



# QYOBO market dynamics save 300,000 EUR in just 5 weeks

Find out how Farmak, a leading Ukrainian pharma company, leveraged the QYOBO platform in API procurement

October 2023

## Background

Founded in 1925, Farmak has emerged as a prominent player in the pharmaceutical industry, holding a leading position in the Ukrainian market over the last 15 years. With a diverse product portfolio exceeding 400 products, the company has expanded its reach to over 50 countries, including the 27 member states of the European Union.

The Russian invasion also had a devastating impact on Farmak: A missile strike destroyed Farmak's warehouse in Kyiv containing drugs worth over 1 million EUR early last year. Despite this setback, Farmak remains focused on making essential medicines available to its patients.

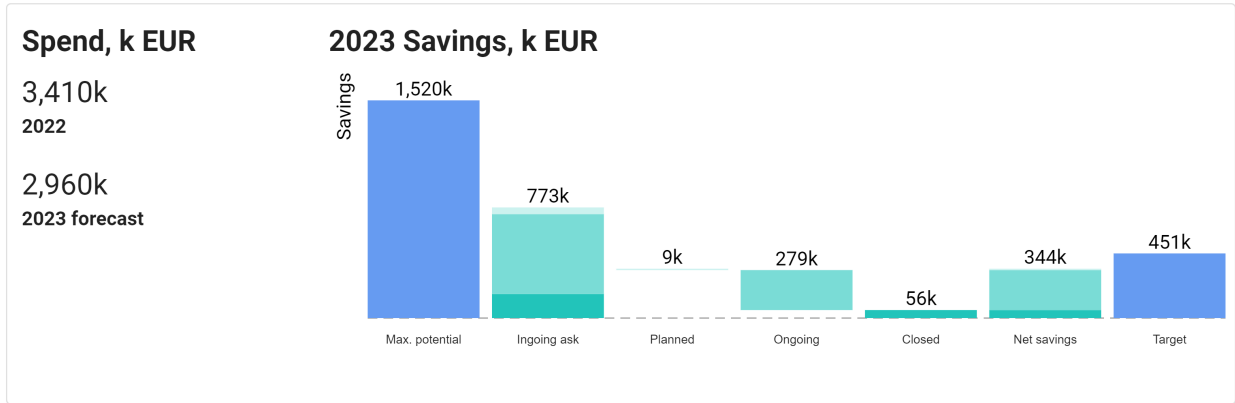
In the face of challenging global supply chains and increasing cost of goods, Farmak's procurement team, led by Anna Shvediuk (Director of procurement) and Nadiia Kushnir (API procurement manager), introduced the QYOBO platform in April 2023.

The team started out by setting up the portfolio feature (for its 30 commercial and launch molecules).

The key feature of the portfolio is automated spend benchmarking - continuously comparing the spend data of a client company against QYOBO's market benchmarks.

Portfolio

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State	Substance	ID	Spend	Volume	Last price paid	Lower 20% benchmark price
PLANNED	Metformin hydrochloride	172384948727	350,000.00 USD	50,000 kg	7.00 USD/kg	3.79 USD/kg
CLOSED	Brinzolamide		900,000.00 USD	100 kg	9,000.00 USD/kg	17,239.34 USD/kg
PLANNED	Methocarbamol		193,600.00 USD	8,000 kg	24.20 USD/kg	14.11 USD/kg
ONGOING	Progesterone	217388234	2,220,000.00 USD	6,000 kg	370.00 USD/kg	138.94 USD/kg

Figure 1: The portfolio feature in the QYOBO platform (dummy data shown is for illustration purposes only)

As depicted in figure 1, the portfolio visualizes the overall savings potential and also provides the means to track savings negotiations through various stages.

For a pharmaceutical company with a multitude of diverse molecules such as Farmak, this allows to keep up with the market and ensure the most relevant savings opportunities are captured.

**Do you know...?**

Beyond partially automating savings-related workflows, the **portfolio tailors the entire QYOBO platform to the respective client company**, creating value for various use cases: For example, suppliers already working with your company are highlighted as pre-qualified sources throughout the platform. This streamlines the selection of alternative sources for existing molecules and supplier selection for new launch molecules. Moreover, news alerts sent by the QYOBO platform - drawing on dozens of regulatory databases worldwide - are tailored to each client's molecules and supplier landscape individually, ensuring that only relevant news alerts are shared with the company.

# Case study

The automated benchmarking of Farmak's spend cube revealed that Farmak is already outperforming the market for 10 of its 30 APIs. For the remaining molecules, the QYOBO platform highlighted a savings opportunity of 1.3 million USD and 2.2 million USD against the average market price and the most competitive market prices respectively.

