was best at — to be the legal adviser of the aspiring entrepreneur Kamenov, managing opportunities and developing the CL corporate structure. Making money has never been an end in both



e-mail: cl@comleague.com



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in itself, rather a means to realize my ideas and develop a marketing application concept, says Tihomir. The East Block pharmaceuticals were well established on the Bulgarian market and CL anchored its initial business around them in a hostile, practically non-existent business environment heavily dominated by state-owned monopolies and regulations favoring them. Nonetheless, the customer-oriented market-driven organization persevered and grew in a country on the brink of calamity. For Kamenov, such development was much more than business as usual, it was a supreme life goal.

As a lawyer with deep vested interest in philosophy and history, Kamenov's vocation is to shape the way his employees — and most especially young people — look at and understand the modern world. He is an intellectual and a businessman all in one, tearing down the traditional ill feelings between the two respective communities — Tihomir is himself an amalgam, a rare breed of bridge between them. One may see a simple proof of this conclusion in that all employees trained at CL are a hot commodity in the head-hunting industry at large and even in high politics. He is a producer of values

the new morale of bourgeois capitalism after the misfortune that befell socialism in Bulgaria and in enhancing the material standard of living. The aging Bulgarian population, the one with the most limited resources and highest needs provoked the company priority to provide them with the best services at affordable prices.

During these 12 years CL profit has been ultimately ploughed back into the business, be it as working capital to secure availability of the entire huge list of all registered pharmaceuticals nationwide, or be it as a structural investment, the top notch of which today is our CL Softy System based on SAP application software. The reinvestment of the CL profit and my personal income in Bulgaria and the company itself is still and



will be for many years to come a vital requisite for enduring success, says Chairman Kamenov. Admittedly, CL is now, and has been through the years, by far the biggest creditor of the Bulgarian hospitals and the entire health care system. The most critical years in the company development coincided with its market surge leading it well out of sight of any competition. CL did not partake in the privatization of the 28 state owned regional drug distribution centers {Aptecho}, since the old structure was sold in 97/ 98 under the table solely as brick and mortar and most often put into the hands of outsiders. Instead, Kamenov took the less traveled road and built his own regional network. Moreover, sourcing and marketing subsidiaries of the company were established in the US, Russia, Switzerland, neighboring Macedonia, and the CL private line cosmetic brand TURGOR is produced at Swiss Mibelle Cosmetics. Essentially, Tihomir Kamenov's management displayed the leadership ability in both to look ahead wisely and realistically and to develop a distinct identity for CL services and, presently, generic drugs. As New York Times recently drew it, Commercial League has carved out a reputation for quality of service and generic production.



Tihomir D. Kamenov, *Chairman*

Throughout the years, attempts of certain local interested circles to simplify, denigrate, and even vulgarize the company activities and managerial accomplishments of its founder only spurred new rounds of achievements, the latest very innovative example being the elaboration of the Bulgarian pharmacy benefit management program Care For You. Kamenov and the young executive management of the company strongly believe this managed care program is the only salvation for the National Health Insurance Fund from the multimillion-dollar annual leakages in drug expenditure. The program and the CL team expertise were researched following the practice and experience of the US Merck-Medco and Express Scripts corporations. The question before them today is how long it will take Bulgarian society and the political class to embrace the digital concept of the program. Meanwhile, the entrepreneur and his close associates started a modern GMP-certified generic production company, Tchaickapharma Inc., the initial six products of which have earned leadership positions within their respective therapeutic classes in the first year. Possessed of exceptional business courage, the CL founder, contrary to the scribbles of some defunct economists and privatization heralding politicians, foresaw the transfer of technology as a life-saving cure for his native country's economy, otherwise destined to be the leisure-making periphery of the united Europe.



TCHAIKAPHARMA Inc., among the most modern Balkan generic manufacturers, is deemed by Chairman Kamenov as a winning ticket for Bulgaria's EU accession. It is the only Bulgarian drug-maker accepted as member of the European Association of Generic Manufacturers. As Kamenov once put it himself, "Since modern development of original medicines is not possible in Bulgaria, the production of quality generic drugs, better with or even without technology transfer, is the only proud way to enter Europe with flying colors."