

Interview: Lajos Magyari - General Manager CEE, Reckitt Benckiser, Czech Republic



The purpose of our innovations is to make a difference by giving people innovative solutions for healthier lives and happier homes.

26.07.2016

Tags: [Pharma](#), [Pharmaceuticals](#), [Research](#), [Innovation](#), [Czech](#), [Czech Republic](#), [CEE](#), [R&D](#), [Health](#), [Healthcare](#), [Interview](#), [Insight](#), [Exclusive](#), [Executive](#), [Free](#)

Reckitt Benckiser's General Manager for the CEE region, Lajos Magyari, discusses the strength of the company's current portfolio, the importance of innovation and the success factors he focuses on to drive growth in the region. He outlines the company's vision for 2020 and the significance of the health category segment.

Mr. Magyari, you have been working for Reckitt Benckiser since starting as sales director in Hungary in 200. Now, 16 years later, you are General Manager CEE responsible for Hungary, Czech Republic, Slovakia, Croatia and Slovenia. Could you briefly introduce yourself to our readership?

Originally I am from Hungary with a background in economics. Indeed, I have been with Reckitt Benckiser for 16 years building my profile in different roles and developing expertise in sales, shopper marketing, consumer and brand strategy. Nine years I built myself on sales capabilities however I also assumed Global Trade & Shopper marketing and Global Category Director roles for Auto Dish Washing (Finish) and Laundry/Additives. Overall, I have covered various different geographies, including Hungary/Romania, UK and France but not limited to those.

Three years ago you became GM for the CEE region. What were the most important developments within this region in the last three years?

When I assumed the role of general manager, the market was experiencing flat to very modest growth in the mass retail and pharmaceutical business. For example, our health, home and hygiene portfolio between 2008 and 2012 displayed varying growth rates: the home category was growing flat between minus one to one percent, the hygiene category displayed growth rates between three to five percent, however the health sector was growing at 12 percent despite economic struggle. As I am responsible for five countries with 15 different brands and various points of sale, such as pharmacies and mass retail stores, we had to carefully evaluate these growth opportunities and take strategic investment decisions accordingly. Our operations were not dynamic enough, which is crucial in a complex business like ours. It was key to refocus the company.

That is why initially transforming the health category was very important.

My first task was to assess the home, health and hygiene portfolios to understand the dynamics of these categories. I mainly concentrated on the high growth categories but did not neglect the lesser growing categories to increase overall market share

In addition, I wanted to establish a more mid-to long-term vision, by investing increasingly into brand equity - meanwhile realizing the short term wins. There is a clear correlation between brand communication and market share, which we managed to exploit to our advantage. We have managed to successfully communicate our great innovations, leveraging our products in the markets. As a result, our brands have been experiencing growth through brand penetration over the last 18 months and as a consequence, we have gained market share. More exciting however is that we still see tremendous growth potential for the future.

[Featured_in]

The Scholl hard skin remover that we launched three years ago is a perfect example of this agenda. It basically was a non-existent sub-category but we managed to create a completely new demand. Scholl hard skin remover is a problem-solving product combining health and beauty.

The purpose of our innovations is to make a difference by giving people innovative solutions for healthier lives and happier homes. Engaging and communicating these innovative solutions to our potential consumers are equally exiting and engaging for me as well. And the Health, Hygiene and Home portfolio of Reckitt Benckiser play significant role in categories which connect to our everyday life.

Overall, in the last three years my choices were primarily tailored to innovation, investment in brand equity and choosing suitable products from our portfolio to bring to the market. That's how

we started our journey in the region and we are still implementing it today.

In the early 2000s pharmaceutical MNC's were able to apply a "one fits all" strategy to emerging market. Recent developments however proof that this approach is not applicable anymore. To what extent are the markets you are responsible for homogeneous and what are some of the synergies you seek to realize?

Although our strategy and communication platforms are centralised, the decision making power and ownership are regionalized. I do not believe that we should consider whether global strategies are fit for local markets. I rather think that it is crucial to recognise regional success factors and to identify which products are fit for a given market and at what point in time they should be launched, taking into account category characteristics and market dynamics.

