

## **ANALYSIS OF IMAGE FORMATION OF DOMESTIC PHARMACEUTICAL ENTERPRISES ON THE EXAMPLE OF JOINT-STOCK COMPANIES “FARMAK” AND “GALYCHPHARM”**

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DOI <https://doi.org/10.30525/978-9934-26-593-8-5>

### **INTRODUCTION**

The Ukrainian pharmaceutical market is rapidly developing even under martial law in the country, increasing production and entering the global market. Various factors can influence the competitiveness among pharmaceutical enterprises, especially during the period of significant growth and breakthrough of domestic companies in the pharmaceutical industry. Therefore, it is necessary to analyze the influence of external and internal factors on pharmaceutical companies to reduce risks in the production process.

The image of an organization is the holistic perception of it by all social groups (staff, consumers, partners, citizens) who use the organization's products in the process of life activity and social behavior. This process of forming a holistic perception is influenced by various factors, the main one being the image of the object, phenomenon, or organization.

Since medicines are items used in the life activities of virtually all people, and the organizations that lay the foundation for the proper quality of pharmaceutical products are industrial manufacturing enterprises, it is their image that is important for the positive perception not only of the manufacturer itself but also of pharmaceutical activity as a whole.

Image is an objective factor that plays an important role in the evaluation of an enterprise, in its perception by clients, employees, and management. A properly formed image of a pharmaceutical industrial enterprise makes it possible to control how its activities are perceived by society and customers, strengthens competitive positions, contributes to the successful operation of the enterprise in the future, increases popularity – which affects sales levels – and facilitates the recognition of the enterprise's products on the market.

Thus, the formation and constant evaluation of the effectiveness of image are important stages in the life of any enterprise under market economy conditions. Since the global pharmaceutical market operates in tough

economic conditions, and the Ukrainian pharmaceutical market is currently facing environmental uncertainty due to martial law in the country, the creation of a positive image of industrial pharmaceutical enterprises is both important and relevant.

It should be noted that around the world in general, and in Ukraine in particular, the formation of the image of intermediary pharmaceutical firms and chain pharmacy institutions is a well-known, high-cost, and well-established process. However, it is the understanding that the image formation of medicine manufacturers is fundamental for the successful further distribution and logistics of products, as well as for proper pharmacy practice aimed at providing the population and healthcare institutions with quality medicines and medical products.

The aim of the study was to process and summarize the aspects of activity of domestic pharmaceutical enterprises – the joint-stock company (JSC) “Farmak” (Kyiv, Ukraine) and JSC “Galychpharm” (Lviv, Ukraine), which is part of the “Arterium” corporation – and through comparative analysis, determine the prospects for development and formation of a positive image in the pharmaceutical market.

The research was based on the analysis of materials published on the official web resources of the pharmaceutical enterprises JSC “Farmak”, Kyiv, Ukraine, and JSC “Galychpharm”, Lviv, Ukraine. The methods used to carry out the study included content analysis, statistical, comparative, and SWOT analysis.

### **1. Analysis of the activities and image formation of the domestic pharmaceutical industrial enterprise jsc “Farmak”**

The pharmaceutical company Joint-Stock Company (JSC) “Farmak” is a leader in the production of medicinal products in Ukraine and is also considered a leading exporter, as its products were exported, as of 2022 and before the introduction of martial law in Ukraine, to the markets of 40 countries around the world. JSC “Farmak” manufactures medicines that are popular among the population.

The international pharmaceutical company JSC “Farmak” is a leader in Ukraine’s pharmaceutical industry. The enterprise has a good reputation and is a reliable business partner with a growing market share<sup>1,2</sup>. The history of the pharmaceutical company Farmak began in 1925, as until the mid-1980s it bore the name of the Kyiv Chemical-Pharmaceutical Plant named after M.V. Lomonosov. The first products manufactured by the plant were

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<sup>1</sup> Звіт зі сталого розвитку 2020. Інформаційний ресурс АТ «Фармак». URL: <https://farmak.ua/wp-content/uploads/2021/12/zvit-zi-stalogo-rozvitku.-farmak-2020.pdf>

<sup>2</sup> Сталый розвиток для життя та здоров'я людини 2019. Інформаційний РЕСУРС АТ «Фармак». URL: [https://farmak.ua/wp-content/uploads/2020/07/zvit\\_fin.pdf](https://farmak.ua/wp-content/uploads/2020/07/zvit_fin.pdf)

chloroform and salicylic acid, and after some time, medical resorcinol began to be produced. Each year the plant expanded its product range, and eventually, the products began to be exported to other countries. After the reorganization of the plant's activities, JSC "Farmak" began to develop rapidly and launched the production of competitive products<sup>3</sup>.

