Interview: Alexandra Sologub – Managing Director, Liktravy, Ukraine



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20.06.2017

Tags: Ukraine, Liktravy, Herbal Medicine, Nutraceuticals, Internationalization

Alexandra Sologub, managing director of Liktravy, the leading herbal pharmaceutical company in Ukraine, describes the skills she has brought over from her experience working for Darnitsa and TEVA and goes into depth about the challenges and opportunities she identifies for the company as she endeavors to gain contacts with the international market and extend the Liktravy brand name throughout the EU.

Liktravy, one of the oldest pharmaceutical companies in Ukraine, holds a very interesting market positioning and product focus; could you provide our international readers with an overview of the company?

Firstly, I am very proud to be the managing director of this very old and respected Ukrainian company, especially as next year we will be celebrating 90 years. The company specializes, and is the Ukrainian leader, in the production and distribution of herbal pharmaceutical products, and a few supplements, exclusively sold through pharmacies. Various herbal ingredients are used to treat different conditions such as diarrhea and flatulence, as well as specific areas of the body such as the kidneys, stomach, and skin. Therefore, being a medical company, we require high standards of production and, in 2016, we received good manufacturing practice (GMP) certification for the first time.

Furthermore, during the last three years we have renovated our production centers and warehouses to achieve our objective of improving the quality of our products and have a cleaner work environment. This is incredibly important in the herbal pharmaceutical industry, so we have purchased innovative laboratory equipment to test each batch of herbs. We analyze radiological and chemical conditions to ensure the batch is non-toxic and free of heavy metals, such as mercury and lead, as well as measuring most importantly if the batch contains the raw active ingredients required to treat the patients. Quality control is maintained throughout the process, including the stages of incoming plant material, intermediate stages and the finished product.

The company has gone through a stage of transition Liktravy became a part of "the nature network®" in December 2011, a recognized world leader in the processing of herbal raw materials for pharmaceutical, cosmetic and beverage industries. The group now holds many productions sites worldwide, three of them that are placed in Russia, Poland and Liktravy in Ukraine are specialized on the herbal medical drugs production. This has helped us with our intentions to go global, while Liktravy already sold medical products in Belarus and herbal raw materials to some EU countries.

As the managing director of Liktravy, what are your strategic priorities?

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Our market share in Ukraine is incredibly high at 50 percent; therefore, it will be a challenge to increase this amount. We believe production volume of our products is an area of growth, and to do this we must stimulate the overall market of herbal pharmaceuticals by expanding to a younger target audience. The younger generation in Ukraine, and worldwide, is moving towards the trends of a healthier lifestyle therefore we will be releasing trendy mixtures with young flavors in a filtered bag. This approach will be very different to the current middle aged to older demographic we target with teas with loose leaves and classic flavors. The worldwide herbal tea market is growing and evolving, and we must also adapt to not get left behind.

Increasing exports will also hold a sheer importance in our growth strategy. At the moment, more then 10 percent of sales are the export of raw materials, and my goal is to drive this up to around 20 percent.

In addition, we are now focusing our efforts on producing as contract manufacturers. We are currently looking extensively for international companies to partner with us as the recent renovations of our manufacturing plant will give us excellent production capacity and we have had early successes with local companies in developing such partnerships. It is an excellent affordable

opportunity as Ukraine still has very low wages and we currently have an enormous array of over 100 varieties of raw materials at our disposal. This gives us the means to produce a wide range of tailored products from the raw material to packaging stage.

How do you hope to expand your portfolio of partnerships internationally and extend the scope of your brand?

We have been in contact with the International Trade-Club, the public organization that gathers managers and employees of the departments for trade and economic affairs of nearly 60 embassies of foreign states and international organizations accredited to Ukraine, which travels around all the regions of Ukraine. They were impressed after coming to our production site and promptly gave us a contact to deal with an international company, though we need to find other avenues to establish this connection.

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Ukraine itself has had very slow growth in herbal pharmaceuticals and tea sales. Nevertheless, almost every country has its own dominant herbal pharmaceutical company and it is very hard to break into foreign markets. While we progressively achieve our company goals in Ukraine, we will be focusing heavily on the export of raw materials and gaining international contacts for contract manufacturing.

You were TEVA Ukraine’s country manager for many years; what skills have you brought across to Liktravy?

Firstly, I started with TEVA, a company with great expertise at pitching its products to the correct market that has become one of the most recognized healthcare brands in the world. I then carried these skills to Darnitsa, one of the largest Ukrainian pharmaceutical companies, where I was taught how to place a company strategically in the marketplace.

Now, I have taken the skills from two enormous players in Ukraine and am applying them to our emerging company that is looking to expand internationally. Currently I am learning the production process, as I have had no prior experience in this area, though I have a great team around me to help. Furthermore, at Darnitsa and TEVA, legislation and standardization was already established, while here I have worked with our team to create these standards for herbal products through all stages; an exciting challenge for all involved.

Since you arrived, the company has already done so much in areas such as production; what would you like to achieve within the next three years?

Liktravy needs to consolidate its market share and concretely place itself into the Ukrainian market. We want 70% of our sales to be from Ukraine, though our real push is to establish international ties.

We also want to increase our product scope by importing herbal products from international companies into Ukraine and use our connections with the top pharmacies across the nation. Currently we have a connection with a Finnish company, though we are very open to discussions with any companies interested in distributing strictly natural, herbal products in Ukraine. As a company, we want to gain brand recognition in the domestic and international market and to continue producing well respected and high quality 100 percent natural, herbal pharmaceuticals.

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