

Interview: Vladimir Velebny - Founder, Contipro, Czech Republic



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14.07.2016

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The founder of Contipro elaborates on his success story which positions his company as one of the three leading suppliers of hyaluronic acid worldwide. Furthermore, he reviews the success of the recently opened subsidiary in France and identifies the next target markets for Contipro's international expansion.

Hyaluronic acid seems to be the beginning of the Contipro success story; please give us a few words on the subject, a product you are passionate about...

After I finished my studies, I assumed a position as research associate at the Charles University focusing on hyaluronic acid within the area of skin research. During this time, I always had the feeling that I could do more to help people and society; the Velvet Revolution offered the opportunity to realize my ambitions which I seized by opening Contipro—still focusing on hyaluronic acid. Over the years, the intensive research surrounding hyaluronic acid developed my company towards biopharma, developing and producing various products in hyaluronic acid. Soon I realized that I lacked the financial to develop further into this segment, therefore I made the strategic decision to furthermore develop in to the nutrition and sports diet segment in order to increase the operating income—a full success.

Frankly speaking, my strategy was as simple as it was effective: take it step-by-step. After approximately one year, the necessary financial resources came in through our then new nutrition segment which allowed me to further invest into products derived from hyaluronic acid which ultimately established our cosmetics segment—again a full success. We soon started distributing across Europe, the US, and Asia, growing stronger year-on-year. Today, our core business is the development of raw hyaluronic acid which in the second step is adapted to different forms of micelles, scaffolds, nanofibers, and microfibers. Those are being used for drug delivery, wound healing bandages, and various forms of tissue engineering; additionally we specialize in cartilage repair and inflated tissues.

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Contipro was founded in 1990, supplying hyaluronic acid for research centers as well as pharma and cosmetic companies. However, in 2009 you decided to make a bold move and invest in a new R&D center. What made you decide to take this huge risk?

Already towards the end of the 90's we experienced a financial crisis losing significant portions of our profit margins. In light of this crisis, I decided that I need to establish precautions so as to not experience the same crisis again. Therefore, I established a visionary strategy for Contipro based on three pillars. The first pillar is the significance of quality which we hold to the highest standards as it is our main point of differentiation—we don't want to be compared with the stereotype of eastern European operations, but the standards present in Germany or France. The second pillar is a customer-centric approach which results in us offering some research as well as description of products free of charge, adding economic efficiencies to our customers in addition to our high quality products. The third and last pillar of our strategy was the clear ambition to distinguish ourselves from pharmaceutical corporations in the market; we needed to focus on seeking future customer needs and find our niche within the highly competitive pharmaceutical environment. Therefore, we emphasized our research efforts turning our operations completely to science as basis, rather than blindly following market trends. Nowadays our R&D department employs over 100 excellent scientists and we furthermore maintain excellent relationships with the leading Czech universities.

Can you give us an overview of where Contipro stands today?

Nowadays our R&D department employs over 100 excellent scientists and we furthermore maintain excellent relationships with the leading Czech universities.

Not having an exact figure at hand, I can confidently say that we are one of the top three largest producers of hyaluronic acid worldwide. We are recognized as a highly innovative company bringing new ideas and scientific results to our clients. Although listed as suppliers, we established close relationships with various R&D departments within our clients' operations positioning us as partner rather than supplier thus allowing us to firstly understand our customers' needs and demands to secondly satisfy them to its fullest.

The company just recently opened a subsidiary in France. How successful has it been so far?

Thus far it has been very successful! In collaboration with one of our French customers—who funded setting up the subsidiary—we develop nanofibers which find their application in the cosmetics segment. Within the development process we collaborate with doctors and hospitals in order to remain close to the end user and find solutions to real-world challenges. For the benefit of the latter positioning, we established an excellent dialogue with some of the leading to ensure the final result will find application and practical implementation. As a matter of fact, we use the feedback we gain as a basis of assessing the feasibility of our endeavors.

Now that you are fully established in France, what are the target markets of the future for Contipro?

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The US market is a significant future market for us just as is Brazil. The Japanese market is one of our considered prospect markets as well, however, is comparatively difficult to penetrate; yet we have found our first Japanese clients already. Due to the difficulties we will probably establish another subsidiary in Japan as well, thus utilizing the full potential the market has to offer. All of the latter opportunities I identified I regard as a must for the future development of Contipro—the Czech market is too small for us.

In today's pharmaceutical industry more than 30% of all business is done through partnerships. What is your policy on partnerships?

Partnerships of that sort are a double edged sword for us. If considering companies of our own size and mind-set it could potentially be beneficial, however, regarding pharmaceutical MNC's I believe we would become a mere division of something else and be reduced in our high level of flexibility. We are able to generate significant profit on our own and I prefer cooperation's rather than partnerships, because we will be able to keep our name, legacy and values; I'm not interested in

any type of unsolicited acquisition proposals.

You seem very ambitious to support education in the Czech Republic. What does education on a local basis mean to you?

As company we are located in a beautiful environment which is more often than not reduced to its potential as holiday location. The local industry reflects that and there are simply no possibilities for our younger generations which are therefore forced to move away to the larger cities—or abroad entirely. Our ambition is to offer an alternative for young educated people seeking to fulfill an ambitious career where they feel home.

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In this context, we have a strong believe that education within our community is the most important value we can help to provide; so we build a local primary school. We would like to expand these efforts and establish closer cooperation's with local high schools thus supporting and improving the level of regional education opportunities. Furthermore, we invite postgraduate students and young PhD's to come and explore the differences and synergies in between academic and industrial science within our company, involving them in real work projects.

Where does this passion to give back to the community come from?

This is our home. We live and work here, therefore I believe it's naturally important to support the development of this area. Although the majority of the Czech population is concentrated in the major cities, I am a strong advocate of nonetheless investing in local education, culture and development!

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