In 1925, the workforce of the pharmaceutical enterprise consisted of 12 engineering and technical employees and 42 workers. Today, the number of employees is 2,412. In 1965, the M.V. Lomonosov Plant produced 27 product names and implemented 1,500 rationalization proposals and inventions. Today, JSC "Farmak" produces about 400 well-known medicinal product names. These medicines belong to various pharmacotherapeutic groups, with the most in-demand being remedies for cold symptoms, neurological, cardiological, endocrinological, and gastroenterological drugs. The company's product range includes both over-the-counter and prescription medicines, medical devices, and dietary supplements.

According to the company's management positioning, the following values are important for the employees of JSC "Farmak"<sup>4</sup>: quality of medicinal products – it is important to ensure the highest standards and requirements for products and the work of every employee; growth – the management promotes the development of employees within the company, as well as the growth of the company itself in Ukraine and globally; professionalism – the foundation of success and a guarantee of quality is considered to be the high qualification of each employee; involvement – every employee should perceive themselves as part of the company and strive to perform their duties at the highest level, thereby helping the enterprise achieve its set goals; innovation – innovative methods are used to solve tasks, and advanced practices in production and management are applied in the work. However, understanding the vector direction of strategic development and image formation is important for every enterprise.

The image of JSC "Farmak" is formed thanks to the chosen strategy of openness: publishing positive information about the organization on all available platforms; conducting online tours with live streaming of the territory and production facilities; holding special conferences and forums; participating in social projects and many other events and forms of information exchange. We analyzed the publicly available information

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<sup>3</sup> Продукція АТ «Фармак». Інформаційний ресурс АТ «Фармак». URL: <https://farmak.ua/drugs/>

<sup>4</sup> Місія та цінності компанії АТ «Фармак». Інформаційний ресурс АТ «Фармак». URL: <https://farmak.ua/mission-values/>

provided by the enterprise for the general public about its activities. Examples of such information are presented below<sup>5</sup>.

Leader strategy in the pharmaceutical market. The company Farmak is the leader of the pharmaceutical market in Ukraine, with about 450 names of medicinal products in its portfolio. The products cover all therapeutic groups, including cardiology, ophthalmology, endocrinology, neurology, etc. The cost and quality of medicines directly depend on the components they consist of. Most of Farmak's medicines are made of 80% imported raw materials<sup>6</sup>.

Strategy of using global and European experience. This is standard practice for all European pharmaceutical manufacturers. For example, according to the European Economic and Social Committee (EESC), up to 80% of active pharmaceutical ingredients (APIs) used in the EU come from China or India, where the largest chemical manufacturing facilities for active substances are concentrated. The company cooperates with over 500 suppliers of raw materials and packaging materials worldwide. Currently, the main suppliers of raw materials for Farmak are countries such as the USA, Japan, South Korea, China, India, Germany, Italy, and Spain<sup>7</sup>. Part of the APIs is manufactured independently by the company at its plant in the city of Shostka, which was built in 2015<sup>8</sup>.

Strategy of import substitution of the raw material base. Since the beginning of the war, the company has intensified its efforts toward localizing the production of active substances. This is a strategic step aimed at reducing dependence on foreign supplies and currency exchange rate fluctuations. Moreover, localization of API production makes it possible to ensure full quality control at all stages of medicine creation, as well as to guarantee consistency and reliability of supplies<sup>6</sup>. By presenting this relevant information to the public, the company proclaims and positions itself as a leader in import substitution of domestic API production (synthesis).