We believe in 'one size fits all' but it is important to think independently about how to make it successful. Many factors are involved in the subsequent choices.

There certainly are possibilities to cluster markets that display a similar context for strategic purposes. However, the execution of said strategy will most likely vary due to the specificities of each market.

In terms of supporting our pharmaceutical portfolio consumer communication also plays a key role however not limited only to that - here exchanging with key opinion leaders and pharmaceutical professionals is also very important. Moreover, the development of pharmaceutical products is much more complex. In this category we need to adopt an even longer-term view as bringing products to market takes years. Thus, we need to build on different capabilities: our pharmaceutical product portfolio in general as well as local market capabilities in particular.

Where does your region stand within the global operations of Reckitt Benckiser?

CEE is a medium sized region. From a supply point of view it is quite complex and from a portfolio point of view it is a clustered country operation. While we do not contribute a significant amount in terms of revenue to the global group, our growth potential is much higher than large countries.

Central and Eastern Europe is now gaining the momentum, which means that we should have exciting times ahead of us. Considering the past three years, the overall retail consumption as well as the GDP is growing faster. In addition, the forecast of GDP growth is promising. The region plays a significant role in terms of global growth and potential for the future.

[related_story]

What role does the Czech Republic play within your region?

Czech Republic, Slovakia and Hungary are playing a very significant role in the regional operations, primarily because of market size, market share, market dynamics and the significant growth potential these countries are holding. Every market brings different values to the P&L: Slovakia and Hungary are growth markets while Czech Republic showcases profitability combined with growth opportunities. Both the pharmaceutical business and the non-pharmaceutical business in the Czech market have a tremendous potential. Despite similar buying power to Hungary, the pharmaceutical business takes much bigger share in Hungary than the Czech market. Furthermore, Czech Republic is becoming a very interesting market for pharmaceutical companies because consumers can have free access of OTC products in more and more pharmacies. While every country in my region has its own strengths, the main aspect I value is business growth in a profitable way is on the rise.

Reckitt Benckiser's product portfolio is divided into consumer hygiene, consumer home and consumer health. How significant is the health portfolio segment for Reckitt Benckiser?

The health portfolio plays a very significant role from growth potential point of view. Our ambition for 2020 is to significantly over drive the growth and the weight of health and hygiene in our overall portfolio.

While some would define your healthcare segment products as OTC, your colleagues around the world have always emphasized for the consumer healthcare market to be placed within the FMCG segment. Can you explain the significance of this distinction given the brand-focused strategy of Reckitt Benckiser?

In Health OTC is key in Reckitt Benckiser's portfolio but not limited only to it. For example, the Durex brand itself means people can avoid serious sexually transmitted diseases, which is directly related to health. However Durex also promotes sexual wellbeing hence it is marketed as such in retail chains as well as pharmacies. Sholl again is a good example as it is clearly a pharmaceutical product with aid products but it also caters to aspects of care and comfort.

Engaging and communicating with consumers around Health products including OTC is a key strength of Reckitt Benckiser and in markets like Czeck R. where OTC products now are becoming free select in more and more pharmacies consumer communication around innovative solutions is becoming a key driver of growth.

Given your prolonged career within Reckitt Benckiser, what is the next achievement you are striving for?

Reckitt Benckiser is great company that has really allowed me to grow professionally, giving me the opportunity to explore, learn and develop.

I am at the stage where being a general manager is fantastic because you can invest in people and create new business opportunities. Every day is different and no year has been like another in my 16 years with the company. In my current role I am mastering my tasks together with my colleagues – it is about being a generalist not an expert. Generalists will never get bored in a business that is constantly anticipating and responding to external conditions of the market.

It would be great to work amongst top 40 leaders and be part of the intellectual brain of Reckitt Benckiser however the focus is on Here and Now. We set our ambitions high and make the impossible possible. People who do this sustainably always face with new opportunities – mostly sooner than they expected.

[See more interviews](#)