

1.4 Summary of Financial Projection

	Note	Strength	Unit Price (LKR)	Units	Amount (LKR)
INCOME					
Sales Revenue	1	250 mg	220.69	15,000	3,310,350.00
		500 mg	415.61	77,000	32,001,970.00
		IV	362.45	15,350	5,563,607.50
					40,875,927.50
EXPENDITURES					
Import Cost	2	250 mg	90.48	15,000	1,357,244.00
		500 mg	170.40	77,000	13,120,808.00
		IV	148.60	15,350	2,281,079.00
					16,759,130.00
Administrative cost	3	Total	8%	107,350	3,270,074.00
Distribution	4	Total	6%	107,350	2,452,556.00
Promotions	5	Total	10%	107,350	4,087,593.00
Financial	6	Total	1%	107,350	408,759.28
					10,218,982.00
Net Profit	7				13,897,815.35
Net Profit on Sales	8				34%

6.1.1 List of Primary Competitors

Leflox has large numbers of primary competitors. Due to positive feedback of prescriber and total market value many companies have launched Levofloxacin brands to the market. Details of the primary competitors have given below,

Table 02: List of Primary Competitors

Brand Name	Manufacturer	Local Distributor
LEVOCIL	CCL Pharmaceutical	CIC
SPECTRIX	PharmEvo (Pvt) Ltd	CIC
LEFVOGE	General Pharmaceuticals	Thorn Pharmaceutical
LIVORIK	Lanark Laboratories	Avenier Pharma
VIZOR	Tabros Pharma	Associated Laboratories
LIVOX	Zee Laboratories	ABC Pharma
LEVOBIOTIC	Medibios Laboratories	Emerchemie NB
LEVOCIN	Sanbe Farma	LifeLine Pharmaceutical
HAWK	Sterling Laboratories	Darley Butler
LEK-500	Blue Cross Laboratories	Hayleys
STAN-LEV 500	Illorus Pharma	Apothecas Pvt Ltd
LEVOPAL 500	Pharmix Laboratories	Tabrane Lanka
S-FLOX	Genix Pharma	Ceyoka Pvt Ltd
GLEVO	Glenmark Pharmaceutical	Swiss Biogenics
XEFLOX	Helix Pharma	Markss Pvt Ltd
LEVOMAC	Macleods Pharmaceuticals	Pettah Pharmacy
LEVOKING	Renata Limited	Emerchemie NB
LEVOBACT	Micro Labs	Mega Pharma
LEVO	ACL ltd	CIC
BEXUS	Shaigan Pharmaceuticals	Amedco Pvt Ltd

Source : www.cdda.gov.lk, Product-Directory

6.1.2 List of Secondary Competitors

Out of the antibiotics in the class of Fluroquinolone, Ciprofloxacin (oral / IV), Moxifloxacin (oral/IV), Ofloxacin and Norfloxacin are major secondary competitors to Leflox. Details of the active secondary competitors have given below,

Table 03: List of Ciprofloxacin brands

Ciprofloxacin Brands		
Brand	Manufacturers	Local Agents
CIPROLET	Dr Reddys Laboratories	Emerchemie NB
CIFRAN	Ranbaxy Laboratories	Hemas Pharmaceutical
CIPROSTAR	Arvind Remedies	Kamazzu Pvt Ltd
CIPROQUIN	Kopran Ltd	Mansel Pvt Ltd
CIPROMEN	CCL Pharmaceutical	Amedco (Pvt) Ltd
CIPROBID	Cadila Healthcare	Swiss Biogenics
CIPROCIN	Marksons Pharma	Hercules Pvt Ltd
CIPLOX	Cipla	Cipla

Source : www.cdda.gov.lk, Product-Directory

Table 04: List of Moxifloxacin Brands

Moxifloxacin Brands		
Brand	Manufacturers	Local Agents
MOLOX	CCL Pharmaceuticals	CIC
MOXIGET	Getz Pharma	Hemas Pharmaceutical
AVELOX	Schering Pharma	Hemas Pharmaceutical