Vertical integration in the process of medicine creation is a significant advantage for any pharmaceutical company. Manufacturers around the world recognized its effectiveness back during the COVID-19 pandemic, when many countries faced a crisis in the supply of medicines and medical

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<sup>5</sup> Моделі присутності та маркетингові стратегії на фармацевтичному ринку. URL: [https://farmak.ua/leader\\_opinion/modeli-prisutnosti-ta-marketingovi-strategii%D1%97-na-farmaczevitchnomu-rinku/](https://farmak.ua/leader_opinion/modeli-prisutnosti-ta-marketingovi-strategii%D1%97-na-farmaczevitchnomu-rinku/)

<sup>6</sup> Як виготовляють українські ліки: якісна сировина та міжнародні стандарти. URL: <https://farmak.ua/publication/yak-vigotovlyayut-ukrayinski-liki-yakisna-sirovina-ta-mizhnarodni-standarti/>

<sup>7</sup> На зв'язку зі світом. Як українські компанії торгують під час війни. URL: <https://farmak.ua/publication/na-zvyazku-zi-svitom-yak-ukrayinski-kompaniyi-torguyut-pid-chas-vijni/>

<sup>8</sup> «Фармак» створив виробництво субстанцій у Шостці. URL: [https://farmak.ua/news/farmak-\\_stvoriv\\_virobnitsvo\\_soubstantsiy\\_ou\\_shostsi/](https://farmak.ua/news/farmak-_stvoriv_virobnitsvo_soubstantsiy_ou_shostsi/)

devices<sup>6</sup>. Today, this approach strengthens Farmak's position and aligns with European trends – such as the creation of the Critical Medicines Alliance, the main goal of which is to ensure uninterrupted access to vital medicines during crises like the COVID-19 pandemic<sup>6</sup>.

Excipients – components of chemical, plant, or animal origin – are mainly purchased in EU countries, including France, Spain, Germany, as well as the United Kingdom<sup>6</sup>.

The quality of raw materials at Farmak is monitored by over 200 employees, and the company annually spends up to 100 million UAH on the purchase of materials necessary for quality control<sup>6</sup>. The quality of raw materials is no less important than their origin. In particular, even the most reliable suppliers cannot always guarantee that their goods will be flawless in every batch. Therefore, regulatory control and analysis of each sample are essential conditions for ensuring the high quality of the final product<sup>9</sup>.

Quality control strategy and compliance with European standards. The quality control process at Farmak begins long before raw materials enter the production facilities. Each ingredient can be tested against more than 30 criteria, including chemical composition, presence of impurities, solubility, viscosity, melting point, microbiological purity, and other parameters. This is necessary to ensure that the raw materials meet strict quality standards, and only then are they approved for use<sup>6</sup>. This process is carried out in accordance with international and national standards, regulated by the State Pharmacopoeia of Ukraine (SPHU), the European Pharmacopoeia (EP), the United States Pharmacopoeia (USP), as well as the manufacturer's regulatory documentation<sup>10</sup>.

Global supplier audit strategy. To guarantee the quality of each batch of raw materials, Farmak conducts regular inspections of its suppliers around the world. The company's auditors visit enterprises in over 35 countries, including the USA, the United Kingdom, Germany, France, Switzerland, and others<sup>11</sup>. The inspections last from several days to a week and include verification of quality certificates, sanitary and hygienic production conditions, compliance with Good Manufacturing Practice (GMP) standards, as well as checking the storage and transportation of raw materials<sup>12</sup>.

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<sup>9</sup> Конкуентоспроможність виробництва визначається використанням ключових цифрових управлінських систем та інноваційних технологій планування, організації і контролю. URL: [https://farmak.ua/leader\\_opinion/komanda-yaka-vmi%D1%94-pracuyuvati-proaktivno-ta-or%D1%94ntuvatsiya-na-maksimalnij-rezultat/](https://farmak.ua/leader_opinion/komanda-yaka-vmi%D1%94-pracuyuvati-proaktivno-ta-or%D1%94ntuvatsiya-na-maksimalnij-rezultat/)

<sup>10</sup> Українські ліки європейської якості: як «Фармак» впроваджує інновації та постійно розширює географію експорту. URL: <https://farmak.ua/publication/ukrayinski-lik-evropejskoyi-yakosti-yak-farmak-vprovadzhue-innovaciyi-ta-postijno-rozshiryue-geografiyu-eksportu/>

<sup>11</sup> Звіт зі сталого розвитку. URL: <https://farmak.ua/wp-content/uploads/2021/12/zvit-zi-stalogo-rozvitku.-farmak-2020.pdf>

<sup>12</sup> «Фармак» успішно пройшов планову інспекцію та отримав сертифікати GMP ЄС. URL: <https://eba.com.ua/farmak-uspishno-projshov-planovu-inspektiyu-ta-otrymav-sertyfikaty-gmp-yes/#:~:text=%C2%AB%D0%A4%D0%B0%D1%80%D0%BC%D0%B0>

Strategy of medicine production according to European standards and export. Farmak's production and laboratories are certified according to European pharmaceutical manufacturing standards, which allows the company to export its products to EU countries and other parts of the world. Farmak's export map includes about 60 countries, among them Poland, France, Israel, the United Kingdom, Denmark, the Czech Republic, the UAE, and many others<sup>13</sup>.

