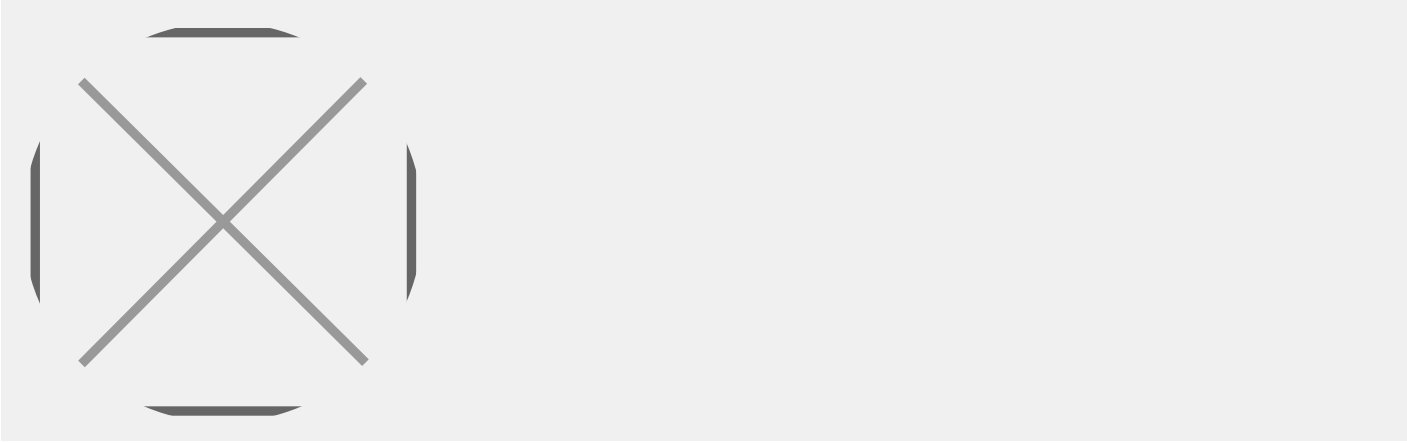
Interview with Martin Bruzl, Country Manager Central Eastern Europe, Ukraine, Baltics at Bausch, Bausch and Lomb Czech Republic



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Mr. Bruzl, we often interview pharmaceutical managers that studied medicine, pharmaceutical science, or business—we do not interview many managers that have a background in law. How did you find yourself working for this industry? Do you find that it has been a good fit for you?

When I was studying law, I found that taking on a typical post-law school vocation, such as attorney, would have been a little too static for me. I never sought to work as a lawyer—even while in university, I was always attracted to business.
I met a friend who was running a small medical device distribution entity—Medatron—and together, we took the organization from a turnover of $400,000 USD to $15 million USD in just a few years. During this period, I became quite well acquainted with the industry. I ultimately joined Abbott Diabetes Care, spending about five years with them as regional director for Eastern Europe and CIS. From Abbott I went to Bausch & Lomb.

It is true that law is an unusual start for a pharmaceutical manager, but I think a legal background has helped me very much.

How do you believe these experiences prepared you for your current position, and what attracted you to work at Bausch & Lomb?

Firstly, I believe that it is very beneficial to work your way up from a sales rep to top management, because then you are able understand all relevant processes from the inside.

I also think it is very beneficial to understand the distributor's perspectives before you work for an international company—because consequently, you are able to understand the way distributors think. In many countries where an MNC has a third-party distribution model, the distributor is the face of the company. The customer does now know you; they know the distributor. I think once you understand distribution, then you can understand the 'real job,' and you are able to manage distributors—because you know that what is important for them, may not necessarily be important for you.

One of the good things about Medatron was that it gave me regional experience. Due to several mergers, we had been growing very fast, and winning customers like Roche and Abbott. Ultimately, my regional and distribution perspectives gave me the chance to stay in a regional role.

What attracted me to Bausch is that the company is moving very quickly. Previously, it was very much focused on medical devices, but today the company has a diversified model founded also in Rx pharmaceuticals and retail. I find the product mix to be quite strong, while at the same time aligned and coordinated around eye care. Strong vision, good leadership—Bausch is a great company!

As you said, Bausch has quite a diversified business but at the same time it still focuses on a single niche, which is eye care. Do you feel that Bausch & Lomb is consequently exposed to a disproportionate amount of risk?

There are positive and negative aspects to being a focused company.

Lack of focus was Bausch's problem ten years ago—and that is why there is such a strong structure in place now, with a singular emphasis on eye care. Yes, there are giants that are considerably diversified, but even these companies have some measure of focus. How wide or narrow that focus is is a different matter.

I think the fact that Bausch is now a purely eye care company is something that resonates well with the organization, and it is behind every single decision we take, because we did not have a great experience being too diversified. Eye care is a significant market, and we have a very good proportion of both private and public funding. From that perspective, I think it is a good place to be.

