

# Liki24.com medicine search service raised USD 1 million. What makes it a great business model for the whole world

Liki24.com, a Ukrainian medicine search and delivery service, has raised USD 1 million from Genesis Investments and TA Ventures. The MC Today editorial team describes the service and how it attracted the attention of investors.

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## About the deal

The main investors of the deal were Genesis Investments, the Genesis venture capital arm, a holding that has extensive experience in setting up international businesses, and TA Ventures. Michael Puzrakov's Mission Tech and several angel investors were also involved in the deal.

Liki24.com plans to use the received funds for the technology platform development, team strengthening, marketing and expanding geography of the service. "By investing in Liki24.com, we support the first product in the niche, which will continue to grow in the market and provide advanced solutions," Vitalii Laptенок, CEO of Genesis Investments comments.

## About company

Liki24.com has been operating since November 2017 and solves three main problems that consumers face when buying medicines:

1) The difference of the price of medicines in different pharmacies.

2) The problem of the availability of goods in pharmacies.

3) The inability to deliver the goods.

One and the same medicine can cost both UAH 100 and UAH 500. This may depend on mark-ups of different pharmacies. For example, the price for renting premises differs significantly in the city centre and at the outskirts, which will result in the price of goods. But it can also be due to the so-called marketing agreement between the pharmacy and the manufacturer, according to which the pharmacy promises a large volume of sales due to the low price of the product, and the manufacturer shall pay certain bonuses. For example, a pharmacy can buy a medicine from a distributor for 250 UAH, sell it for 180 UAH and receive a bonus of 100 UAH from the manufacturer. "Everyone has its profit: clients receive medicines in a low price, and the pharmacy and the manufacturer have a large volume of sales," the founder of the service, Anton Avrynskyi says.

Liki24.com solved the first and second problem through a technology platform. "We have a large, complex IT product. We have developed a platform that classifies more than 40 thousand items in the directory, the entire range of medical products that are sold in pharmacies," Avrynskyi comments.

Anton Avrynskyi is the founder of Liki24.com

In addition, the platform provides a possibility to compare products, even if they have different encoding and differences in the name. Indeed, it often happens that the same medicine has different encodings.

Another problem that the startup solves is irrelevant and outdated information on the websites of pharmacies and other aggregators. As Avrynskyi explains, there are many websites where you see a medicine at a price UAH 500, then you call the pharmacy, but they tell you that it is not there. You call other pharmacy and other... And you are always told: "Yes, we have this medicine. But it costs not UAH 500, but UAH 700".

"Every 5-10 minutes we update about 40 million prices of nomenclature items, where both the cost and the nomenclature can change. But a number of positions could still have an irrelevant information. Then we created an artificial intelligence element, which analyses the quality of data and rejects deliberately false information based on statistics data," Anton says.

### **Delivery**

The third problem is delivery restrictions. In Ukraine, a person can buy medicine at a pharmacy only if he comes there in person. Pharmacies are not legally allowed to sell products over the Internet. But there is still a legal option: the purchase of medicines can be entrusted to an acquaintance, relative or social worker.

"Liki24.com is not a pharmacy, we do not sell anything. We become the social worker or acquaintance whom you entrust to go to the pharmacy, buy medicine and bring it," Anton says.

The service also has a "Pick it up myself" service, under which pharmacies give customers a 5-40% discount. That is, if you come to the pharmacy you pay UAH 800 for a specific medicine, and using Liki24.com you pay UAH 500-700 for the same medicine.

### **Cooperation with insurance companies and clinics**

After a patient comes to the clinic under an insurance, the doctor calls the insurance company, and it chaotically begins to look for medicines prescribed and ways of delivering them. On average, it takes about 30 minutes to process an application from a doctor. Liki24.com allows to reduce this time by three times, and costs - by 5-15%. Today the service cooperates with such insurance companies as Alfa-Insurance, UNIQA, PROVIDNA, Kraina and PZU.

"During the call the insurance employee already sees what medicines and in which pharmacies can be bought at the lowest price. He presses a button, and we collect medicines from different pharmacies and bring them to the client. In fact, we sold them our software," Anton explains.

The system of Liki24.com with clinics was worked out with the Into-Sana network. Its essence is that after you have left the doctor's office, you receive a message by e-mail or messenger: "Thank you for your visit. Liki24.com has already found all prescribed medicines at low prices. Click to arrange delivery or see which pharmacies you can pick up your order from." Meanwhile, a pre-order is already being formed in the system, so you do not need the piece of paper that the doctor gave you and immediately buy all the necessary medicines at a bargain price.

"Now we are developing a large project together with Alfa-Insurance and Into-Sana, which will relief doctors from the need to call the insurance companies. The

doctor prescribes a medicine, which Liki24.com transfers to the insurance company, where it will be automatically confirmed by a script, and the following message will be sent to the client: “This is where you can get your medicine.” Not a single person is involved in this process.

## **Competitors**

In the United States, unlike Ukraine, online pharmacies are allowed, but in order to operate there, Liki24.com will need to obtain a pharmacy license.

In the United States, there are two types of competitors: those who deliver, and those who give the opportunity to choose the cheapest product.

Services like NowRx or Capsule are a new type of online pharmacy that delivers directly to your home. GoodRx service allows users to save up to 80% by comparing medicine prices. “There are no services that provide both. We offer a comprehensive solution,” Anton explains the prospects for international markets. In the nearest future, the project is planned to be launched in Poland or in one of the European countries.

## **About the team**

Liki24.com has 5 founders: Anton Avrynskyi, Serhii Fadiev, Dmytro Liatambur, Sergii Kliebanov, Volodymyr Zubenko. All five have IT education. Anton acts as a director: he is engaged in business development, acts in product areas. Three others are developers, another co-founder is an analyst.

## **Investors**

Genesis Investments is a venture capital fund founded by the Ukrainian product company Genesis. The fund uses the “smart money” model: in addition to providing financial support, it also helps its portfolio projects to develop their business.

TA Investments is a USD 50 million venture capital fund with a portfolio of over 130 startups around the world, including companies such as WunderMobility, Caroobi and Klara.

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