Equipped with these insights, Farmak's procurement team further investigated the market information on the QYOBO platform, primarily focusing on market dynamics (API prices and forecasts), including the information on relevant to

synthesis (insights on key starting materials) and the supplier list (suppliers and global regulatory filings) to enter into negotiations with incumbent and potential new suppliers.

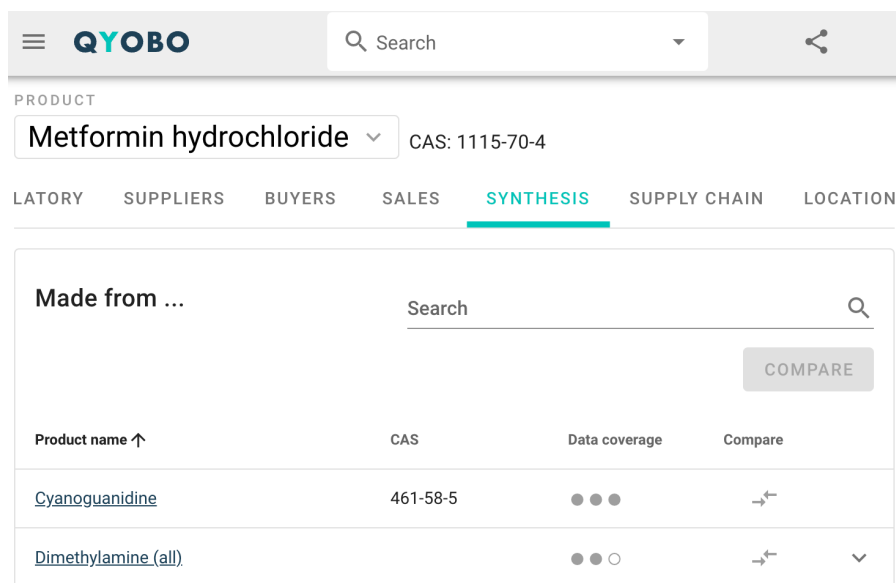
**One of the savings opportunities highlighted by the QYOBO platform was for metformin hydrochloride.** For this API, QYOBO market dynamics showed that the average price had substantially decreased between the second quarters of 2022 and 2023, dropping to 5 USD/kg in Q2-2023, while the best-performing companies were purchasing at 3.5 USD/kg (figure 2).

## API price for Metformin hydrochloride, USD/kg



**Figure 2:** Market dynamics on the QYOBO platform – Average market (blue) and most competitive (green) market prices for Metformin hydrochloride in USD/kg

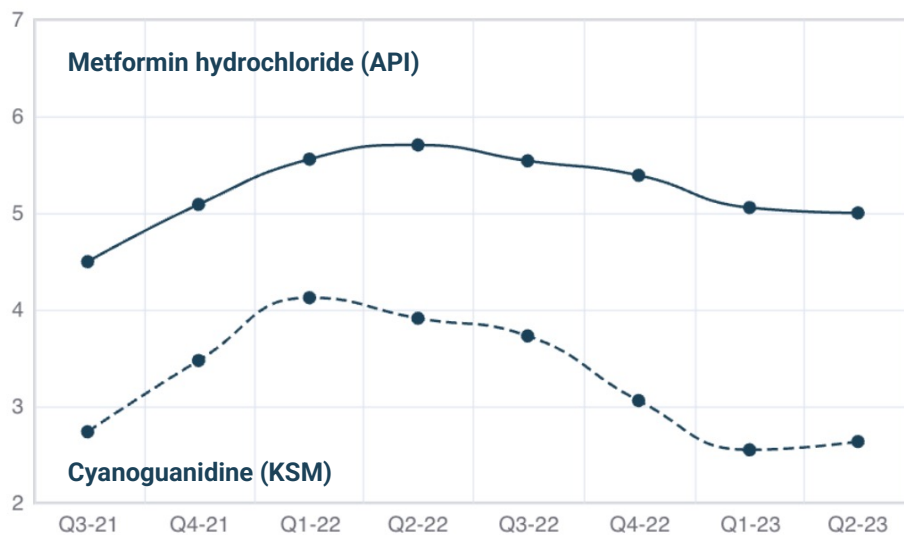
The QYOBO platform also contains synthesis insights on thousands of substances. In the case of Metformin hydrochloride, illustrated in Figure 3, the two key starting materials are Dimethylamine and Cyanoguanidine (aka Dicyandiamide or DCDA).



**Figure 3:** Synthesis tab on the QYOBO platform showcasing key starting materials relevant for a specific API

The synthesis tab allows for easy comparison of the API and KSM price, illustrated in figure 4. This equipped the Farmak team with an up-to-date picture of not only the Metformin API price, but also the KSM price trends to estimate how gross margins of API suppliers have developed.