Total control strategy. The company regularly undergoes inspections by both national and international bodies. Over the past five years, Farmak has successfully passed more than 100 inspections (including by partner companies from the United Kingdom, Switzerland, Germany, Poland, Slovakia, the Czech Republic, Latvia, Lithuania, Israel, and Georgia), confirming the compliance of its production processes with international requirements<sup>14</sup>.

Social projects and support for the Armed Forces of Ukraine. The first to receive assistance from "Farmak," together with the "Charitable Foundation of the Zhebrivski Family Homeland," were the Armed Forces of Ukraine. In addition to the medicines traditionally provided by the company to the military, 106 unmanned aerial vehicles, 21 vehicles, 15 thermal imagers, 28 radios, and 17 generators were purchased for them<sup>15</sup>.

An important direction funded for many years by the charitable foundation and the company of Filia Zhebrovska "Farmak" is the development and support of youth. To give young Ukrainians the opportunity to study in safe conditions, "Farmak" supported the "Safe Education" project, initiated by the KSE Foundation in cooperation with the Ministry of Education and Science of Ukraine. Within the framework of the project, the company allocated 400,000 UAH for the creation of a modern and comfortable shelter at the Zavodske Lyceum in Sumy region, so that more than 350 students could return to safe learning at the institution.

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<sup>13</sup> Філія Жебровська: «Євроінтеграція – наш єдиний шлях». URL: <https://farmak.ua/publication/filya-zhebrovska-evrointegracziya-nash-edinij-shlyah/>

<sup>14</sup> 100 років якості: як український Farmak вийшов на світовий фармацевтичний ринок. URL: <https://farmak.ua/publication/100-rokiv-yakosti-yak-ukrayinskij-farmak-vijshov-na-svitovij-farmaczevtichnij-rinok/>

<sup>15</sup> Під час повномасштабної війни українки продемонстрували всьому світу, що вони вміють боротися за свою землю і країну. URL: <https://fru.ua/ua/media-center/news/members-events/pid-chas-povnomasshtabnoji-vijni-ukrajinki-prodemonstruvali-vsomu-svitu-shcho-voni-vmiyut-borotisia-za-svoyu-zemlyu-i-krajinu>

The philanthropist is also involved in preserving cultural and historical heritage, which she considers extremely important for Ukrainian self-identification. Over the past year, more than 2.7 million UAH were allocated for this purpose. One of the most well-known sites restored with the support of the “Charitable Foundation of the Zhebrivski Family” was St. Nicholas Roman Catholic Church in the center of Kyiv<sup>15</sup>.

The enterprise is well-developed, has a wide consumer base, and implements a number of social projects. However, it has both strengths and weaknesses, as well as certain threats and opportunities for its own development. In order to analyze and summarize these factors, we conducted a SWOT analysis.

We applied the research method known as SWOT analysis, which allows the identification of a company’s strengths and weaknesses, as well as the opportunities and threats that may affect it. In addition, this method enables the analysis of performance results, the assessment of existing and potential risks arising in the course of the company’s operations, and the consideration of current threats and opportunities for a particular type of activity. At the same time, SWOT analysis provides a clear structure for organizing information, which facilitates decision-making for more efficient company operations, helps manage existing risks and threats, and strengthens the competitiveness of the pharmaceutical company in the general market.

We conducted a SWOT analysis of JSC “Farmak,” through which we examined the company’s strengths and weaknesses and forecasted the opportunities and threats for the enterprise’s further operations. The obtained results are presented in Table 1.

Having analyzed each aspect of the SWOT framework, we developed the following potential strategies for JSC “Farmak” to enhance its development prospects and competitiveness.

