

Interview: Ronald Seeliger - Vice-President, Stada South-East Europe; CEO, Hemofarm Group, Serbia



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Ronald Seeliger, CEO of Hemofarm group, arrived in Serbia during turbulent times in CEE. Following a strict program of reinvestment, local expertise, and innovative strategies, Hemofarm surged forwards, developing into the pharmaceutical powerhouse that we see today. In this interview in the newly renovated offices in Belgrade, Seeliger sheds light on Serbia's skilled workforce, the importance of being a Stada brand and how a little bit of persistence can go a very long way.

What was the impact of acquiring Hemofarm for Stada?

Stada acquired Hemofarm back in 2006 when Stada realized that their CEE footprint could be more substantial. Hemofarm was already running healthy operations across the Balkans, on top of key markets like Russia. Their production capacity was particularly interesting to Stada - which at the time was a trader and facilitator - and as such, paved the way to Stada's current operations as a producer and trader of pharmaceuticals.

As VP of Stada South-East Europe, what dynamics do you see in the Serbian market?

Firstly, Serbia and the CEE region is a fragmented market. Although we consider there to be around ten countries in this area, in practice there are far more due to individual behavioral differences. In Bosnia for example, we have a specific approach to efficiently tackle government regulations and interventions.

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Being German – with Serbian residency – and consequently looking at the CEE market as an international, I comment that although the war is far away in the past, the borders and tensions can occasionally manifest themselves in business operations. We at Hemofarm are big enough to do so, and we found out in recent years that we are one of the only Serbian companies to trade across all ten countries, including Albania. It is incredibly promising that we find ourselves in this position.

There is a highly political function to my role here at Hemofarm, and I embrace it wholeheartedly. I am the President of the Executive Board of the German-Serbian Chamber of Commerce, I am on the board for the Serbian Chamber of Commerce and take inter-nation communications very seriously.

What are the main milestones that Hemofarm have reached?

When Stada acquired Hemofarm, HF was an already well-established brand. The push that we at Hemofarm received from Germany was significant. Sales increased, our portfolio expanded and issues such as liquidity (which is still a problem in the pharma world), were dealt with efficiently.

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At the outset, the focus of Stada was two-fold: to leave us to deal with the market in the way we were doing so: after all, who knows how to deal with the local market better than the locals? Stada was intelligent in this matter and ensured the pipeline for progression was well organized. Second, Stada intended to increase our output on the production side. If we compare with the 2006 standings, we are eight to ten times more productive concerning volume and complexity. We are on the precipice of another transition period where we will receive another injection which will once again drive growth, streamlining the business and jumpstarting growth for the next five years.

I should mention that I am particularly proud of the nature of Hemofarm's operation. I am the only foreign passport holder at headquarters, and across the region, it is the locals that manage because the locals have the know-how. Our workforce is highly skilled, dedicated to the company and very much reflective of how Serbia approaches the workplace. We cater for the technically-advanced personnel available in Serbia in our offering to employees: cutting-edge technologies, strict and well-adhered to regulation and a keen eye for new business opportunities. I am proud that we are now far exceeding our prior objectives thanks to such a skilled workforce combining with a forward-thinking personnel program.

You distribute products to 38 countries and Hemofarm provides services to several in the CEE region. What is your strategy for catering to so many markets?

Firstly, let us be clear that Hemofarm is, of course, incredibly important to the region it operates in, but it is a Stada brand and carries the Stada stamp of approval. To all intents and purposes, we are a Stada company operating under the Hemofarm brand in these countries.

Despite this, we govern this region as a cluster – and although commentators often find it easier to clump this region together as ‘the Balkans’ – we treat the area on a country by country process. We use regional expertise from local leaders – specific to their region – to portray the Hemofarm brand in each state. There is no catch-all rule to governing this area and so local knowledge is crucial.

How is Hemofarm performing under your leadership and what are the main therapeutic drivers to growth?

In 2010, the market suffered tremendously, many companies went bankrupt and we lost a swathe of our clients. Liquidity became more of an issue and the public face of Hemofarm was put under scrutiny. I was brought in to help resolve these problems and can tell you proudly that Hemofarm has never lost a Dinar since. We are profitable, growing and maintaining the leading position in Serbia, Bosnia and Herzegovina, and Montenegro. In neighboring countries where we have made it less of a priority to be number one, we endeavor to be in the Top Five companies over the next five to ten years.