Source : www.cdda.gov.lk, Product-Directory

➤ Sales force and their expertise	
43 medical representatives are working for CCL pharmaceutical including Managers	43 medical representatives are working for Lifeline Pharmaceutical to promote Sanbe Farma products
CIC is the current local distributor for CCL products	44 company Sales Representative (CSR) are working for Lifeline Pharmaceutical
➤ Financial Strength	
CCL is company, which is having strong financial strength. They utilize their financial strength to grab market opportunities	Sanbe Farma is having strong financial strength to spend on promotions
CCL is spending on more on KOLs request, which gives strong prescription base to the company	Sanbe Farma spending huge money on both chemists and Doctors to get maximize their sales volume
➤ Technology Used	
CCL use newer technologies on their manufacturing processes and in R&D	Sanbe Farma use newer technologies and process on their R&D formulation research and bio-pharmacy (bioequivalence).
Also CCL-Sri Lanka is a company who are always updated their selling process. Such as web based RD sales system and online data analysing system,	

6.3.2 Current Products Strategies of competitors

➤ Product Mix	
CCL pharmaceutical has launched for 23 products <u>Antibiotic product mix</u> - Levocil – (Levofloxacin) - Cef-OD – (Cefixime) - Cipromen – (Ciprofloxacin) - Kefrox – (Cefuroxime Axetil) - Molox – (Moxifloxacin) - Neoklar – (Clarithromycin) <u>Levofloxacin Product mix</u> - Levocil 250mg Tablets - Levocil 500mg Tablets - Levocil 500mg Infusion (IV)	P T Sanbe Farma has launched 14 products <u>Antibiotic product mix</u> - Claneksi – (Co-Amoxi-clavu) - Levocin – (Levoflocaxin) - Merosan – (Merapenem) <u>Levofloxacin Product mix</u> - Levocin 500mg Tablets - Levocil 500mg Infusion (IV)
➤ Branding and Packaging	
	

6.3.5 Current Promotional Strategy

➤ Promotional Objectives	
- Increase awareness and interest about products - Achieve sales revenue goals - Increase Market share	- Increase sales revenue by selling more units - Stock more products at chemists for push the product to customers (Substitution) - Increase market share
➤ Strategies and Themes Used	
<u>Push Strategies</u> – on doctors to prescribe more Levocil to patients <u>Pull Strategies</u> – CCL pharmaceutical is focus to get more prescriptions, therefore patients demand what doctor has prescribed at pharmacy <u>Tag line (theme) :</u> Presenting... Unbeatable & Powerful Quinolones	<u>Push Strategy</u> – Sanbe Farma is trying stock more products at pharmacy with using chemist promotions, therefore chemists may push the brand to customers <u>Pull Strategy</u> – on doctors to prescribe more Levocin on to patients <u>Tag line (theme) :</u> Distinctly Superior in a Maze of Quinolones
➤ Promotional tools	
<u>Personal Selling</u> : through medical Representatives they reach doctors in order to communicate about the product and to generate prescription through creating high awareness and building up rapport with them	<u>Personal selling</u> – Medical representatives promote their products to the doctors in order to create awareness and generate prescription while sales representatives collect orders and maintain the relationship with the retail pharmacies and institutions.

7. External Environment Factors

7.1 Political

Currents Sri Lankan political environment is stable because of peace and very less internal conflicts and struggles. Also Sri Lankan government has accepted globalization and allow to opening up new markets. Therefore the political status helps pharmaceutical industry positively but government has implemented some limitation on promotions. Such as all medical representatives able to enter to government hospital only Wednesday and Friday between 12.00h-14.00h and at clinics doctors are not allowed prescribe drugs by brands.

Recently government has implemented new price control policy by gazette notification of 1852/22, thus sales volume and profitability of Leflox also effect negatively.

7.2 Economy

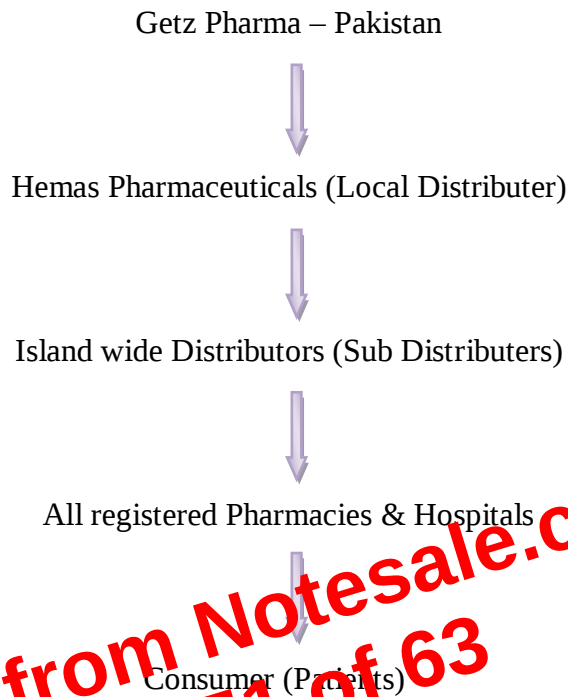
The Economy of Sri Lanka is becoming strong due to liberation from LTTE terrorists. According central bank of Sri Lanka (2013 est.) inflation rate is 6.8%. but apart from government's policy buying power of the peoples have reduced therefore the growth of pharmaceutical industry is not signiated.