Trust among Ukrainian consumers in the national manufacturer should be strengthened by leveraging the image of JSC “Farmak” on the domestic pharmaceutical market. It is necessary to establish new and improve existing relationships with foreign pharmaceutical companies, which would support the development of partnership programs and subsequently contribute to the advancement of anti-crisis and social projects. The high level of employee qualification, along with guaranteed product quality, can facilitate the active improvement of production processes and strengthen the company’s image among the Ukrainian population. In addition, to improve and promote the company’s social initiatives, it is essential to enhance cooperation with regional organizations and local authorities.

Table 1

**SWOT Analysis of JSC “Farmak”**

SWOT Components	<b>Opportunities</b>	<b>Threats</b>
	A. Improving relationships with regional organizations and local authorities	a) Location of the plant in a politically unstable country
	B. Development of internal anti-crisis measures	b) Lack of sponsors for social projects
	C. Improvement of production processes	c) Low consumer trust in domestic medicines
	D. Strengthening relationships with foreign countries	d) Emergence of strong competitors in the pharmaceutical market
	E. Enhancing image among the Ukrainian population	e) Rising cost of raw materials for production
<b>Strengths</b>	<b>SO Strategies</b>	<b>ST Strategies</b>
I. Presence of the manufacturer's products on the Ukrainian and global pharmaceutical markets;	Using Farmak's strong image and diverse product portfolio to enhance Ukrainian consumers' trust in domestic manufacturers (I, II, III, E); Development of new and existing international partnerships to support anti-crisis and social initiatives (I, III, IV, V, B, C, D); High qualifications and guaranteed quality can drive production process improvements and improve public image (III, IV, C, E); Strengthen ties with regional organizations and local authorities to promote social initiatives (V, A).	Given the company's strong image on the international market and political instability in Ukraine, consider establishing foreign branches to increase competitiveness (I, II, III, a, d); Attracting sponsors for social projects will increase consumer trust and broaden product outreach (V, b, c).
II. Broad range of medicines, medical devices, and dietary supplements;		
III. Guaranteed product quality and certification		
IV. Highly qualified staff;		
V. Implementation of social projects (charity, virtual tours, eco-initiatives, etc.)		
<b>Weaknesses</b>	<b>WO Strategies</b>	<b>WT Strategies</b>
1 Social projects are financed solely by the company;	Improving ties with local authorities may help involve them in organizing and funding social initiatives (1, A); International relationships enable easier resource procurement needed for production (3, D).	Attracting sponsors for social project financing (1, b); Monitoring competitors' pricing for timely preventive measures (2, c, d); Consider opening foreign branches to create new jobs and ensure business continuity under unpredictable circumstances in Ukraine (4, a).
2. High production costs;		
3. Production resource dependency;		
4. Decreasing need for human labor due to automation.		



Regarding the ST strategy (Strengths – Threats), considering the company's strong image on the global market and the unstable political situation in Ukraine, it is advisable to explore the possibility of establishing branches abroad. This would ensure the company's competitiveness and help avoid interruptions or halts in product delivery to consumers, given the enterprise's wide product range. Attracting sponsors for the organization of social projects will also contribute to increasing consumer trust in JSC "Farmak" and expanding the distribution of its products.

Regarding the WO strategies (Weaknesses – Opportunities) and WT strategies (Weaknesses – Threats), improving cooperation with regional organizations and local authorities will encourage their involvement in organizing and financing social projects. Strong international relations provide opportunities to simplify the procurement of resources needed for production.

Financing social projects solely at the company's expense poses a direct threat to production sustainability. Frequently, due to a lack of planning and evaluation of social project implementation and impact, such initiatives can worsen the financial condition of the enterprise and eventually lead to additional problems. Therefore, attracting sponsors is a necessary condition for maintaining these projects.

High product costs may result in the loss of consumers; therefore, monitoring competitor pricing is essential for timely preventive actions.

Due to instability in the country and the rapid development of production automation, the number of jobs is decreasing. Thus, the possibility of opening branches abroad should be considered, as it would create additional employment opportunities and safeguard the company's operations under uncertain conditions in Ukraine.

## **2. Analysis of media coverage and image formation of the domestic pharmaceutical industrial enterprise "Galychpharm"**

JSC "Galychpharm" is a leader in the production of finished medicines and phyto-chemical substances based on the extraction of medicinal plant raw materials (MPRM). The enterprise has a history spanning over 100 years. It has been manufacturing medicines since 1911<sup>16</sup>.