How would you appraise the market for ophthalmologic products in the region that you're assigned to? Is it an attractive region for eye care?

I believe that the Central and Eastern European region is interesting for everyone—not only healthcare companies.

There is a more stable market in Central Europe; these countries are constantly and regularly delivering, whilst Eastern Europe is a very fragmented market, with lots of small markets, small countries, and many different languages. But based on my experience, these countries are developing very quickly. They are integrating with the E.U., and moving away from the ‘wild 1990s’ to a more ethical model. Growth may consequently be less impressive than before, but we still have growth nonetheless, and an increasingly stable market environment.

What is your vision for the growth of Bausch’s business in your assigned areas of CEE, Ukraine, and the Baltics?

That is a good question, because we need a crystal ball to give a clear prognosis in these regions. That is the dark side of CEE—an ‘earthquake’ in one country will affect the whole territory. I believe overall, the market will be a bit flat for the next couple of years, because of the saturation, and the major downward price pressure.

How does Bausch & Lomb integrate these regions and achieve synergies? Why, for instance, is the seat of regional power situated in Prague?

I think Prague is an epicenter not only for Bausch, but also for many other companies. Several elements should be considered: infrastructure, education, immigration issues, geographic convenience, culture, business environment, etc. We did consider Kiev as a potential base for the region, but one of the constraints was visa access to the country for whoever was going to take over this position.

Bausch took the right decision to base regional management in the region itself—previously, management for this territory was based in France. I personally believe that that is not a successful concept, and that people should be based in the countries that they manage.

What is the role of the Czech market specifically within this region?

In my region in particular which is Baltics, Czech, Hungary, Ukraine, Croatia and Slovenia, it is the second largest market after Ukraine.

Ukraine for me is a really impressive market, and it is growing significantly for us. We are beginning to see much stronger buying power within the population, and now health insurance is on the table. However, the Czech Republic is a more established market: you have full access to market data, and you can see market growth via updated, reliable figures—which is not really the case for Ukraine, because various data sources express different ‘opinions’. In the Czech Republic the availability of data allow the business to be much more structured. You can really monitor your success on timely basis, and you can talk about sales force efficiency—which is tricky to do in Ukraine.

So the Czech Republic is definitely the second-most important country in my region, but I would also cite it as one of the most difficult markets to work in. This is because of market saturation: international companies started to enter the country in 1989, and, particularly in the last few years, there has been less and less room. There is also a great deal of price pressure.

At the same time and in some specific areas, ethical business has been quite difficult. Despite being Czech and loving this country, I have to say it is one of the worst in the region in terms of corruption—even when compared to countries like Croatia and Slovenia. There is a lot of room to improve, especially in the prescription business.

Bausch generates approximately $44 million USD between the eight countries under your umbrella. How can you improve upon this figure?

I believe that to look at growth as a percentage of what you already have is a poor way of doing things. You need instead to understand your market and your P&L—so we are prepared for many scenarios. We are really optimizing our margin structure, for instance. We are obviously looking at the growth rates in countries, but we are more specifically focused on individual products: how we can we take market share from our competitors?

We are still growing by double digits overall, and I believe we can double the business in three to six years. But that is not a specific target—only an ambition.

From a managerial perspective, how challenging is it to take care of eight different markets?

We have very good support functions at Bausch & Lomb, so I do not feel overwhelmed. I also have very experienced teams working for me in the different countries and this helps a great deal. I've actually managed 45 countries at once before—this is a little easier!

What would you say are the greatest lessons that you have learned about being a successful leader in this industry?

Every manager will tell you something different—but I believe that if you build the right team, everything else will follow. Get the right people on the bus, and the wrong people off the bus!

This is a very constant challenge—not just in the healthcare industry, but in any business. I do not do the business; my job is to ensure that our people do their jobs right, and to help them to take good decisions. I like my team very much. Obviously, sometimes the wrong kind of people come into your team, and you need to deal with it. One of the biggest lessons I have learned is that I need to remove negative elements, and quickly. I have never regretted doing it—but I have regretted many times not doing it fast enough.

What drives you every morning to come to work?

Firstly, I like the job, and I like the commercial spirit of this organization.

I also have a lot of respect for the countries where I manage. I still remember the communist era, when it was still difficult to travel, and you could only dream about working for companies like Bausch.

My first trip abroad was to Ukraine when I was 15 years old —and that was it for a long time. Next time I traveled abroad was only after end of comunism in 1989. Now we as Central European managers are travelling on a daily basis, and we are creating something that matters. It makes me feel proud of what this region has achieved, and how far we have come. I remember the beginning of the privatized economy after the crash of communism, and it was a very stormy period of time. Business has now moved from opportunistic to strategic. This is a huge change, and a lovely place to be. With that said, there is still a lot of work to do!

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