7.3 Social and Cultural Environments

Peoples have strong positive perception towards state pharmaceutical products (SPC) because of affordability and trust. Most of Sri Lankan people visit Rajya Osusala outlets. So likeness towards branded drugs has come down. Most of peoples believe doctors are having commitment of drugs companies therefore they prescribe brands. But some of peoples only look for branded products because they consider quality products are costly. Getz Pharma has managed to stock its products including Leflox at island wide Rajya Osusala outlets by building relationship with Osusala Managers and Purchasing offers.

12.4 Distribution Strategy

Distribution strategy of the Leflox has shown below. With the partnership of Hemas pharmaceutical, Getz pharma is having efficient and effective system. Therefore consumers can buy Leflox at their nearest pharmacy.



Depending on the potential of customers or the pharmacies in a particular area the respective sub distributors will plan their itineraries. Main fact that would be taken into consideration is the potential of the individual pharmacies and the amount of business that they generate along with their existing location. Those are classified as follows with relevant frequencies,

- “A” Graded Pharmacies / Hospitals - 4 visits per month
- “B” Graded Pharmacies / Hospitals - 2 visits per month
- “C” Graded Pharmacies / Hospitals - 1 visits per month

With the above plan all sales representatives will be visiting relevant pharmacies and will obtain an order. Following day collected order will be serviced by the distributor.

12.5 Physical Evidence Strategy

With regard to physical evidence of Leflox it is very much less that can do directly to consumers. However by training the staffs to be more professional in all aspects that they do and in whatever the activities they do representing the company positive physical evidence can be created in the mind of the doctor. To implement these following measures can be taken.

- Appropriate dress code of the medical delegate
- Level product knowledge of the medical delegates
- Detailing bag, Visiting card and the vehicle used
- Carrying all important product related documents
- Positive body language of the medical delegates
- Professionalism of medical delegates

In order to create above among the medical delegates the company is conducting training programs, outdoor workshops time to time.

12.6 Process Strategy

Numerous of processes are adopted to support business activities of Getz Pharma. Medical delegates are has to e-mail daily call report , with the use to that reports company can generate customers visits frequency and information and remarks of daily call reports are very much useful.

Hemas pharmaceutical has developed web based sales systems to increase efficiency and effectiveness of sales process which has created supportive environment for sales of Leflox.

➤ Note 1 :

Whole sales price of Leflox 250mg pack – LKR 220.69, Leflox 500mg pack – LKR 415.61 and Leflox IV vial – LKR 362.45. As per the sales objectives Getz Pharma is going to achieve LKR 40.87M sales revenue from Leflox with 12% growth rate by the end of 2014. Expected sales revenue contribution from each strength

- Leflox 250mg – 15,000 packs – LKR 3,310,350.00
- Leflox 500mg – 77,000 packs – LKR 32,001,970.00
- Leflox IV – 15,350 vials – LKR 5,563,607.50

➤ Note 2:

Getz Pharma has to import the drugs from the Getz Pakistan through Hemas pharmaceuticals. According to the agreement between Hemas Pharmaceutical and Getz Pakistan, other than Import cost, all other costs have to be borne by Getz Pakistan. Therefore import cost for each strength is as follows,

- Leflox 250mg – LKR 90.48
- Leflox 500mg – LKR 170.40
- Leflox IV – LKR 148.60

➤ Note 3

As the Administrative cost for Leflox is approximately 8%, because Leflox is 3rd highest value contributor for Getz Pharma. The administrative cost margin for Getz Pharma is 8% of the total annual achievement. Administrative cost includes staff salaries, performance bonus, vehicle rents, fuel expenses and other operational related expenses.

➤ Note 4:

6% distributor margin offered by Hemas pharmaceutical to its sub distributors. That is direct expenses for Getz operation.