Today, the product range includes approximately 87 generic and original medicinal products (including dosage forms), produced as ampoule injections, tablets, solutions, extracts, syrups, and drops. JSC "Galychpharm" successfully passed the audit conducted by the State Service of Ukraine on Medicines regarding compliance and harmonization of its production conditions with European standards and received indefinite licenses for the production and wholesale trade of medicinal products.

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<sup>16</sup> Market Leaders. <https://www.galychpharm.com/about>

The company's quality management system has been certified in accordance with the international quality management standard ISO 9001:2000<sup>16</sup>.

The production of injectable ampoule solutions using syringe filling technology, as well as the full production cycle of the phyto-chemical department of JSC "Galychpharm," has been certified according to international Good Manufacturing Practice (GMP) standards. The enterprise's environmental management system is certified in accordance with DSTU ISO 14001:2006<sup>16</sup>.

JSC "Galychpharm" is a pharmaceutical manufacturing enterprise. It was established in 1992 in Lviv, based on the state enterprise "Lvivpharm" Production Association, which traces its history back to 1826, when the Czech entrepreneur P. Mikolyash opened the pharmacy "Under the Star" in Lviv<sup>17</sup>.

Initially, medicines were produced from semi-finished products purchased in the city of Vienna. In the early 1900s, P. Mikolyash founded the pharmaceutical company "Petro Mikolyash and Co.," which marked an important stage in the development of the chemical and pharmaceutical industry in Galicia. In 1910, the company obtained a concession (permit) to open the pharmaceutical factory "Laocoon," where mass production of pills, ointments, plasters, extracts, tinctures, infusion solutions, and subcutaneous injections was launched using traditional technologies.

In 1913, at the 3rd International Chemical-Pharmaceutical Exhibition in Vienna, the products of the Lviv-based "Laocoon" factory were awarded a gold medal and an honorary diploma. The factory also began producing its own branded products, including a then-popular arsenic-based preparation for subcutaneous injections.

In 1921, the factory was transformed into a limited liability joint-stock company and separated from the jurisdiction of "Petro Mikolyash and Co.," and in 1923 it became an independent joint-stock company with a capital of 115,000 zlotys. By 1937, the capital had increased to 253,000, and in 1938 – to 414,000 zlotys. The Chemical Establishments Society "Laocoon" (as the factory was known in the 1920s–1930s) included the following departments: chemical, organopreparations, galenic and patented medicines, medicinal plants, and reagents.

In 1938, "Laocoon" produced over 65.8 tons of products valued at approximately 844,500 zlotys<sup>17</sup>.

Organ preparations under the "Laocoon" brand (ovarin, pituitrin, pancreatin, thyreoidin, testeculin, omnopon, bismuth preparations) were sold

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<sup>17</sup> Galychpharm / M. I. Horodechna // Encyclopedia of Modern Ukraine [Electronic resource] / editorial board: I. M. Dziuba, A. I. Zhukovsky, M. H. Zheleznyak et al.; NAS of Ukraine, Shevchenko Scientific Society. Kyiv : Institute of Encyclopedic Research of the NAS of Ukraine, 2006. Access: <https://esu.com.ua/article-28403>

in pharmacies in cities across Galicia and Poland. The factory produced 19 product names in 80 different packaging types. In addition, the product range included 43 patented drugs, 87 ampoule preparations, 7 veterinary products, and many tablet and packaged galenic preparations. The enterprise's chemical department manufactured salicylic, isovaleric, lactic acids and their derivatives, indicating a fairly high level of technological development for that time. In 1939, the Soviet authorities nationalized "Laocoon" among the first enterprises, and in 1945 the enterprise received a new name – the Laocoon Medical Preparations Plant. The structure of the enterprise included the following departments: production, technological control, administrative and economic, supply and distribution, accounting, analytical laboratory, and auxiliary services. A year later, six production units were operational: semi-finished products, hormones, bio-organic synthesis, ampoule, tablet, and packaging departments. In 1947, the reconstruction of the existing workshops was mostly completed, and two new production units were launched – the ampoule and finished drug units.

The enterprise mastered tableting and coating of lecithin, production of heparin from liver extract, and developed technologies for sulfur-mercury, zinc, sulfuric, and ichthyol ointments, as well as tinctures.

Galychpharm successfully cooperates with research institutions in Ukraine. In particular, the company has mastered the production of a new form of thiotriazoline, developed by Zaporizhzhia Medical University (headed by Prof. I. Mazur) and the State Scientific Center of Medicinal Products (headed by Prof. V. Heorhiievskiy).