I made it my intention to stabilize the company’s offering, make Hemofarm more profitable and develop our technical operations – not just to upgrade – but to grow our operations. We now operate at a very high standard and are consistently approved for GMP and are often recognized worldwide. Being German, I bring a level of organization and ambition that complements the Serbian enthusiasm and skills available to me. The result is a robust and stable company that is consistently growing. It is an exciting mix and outsiders often comment on our happy, hard-working and skilled staff. We use a team approach for almost all of our activities and therefore appreciate the need for each team member to communicate well and to be up to speed with all opportunities.

How do you view the Serbian approach to social care?

There is a strong community spirit across the Balkans, and it is one of those countries where people take care of people; the state is not necessarily the first port of call. Five years ago I felt it necessary to investigate this phenomenon – thinking that it would be good for the community and

the brand to invest in CSR – and after an audit by KPMG, it resulted that it would be more prudent to look at investing in sustainability on top of our already excellent CSR activities.

We are now the only company in the Stada brand that specializes in sustainability. We issue sustainability reports, and our current offering is a booklet entitled ‘When Words Become Actions.’

What are the initiatives you’d like to highlight going beyond the pill?

The most successful campaign we undertook is the successful bid to include Serbia in the Eurotransplant foundation. Before our acceptance, obtaining a transplant performed in Serbia would mean leaving the country, a long wait and tremendous expense in accessing the life-saving treatment. We achieved temporary entrance to the group through cooperation with the government and on June 6 this year hosted organ transplant day where citizens were invited to donate. We have come a long way in changing people’s perceptions on organ donation and transplant procedures. We have since completed dozens of successful transplants. I must add that while it is fantastic and rewarding that the government recognizes our efforts, we prefer to do so for altruistic motives; the more we work together with the state, the more things improve for people across Serbia.

How has the oncology side to your operations developed?

When Hemofarm noticed that the people do not receive necessary Oncology treatment here in Serbia, we looked to provide solutions with a series of new products. With the help of remote portfolio management from Stada, we intend to roll out oncology products over coming months, backed by a budget of over 80 million Euros.

We are a generic company which prides itself serving the second and third generation generics; indeed, we have a highly-skilled and sound R&D department here with around 120 staff. This is the biggest R&D operation in the Stada world. We are driven by the need for our business from the people rather than the capabilities of our business. We would like to streamline further and be more customer-centric – because this was perhaps not the case if you rewind five to ten years. Nowadays, we have sales teams whose job is to listen to healthcare professionals and analyze market trends, deficiencies and areas of improvement for our products.

Furthermore, we are always looking to innovate: take our glass cough syrup bottles as an example. Previously, we used glass bottles which are fragile and delicate to transport. We now store the syrup in plastic containers with easy open caps – perfect to pop in your pocket and have on your person. Innovation is not concentrated on the product; it encompasses the product, the nature of

taking medicine and the dosage.

What other therapeutic areas drive growth?

Respiratory medicines and anti-histamines at Hemofarm are high-quality (as all of our products are) and sell incredibly well. Preventative medicine is another area of increasing interest which we have changed people's opinion on, through education. Take magnesium, for example, a decade ago people would turn their nose up at lifestyle-enhancing drugs; nowadays people buy it and feel the difference.

However, to single out one product or one area of growth is tough when across the board we see strong growth. Indeed, we intend to have uniform growth.

Where do you see future markets and what is the secret to accessing these markets?

We are already in a fantastic position in Hemofarm markets. That said, we look to further expand into the cluster markets off the record 'Hungary, Romania', where our presence is currently marginal but we would like to really concentrate our efforts on increasing our operations and spread the Stada brand over there.

Regarding our approach, the key is persistence. We know our brand, our aims, and our vision and we follow up until it is done. We know our strengths here, and the governments recognize that we are one-third of all pharmaceutical sales in Serbia. Although we are dominant in these markets, we look to build partnerships, and we are here for the long run; we look for sustainable growth.

To add to this, we are trustworthy and reliable partners. We know our capabilities and are honest with our limitations. When business partners approach us, they know they will receive realistic, ambitious and technical advice because they know that we are proud and responsible partners of the Stada group.

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