### Comparison between API and KSM market prices, USD/kg



**Figure 4:** Market dynamics on the QYOBO platform – Comparing average market prices in USD/kg for the API (solid) and the key starting material (dotted)

In their negotiations, the Farmak procurement team also leveraged the QYOBO's supplier list (figure 5) - a succinct and always updated overview of API suppliers alongside their global regulatory filings - to demonstrate that ample alternatives exist.

## Interview

### Nadiia Kushnir

API Procurement Manager, Farmak



#### How has QYOBO changed the way you work at Farmak?

With the QYOBO platform's implementation, we've experienced a substantial time-saving advantage in conducting market analyses. QYOBO's ability to consolidate all statistics in one place allows us to access crucial data more efficiently, streamlining our decision-making process.

The infographics available on the QYOBO platform have proven invaluable during negotiations. Having access to real-time updates on the latest prices and quantities empowers us to secure deals on the most favourable terms. Additionally, the platform's predictive capabilities have enabled us to anticipate market trends and make well-informed decisions.

#### What features do you value most and how do you use them?

We find multiple QYOBO features are highly valuable in our day-to-day operations. One of the standout features is the ability to access all relevant statistics in a single location. This saves us considerable time and effort in gathering and analyzing data from different sources. Supply chain analytics provides us with valuable insights into new companies, which facilitates our research and enables us to establish potential new partnerships and learn about our competitors as well.

QYOBO's regulatory news related to our suppliers has proven instrumental in staying informed and making strategic decisions. The platform also factors in pharmacopeia grades and properties while showing pricing insights, informing us that prices can significantly differ based on the quality - this knowledge empowers us during negotiations as we can substantiate our positions using accurate trends and forecasts presented on the platform.

#### What do you have planned next?

Moving forward, Farmak remains committed to improving our procurement effectiveness. We aim to foster long-term and successful collaborations with our partners by leveraging the latest market trends and analytics provided by QYOBO.

Our primary goal is to ensure a stable supply of goods at the best market prices from reliable partners. By continuing to utilize the insights and tools offered by QYOBO, we are confident in our ability to achieve this objective and drive positive outcomes for Farmak's procurement operations.

QYOBO Search

PRODUCT  
Metformin hydrochloride CAS: 1115-70-4

LATORY **SUPPLIERS** BUYERS SALES SYNTHESIS SUPPLY CHAIN LOCATIONS

Supplier list Search

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Company	M/T	Regulatory filings	Minimum volume (12 months) ↓	Country	Portfolio match
<a href="#">WANBURY LTD</a>	M	CEP   1 EU-REG   7 JDMF   1 UK-REG   1 USDMF   5	5,000+ t		
<a href="#">AARTI INDUSTRIES LTD</a>	M	CEP   1 CNAR   1 EU-REG   1	5,000+ t		
<a href="#">ABHILASH CHEMICALS AND PHARMACEUTICALS PVT LTD</a>	M	CEP   1	1,000+ t		
<a href="#">HARMAN FINOCHEM LTD</a>	M	CEP   2 CNAR   1 EU-REG   12 JDMF   2 UK-REG   2 USDMF   1	1,000+ t		
<a href="#">USV PVT LTD</a>	M	CEP   2 EU-REG   8 JDMF   1 USDMF   4	1,000+ t		

Figure 5: Supplier list on the QYOBO platform along with the valid regulatory filings

## Result

Leveraging the latest market insights on the QYOBO platform, the Farmak team reached out to their existing as well as alternate suppliers. **Within 5 weeks** of adopting the QYOBO platform, Farmak **got confirmed offers leading up to 100,000 USD** in savings for **Metformin hydrochloride** alone.

Additionally, the **Farmak team also successful negotiated** with their existing supplier for a launch molecule - **reducing the price from 2,000 USD/kg to 600 USD/kg - resulting in 195,000 USD savings.**



QYOBO's mission is to improve access to essential medication for everyone by contributing to a more transparent, efficient and robust supply of pharmaceutical and chemical raw materials.

For this purpose, we've developed the QYOBO market analytics platform for APIs, intermediates and chemicals. From millions of trade, regulatory and financial datasets scattered around the world, our big data algorithms derive unique, actionable insights on market prices and trends, suggest suitable partners for your business and automate data-heavy workflows in procurement, supply chain and business development.

Founded in June 2019 and based in Munich, our company is pursuing its mission collaboratively with its international clients and has been recognized with numerous awards including the BASF market challenge and the Digital Innovation award 2020 by the German Federal Ministry for Economic Affairs & Energy (BMWi).