Today, the activity of the company's thousand-strong workforce is focused on implementing a carefully developed step-by-step approach to the adoption of GMP standards, which includes the restructuring of problem areas and a gradual transition to lower-priority sites. In 2000, a Quality Assurance Department was established, responsible for preparing the plant for operation in accordance with GMP standards. Sales volume increased by 46%, which exceeded the industry average. The company participated in the 5th Ukrainian National Quality Management Competition and became a finalist. Galychpharm was also the winner of the 3rd national "Panacea-2002" rating in the nomination "For Preserving and Developing Traditions." Since 2005, Galychpharm has been part of the Arterium Corporation [Galychpharm / M. I. Horodechna // Encyclopedia of Modern Ukraine<sup>17</sup>.

In 2017, the company successfully passed an audit for compliance with the updated version of the DSTU ISO 14001:2015 standard "Environmental Management System," and subsequently underwent re-certifications in 2020 and 2022, receiving the corresponding certificates. The environmental management system covers the core processes – primarily the production

and storage of finished medicinal products, maintenance services, and energy supply for manufacturing. 2. Performance Results.

The year 2022 was a difficult one – the full-scale war became a challenge for all of us, for Ukraine, and for the pharmaceutical market. The main task during wartime in 2022 was to endure and preserve both production and staff despite all difficulties. Thus, in 2022, 27,517.373 thousand packages of finished medicines were produced.

The total value of sold finished products, works, and services amounted to UAH 1,334.9 million<sup>18</sup>.

For the production of medicinal products, the company purchases active pharmaceutical ingredients and other necessary substances and excipients. Among the main foreign suppliers are: VITAMED d.o.o. (Slovenia), Farmachem SA (Switzerland), Kunststoffwerk Kremsmünster (Austria), Stoelzle-Union s.r.o. (Czech Republic), Afrigetics cc (South Africa), Biesterfeld International GmbH (Germany), IMCoPharma a.s. (Czech Republic), Wittec Handels GmbH (Germany), PRIME FORCE UK BUSINESS LIMITED (United Kingdom), PHU “STOMIL EAST” Sp. z o.o. (Poland), and others. The main domestic suppliers of raw materials and packaging include: LLC “Farmeksimportach”, PJSC “Poltava Medical Glass Plant”, LLC “Ukrpol Publishing House”, PE “Yan”, LLC “Unic Pharma”, “Chernivtsi Medical Products Plant”, LLC “Agropolygraphservice”, LLC “Alsi LTD”, PJSC “Bio Med Sklo”, and others. In order to monitor market trends and identify the best supplier, the company continuously tracks market offers and selects several secondary backup suppliers. The company always maintains a stock of necessary active ingredients and excipients. Due to Russian aggression, which affected the supply of imported raw materials, the company was forced to change its logistics chains because of the lack of air transport in Ukraine. The delivery time for raw materials and components has increased, but this constraint is now factored into stock planning. The product distribution system is governed by the company’s sales policy and covers the entire territory of Ukraine. The production of medicinal products is seasonal in nature, which is associated with the seasonal demand for drugs and medical products from different pharmacological groups. In particular, sales volumes increase during the cold season, while a relative decline is observed in summer. As a result of Russian aggression against Ukraine, overall sales volumes have decreased. Key competitors of the company include JSC “Farmak” (Ukraine), PJSC “Darnitsa” (Ukraine), LLC

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<sup>18</sup> Звіт про управління (Звіт про корпоративне управління) АТ «Галичфарм». <https://www.galychpharm.com/files/134/04.05.20232%D0%97%D0%B2%D1%96%D1%82-%D0%BF%D1%80%D0%BE-%D1%83%D0%BF%D1%80%D0%B0%D0%B2%D0%BB%D0%B2%D1%96%D0%BD%D0%BD%D1%8F-2022%D1%80.pdf>

“Zdorovye” (Ukraine), LLC “Yuria-Pharm” (Ukraine), Sanofi Pasteur (France), among others<sup>18</sup>.

It should be noted that the data on the activities of JSC “Galychpharm,” unlike those for JSC “Farmak,” were taken from official reports. The strategies related to the formation of the company’s image, which are significant for this enterprise, are presented below.

Strategy 1. Galychpharm: Production of Remedies Based on Natural Raw Materials.

