

Interview: Goran M. Orlic - General Manager, INNventa Pharm, Serbia



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Founder and general director of INNventa, Goran Orlic, discusses the rationale behind establishing his own company that continues to double revenues year on year. He highlights the company's fundamental role in providing innovative solutions to Serbian patients, pharmacists and doctors. Finally, he discusses investment opportunities in the Balkans, underlining the potential of the Serbian market.

What is the central idea behind INNventa?

INNventa is a small, young, private company that has most probably the fastest growth in the market today. We recorded 79 percent growth in 2017, and we intend to better that next year; current forecasts indicate we will double revenues in 2018, counting both own brand and tender business.

The main idea behind INNventa is offering inventive pharma solutions to improve patient care in the region. What makes INNventa unique is the tailor-made portfolio, a mix of innovation and investment in products that are not replicas of someone else's portfolio. The majority of our own brand portfolio is food supplements but there are also medical devices, and medicines. What we are promoting to doctors and pharmacists is their efficiency and well-proven effectiveness. This is not possible without a highly experienced and knowledgeable team, and we have the best players in the market in the key positions: best field force, sales and marketing managers available.

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What is very important is that we have a transparent and robust incentive and bonus system policy. Exceptional management is necessary because fast-growing businesses demand a unique and custom-tailored approach. INNventa's performance outlook for 2017 exceeded our expectations. The transition from a well-established tender business into a recognisable own brand company was smooth, as we introduced our first product in March 2016 (D-manosInn). We are now selling our products in Serbia, Montenegro, Kosovo and Bosnia. Our marketing team is preparing the launch of six products in H1 2018 which will double our portfolio.

What were the priorities you set yourself at the beginning?

As the slogan implies, we aimed to provide innovative solutions and help patients in Serbia, but also to explore new ways to treat patients and introduce them to doctors and pharmacists. We focus on bringing inventions to the market, which might mean trying out different business solutions, specific dosage forms, or re-introducing old products to the market if needed. As demand grows, there are new challenges, and we respond by proving new inventive solutions.

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How do you identify the needs and the niches, and what are the main growth drivers?

We rely on our experience and the relations and connections we have with key opinion leaders. Through the exchanging of ideas and asking questions as well as doing company-centric research; for example, implementing the experiences from more sophisticated and developed markets, we identify niches. Serbia has low participation regarding OTCs and food supplements in contrast to conventional medicines.

The challenge is to maintain stability, have aligned finances, HR, organization needs and quality recruitment, especially if the company grows significantly in a short period. 'Hands-on' management and a highly motivated team are key. Regarding therapeutic areas, our primary growth driver is urology, and we are aiming to be the leader in the field. Other areas we are exploring and improving are psychiatric, rheumatology, orthopedics. Further, we are preparing products to be launch in the field of gynecology and laryngology.

Why so many therapeutics areas at once?

I believe we can cover this number of therapeutic areas with the existing team. There are ten sales representatives in Serbia, two in Bosnia and one in Montenegro. Overall, our team consists of 20

highly-skilled and motivated professionals, strongly oriented toward the market. Even the financial manager comes to CPHI for prospecting and sales management. This is the main challenge, but we are managing to keep this unified alliance in order to grow steadily.

You recently introduced UrolitiINN to the market. Can you provide us with the overview of the product?

UrolitiINN is the result of combining the words urolithiasis and INNventa. It consists of eight natural herbs that enable the elimination of stone and sands from the urinary tract. This is extracted from natural products of herbal origin; therefore there are no chemical agents present. There is no other product in the same field, so we have significantly grown in this particular segment and overachieved the goals we have set for it. No other medicine on the market helps in prevention, and it is incredibly beneficial in kidney crisis management. We found a Spanish company that is curing the problem for more than 90 years. We looked at the background, the studies and the numbers and then we selected the name. This drug will help to tackle the growing problem in society because it is a perfect cleaner for the kidney and the urinary tract.

In 2016, you also signed partnership agreements in neighboring markets. Will these partnerships allow you to bring more products to the market in this region?

We signed several agreements, and we started to explore the regulatory segment because regulatory requirements are different given the complicated nature of food supplements and medical devices. I used to call it the “regulatory minefield”. Currently, we are preparing the appropriate documentation and making changes in the formulation of our products, and with the help of our partners on the market, we intend to launch products in 2018.

Our approach is to develop in stages. Firstly, Serbia, Bosnia and Montenegro, then Kosovo, Albania, Greece, Macedonia and finally we will enter into Bulgaria and Romania. We have prepared the documents to penetrate the market; now we need time to implement it. We patented our products, so we are fully equipped. We have food supplements of herbal origin and chemical origin with proven medical effect. We will also launch more medicines and medical devices in field of urology. We do not focus on the specific product category, but on the outcome it provides for the patient. We are using the fact that medical devices and food supplements have much faster registration procedures, which allows us to build up our portfolio in a much shorter timeframe. Given that medical devices and food supplements benefit from speedier registration processes to enter the product, it lends to faster growth.

What can a company such as INNventa do to change the current situation and foster innovative solutions?

Looking at the food supplement area in the Balkans, the number of sales is meagre, just as the purchasing power is very low too. INNventa is a perfect example of a company focused on innovative solutions, and this significantly helps the patients, doctors, and pharmacists. If you are knowledgeable, professional and motivated, there will be a space for you in the Serbian pharmaceutical market. We cannot compete with big pharma companies as they have a significantly bigger reach given their economies of scale. The only way is to find a niche and have a tailor-made portfolio, such as INNventa has done. Especially the OTC sector where there is plenty of room for innovative companies to offer new solutions.

Regarding partnerships and general resources, what are the strategies to grow the company?

The primary growth drivers for next year will be the organic growth of our current products as well as the products we are going to introduce including new export markets. The dominant characteristic of the regional market is turbulent changes, happening unexpectedly. This is one of the main reasons we do not plan five years ahead, as we have to be ready for various scenarios. It does not matter how good of a planner you are, we merely need to be prepared for different outcomes.

What advice would you give to a country manager planning to establish their business in the Balkans?

It is not the first time I have built a business from scratch. Before INNventa, I launched a company for an MNC in Serbia and Balkan region: Alvogen. Starting from zero in 2010, in all western Balkan markets, Alvogen is now performing remarkably well.

Now, leaving the corporate world takes a lot of courage; you need to have enough experience to run your own company. If you enter before you acquire it, you will fail yourself and your team. Perfect timing is crucial. When you finally are in the position, it is just you and your skills, your efforts and your dedication, as well as sacrifices you will have to make. You need to be in every field, every moment of time, as you are not always able to delegate since things are moving fast. In the preliminary stages, you cannot be distracted.

How would you characterize the market for foreign stakeholders?

The Balkans is a good place to do business, but you need local players to show you the right way. The complexity and nuances specific to the Balkan region can be off-putting without assistance from local experts on the ground; as a result, those that have the tenacity and courage to persist, reap the rewards of a satisfying market.

There is nice potential waiting here for smart investors. Former Yugoslavia had a very well-established health system, so people here inherited high level curing habits what will following rising purchase power bring significant growth of pharmaceutical markets.

What would be your final message on behalf of INNventa to the international readers of Serbia Healthcare and Life Sciences Review?

Be INNventive. Be courageous. It is not easy, but it is rewarding. Believe and motivate your team, challenge them, and allow them to grow. Innovation is not only getting new drugs to the market but also innovative business solutions and processes: that is what we stand for and what leads to success.

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