

Eugenia Nicolaou - CEO, Anfarm, Greece



"Today, we are proudly serving over 40 client countries globally with a business model geared for the international landscape."

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Carrying the legacy of an accomplished Greek family business, Anfarm CEO Eugenia

Nicolaou speaks proudly about the company's evolution, how Anfarm is maintaining a sustainable business model in the midst of the economic crisis, and how it is building a stronger presence in the international landscape.

Anfarm is a Greek success story which will be celebrating its 50-year anniversary this year. Having spearheaded this company for over three decades, how has the company evolved over the years and what is its stance in the Greek market today?

It had been a pleasure and a privilege for me to have had a leadership position in my family business, spanning 20 years as Managing Director and 10 years as CEO. My father, Apostolos Nicolaou established the company in 1967 as a small company with only one or two molecules. Though my father is still distantly engaged in the company today, the full authority has been bestowed on me to spearhead the organization. Our business model and corporate structure - ranging from production to marketing strategy - was almost exclusively geared to catering to the domestic market until 2009.

Joining the company at a young age and having a strong sense of adventure, one of my main goals was to expand our export business. Having witnessed Anfarm's capabilities in its, then limited, export activities, my motivation was on strengthening this part of the business. Though it was mainly because of my interest to actively participate in the development of our business both locally and internationally, a few years later our export activities also became a driving force for

the company. At the onset of the economic crisis in Greece, we had already built a strong export foundation and Anfarm was recognized as an established manufacturer in many countries abroad. The initial export business started in 2000 at a very small scale of less than 10 percent of our products. Today, our exports represent 50 percent of the company's turnover. We carry a high volume of products, especially since many of our products are at low prices given the tremendous competition in the global milieu.

The addition of export activities had a significant impact on our business. It was a pivotal decision and essentially transformed the company and shifted our core competencies. As a Greek family business that is strongly anchored in the local market, receiving acceptance and success in the international scene presented tremendous growth for our company. It was essentially analogous to having only one client, which was Greece, and today, we are proudly serving over 40 client countries globally with a business model geared for the international landscape.

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What are your core activities today?

The core focuses of the company today are the Greek market (comprising both the private market and hospitals) which makes up around 35 percent of the business, contract manufacturing activities at 15 percent and exports at 50 percent. Though the activities differ, it is important to note that they are symbiotic for the business overall. For instance, our contract manufacturing has been increasing due to our export activities and has been pivotal in our internationalization strategy as we used to only have contracts from Greece. In fact, as it stands today, a disproportionately large proportion of our contracts are now from international partners as opposed to local ones.

Furthermore, we have placed immense importance on our R&D activities, which boasts two unique divisions – the Formulation Development and the Analytical Development Department – under one established R&D unit. In essence, the overarching agenda is essentially to consistently develop new products for the export market. We aim to always update existing products in order to be able to register them abroad and broaden our portfolio. Through these activities, we were also able to advance in the technology transfer part of the business that was eventually able to give us more contract manufacturing in the larger sense.

Our export business presents a diverse mix of out-licensing activities and distribution collaborations. In accordance with the distinctive characteristics of the country, we decide whether we license our dossiers or have distributors in the market. Given these requirements, some

products are marketed under our name, while the rest are out-licensed by giving marketing authorizations to other companies.

Greece is a challenging market, with closed and restricted budgets, especially for hospitals. How do you navigate through these challenges and maintain a sustainable business model?

At Anfarm we are always seeking ways to become more competitive in the continuously changing pharmaceutical environment, both locally and internationally. We invest heavily in the production of our products, we have replaced older machinery and equipment with new and upgraded ones and we also adapt to new and improved technologies. Our main focus is to be able to offer quality pharmaceuticals at competitive prices and thus to participate in tenders and offer significant discounts

According to Theodore Tryfon, president of PEF, there is an active campaign to increase generic penetration in the market by 60 percent. Do you believe this is a feasible goal given present circumstances and what role will Anfarm play in this?

60 percent is a difficult goal because the incentives are simply not there. PEF, as an organization, and Theodore Tryfon as its president, have been working very hard over the past years to both educate and raise awareness on both the use of generics and, most importantly, the quality of Greek generics for all healthcare stakeholders, but, it seems that we have a long way yet to go. Apart from stressing the importance of the quality of Greek generics, it is also important that the Greek government supports those efforts with a national plan providing incentives for the prescribers, the pharmacists and the patients.

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Anfarm, as a member of the Greek pharmaceutical industry which is made up of family businesses almost in its entirety, has another significant role; to support the use of Greek generics in action by providing top quality products, maintaining significant stock in hospitals and pharmacies, investing in research and abiding by all the local and foreign pharmaceutical directives.

As we speak, Anfarm's contribution to increasing generics penetration in Greece is significant and we strongly believe that in the near future Anfarm will play a leading role in overturning the use of branded pharmaceuticals in favor of Greek generics

What do you believe are your competitive advantages as a CMO and as an exporter?

Anfarm's advantages are directly related to the five pillars of our corporate excellence, namely: producing high quality products, timely deliveries, flexibility in decision-making, strict internal procedures (SOPs), as well as investments in R&D & production.

Our manufacturing facility is EU GMP-approved and has passed numerous audits by several multinational and smaller companies. There is trust instilled in our collaborations with our customers as we meet high quality standards and their requirements. Moreover, our products enjoy the approval of the regions that we sell to such as the Middle East and Australia, where our products are directly registered.

How do you pick the markets that you expand to?

In the majority of cases, we have actually been picked and sought out by our clients in the international markets that we have expanded to. Anfarm offers high quality products and attracts companies seeking our advanced technology. We have centered our focus on injectables in recent years and this strategy has helped us gain traction. Moreover, a significant part of our success should also be attributed to having a lyophilized technology and advanced lyophilization facilities not readily available in other factories. Therefore, this level of capabilities make us attractive to our prospective clients.

Being the manufacturer of a diverse portfolio of products since our establishment, we realized that having a specialized focus would be to our advantage and our emphasis has now been placed predominantly on the injectables business. In many cases, we have though kept the production of solid dosage forms, as we have an established client base for those forms.

As a predominately Greek company that mainly catered to the Greek market, our advertising strategy was very limited historically. However, in the past three years, we have also been proactively gaining exposure in the international scene. We participate in global pharmaceutical events, such as CPHI, and increase our volume of B-to-B promotional efforts in order to promote our brand, and by extension our value proposition, to prospective clients.

How would you like the Anfarm brand to resonate in Greece and abroad?

I would like Anfarm to be perceived as a company with high quality and ethics. This philosophy is the core foundation of our company and is complemented by our excellent capabilities and service offering. We have a proven, strong and successful track record in Greece, in Europe and beyond, with a will to carry the brand even further. Brand acknowledgement is a crucial ingredient, especially for markets such as MENA and APAC.

Currently, we are considering refreshing our brand and communicating it during various events within the year. Our aim is to maintain our customers' brand loyalty and make the Anfarm image more distinctive and recognizable internationally.

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