Galychpharm is one of the leading pharmaceutical companies in the region and has a distinctive feature – the development and production of medicinal products based on natural raw materials. However, this feature is still underrepresented in the company’s communication and promotion efforts aimed at potential consumers. Given the growing demand for natural and environmentally friendly products, emphasizing the use of natural resources could become a key competitive advantage for the company.

Strategy 2. Promotion of Location and Environmental Advantages

The geographical location of the enterprise offers unique advantages. Galychpharm is situated not far from the center of Lviv, yet its elevated position on a hill provides significant environmental benefits. Due to its high-altitude location, the risks of environmental pollution are reduced, and natural air circulation helps maintain atmospheric cleanliness. The absence of major industrial emissions and the minimal environmental impact of production processes confirm the enterprise’s ecological safety.

This aspect is important not only for consumers who care about product quality but also for the local community. Positioning Galychpharm as an environmentally responsible enterprise can serve as the foundation for a new marketing strategy that emphasizes care for the environment and high product quality. Moreover, it will contribute to creating a positive image of the company as a socially responsible manufacturer that supports the preservation of natural resources.

Strategy 3. Promotion of Natural-Based Production

Despite its extensive experience in producing medicinal products based on natural raw materials, this area remains under-promoted among consumers. Increasing public awareness of the natural components of medicines, their effectiveness, and safety can help attract new target audiences and strengthen trust in Galychpharm’s products.

To achieve this, the company should enhance its marketing strategy by focusing on the following aspects:

- Communication about the natural origin of raw materials, including advertising campaigns that emphasize the ecological and natural qualities of the products

- Quality certification, including obtaining and promoting international environmental certificates that confirm compliance with high standards
- Educational projects, such as creating informational materials for consumers about the benefits of medicines based on natural ingredients
- Cooperation with the local community, including organizing tours of the enterprise for residents and students to demonstrate the transparency and environmental safety of production

#### Strategy 4. Maintaining the Company's Image and an Innovative Approach

Galychpharm has significant potential to promote its activities thanks to its environmentally friendly production and use of natural raw materials. Emphasizing the company's unique location, transparency of production processes, and their environmental safety will help strengthen consumer trust and increase the company's competitiveness in the market.

Combining an innovative approach to communication with active efforts to promote its products will enable Galychpharm to take a leading position in the segment of natural medicines.

## CONCLUSIONS

A content analysis was conducted on the development and positioning of the industrial enterprise JSC "Farmak" in the pharmaceutical market of Ukraine. Based on the research of materials published on the pharmaceutical company's websites, a SWOT analysis method was applied and possible development strategies for JSC "Farmak" were proposed.

The SWOT analysis of JSC "Farmak" carried out by us indicates that the enterprise operates at a high level, offers a wide range of medicinal products, and is well-known in the pharmaceutical market. However, there is a need to develop specific conditions and measures for further growth of the enterprise. One of the key issues is the planning and evaluation of social programs, as the implementation of any social project involves both benefits and accompanying costs and risks that must be anticipated during the planning stage. Additionally, risks associated with financing social projects must be taken into account. The proposed strategies will help improve operations and direct efforts toward the company's future development.

Strategies for the development of the corporate image of JSC "Galychpharm" were also elaborated. It was established that the enterprise has significant potential to promote its activities thanks to environmentally friendly production and the use of natural raw materials. Emphasizing the company's unique location, transparency of production processes, and their environmental safety will help strengthen consumer trust and increase the company's competitiveness in the market.

Combining an innovative approach to communication with active efforts to promote its products will allow Galychpharm to take a leading position in the segment of natural medicines.

## SUMMARY

The first section of the article “Analysis of Image Formation of Domestic Pharmaceutical Enterprises on the Example of Joint-Stock Companies ‘Farmak’ and ‘Galychpharm,’” included in the monograph “Sustainable Development of Healthcare: National and Global Dimension,” presents an analysis of the activities and image formation of the domestic pharmaceutical industrial enterprise JSC “Farmak.” The openness and high communicative activity of Farmak are identified as the foundation for strategies aimed at shaping a positive image among the general public, pharmaceutical professionals, and competitors.

The second section of the article, titled “Analysis of Media Coverage and Image Formation of the Domestic Pharmaceutical Industrial Enterprise ‘Galychpharm,’” outlines strategies and approaches for forming a positive image of this enterprise.

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