Interview: Andrzej Tarnkowski – Founder and Owner, Antar, Poland

"Poland is a price-based market and companies must understand this aspect when entering."

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Andrzej Tarnkowski, founder and owner of Antar, a Polish success story within the orthopaedic field, discusses the company's successful international expansion into various markets, including Germany, while highlighting the opening of their own production in 2013, offering a huge potential ahead. Finally, he reveals Antar's strong positioning as the partner of choice for distribution through its comprehensive service offering and his vision for the company moving forward.

What have been the key milestones for the company over the last few years?

First and foremost, our main recent success has been the company's international expansion, which represents currently 40 percent of our total turnover.

Secondly, we started our own production lines back in 2013, which represented a huge milestone and step forward for the company, as we were focusing solely on distribution, import and trade for the first 15 years. This side of our business still represents a significant part of our business, making up 85 percent of our sales, but the number will be balanced with our production in the near future.

What is the international strategy for the company?

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We have our own affiliates in Czech Republic, Slovakia, Belarus, and as of 2012, Germany. Furthermore, we operate through distributors across the globe, in nations such as India, Saudi Arabia, Croatia, Latvia, Lithuania, Romania and Bulgaria.

Our experience shows that working through distributors does not reap the same financial success as setting up an affiliate; therefore, setting up subsidiaries is a strategy we are looking to continue implementing moving forward. Nevertheless, the start-up investment costs for an affiliate are much steeper, as we must start from zero, establishing an office, warehouse and conducting a thorough analysis of the market situation. It is a step by step process, though the reward is worth it.

A clear example of this is Germany. Entering the German market is a huge investment, though the potential is incredible as it is a top-three global healthcare market. We are generating greater sales there with less than one percent of the market share, than Czech Republic and Slovakia where we have already a strong positioning. Furthermore, the regulations in the German market are clearly defined and entry barriers are lower compared to other countries such as Hungary, Italy and France, where the markets are quite closed to orthopaedic launches.

Looking ahead, the next countries we are looking to set up affiliates are India and the US.

How do you build brand awareness in each country?

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We are always working to build the brand, and our approach depends on each country. For example, in Germany we are implementing a digital strategy, while in the Czech Republic and Slovakia we engage closely with the medical community as they are the important decision makers and the recommendations of physicians and nurses is key within these markets. In Poland, we are active in advertising as a way of displaying the products we offer.

Could you walk us through your own brands?

Our self-produced products are split into three key groups. Firstly, orthopaedic cushions, such as memory foam for sleeping, wheelchairs and haemorrhoids; basically, any medical areas resolved through the use of specialty-built cushions. The second group is composed of orthotics, spinal and abdominal, and within this group we have expanded extremely fast and been very successful. Thirdly, our steel products, being walkers and rollators, are constituting the third group.

The distribution of our products is dependent on the country. In Poland, Antar products are found mainly in medical stores, and we are a top-three company on the market. In the Czech Republic and Slovakia, we are in hospitals and pharmacies, and in Germany, we strongly position ourselves in medical stores. Our sales team in each respective market is deeply involved in the strategic decision-making process to ensure we remain effective in our decisions and implementations.

A company starting its own production is a big step. What was the reasoning behind this decision in 2013?

We analysed the cost of production in the far east, such as China, as this is the main competition for us. We noticed that their manufacturing expenses were slowly increasing, though the quality of their products were stagnating. At Antar, we are able to manufacture a product of a significantly higher quality at a slightly more expensive cost.

Furthermore, self-production allows us to analyse the market ourselves and quickly adjust our products accordingly. This flexibility also translates into our logistics, as we do not have to wait five months for products to be delivered, and we never have shortages. Also, when selling outside the EU, we were able to display the tag ¨Made in the EU”; a competitive advantage in eastern countries.

How are you planning to increase production as demand rises?

The demand on our produced products is one of the fastest growing in our portfolio. Over the next ten years, demands will continue to rise, and we will be ready – in fact – we already have some great ideas though we must take incremental steps, rather than doing everything at once.

The orthopaedic market is quite competitive. What innovation does Antar bring to the market?

Within each of our three production groups we have great innovations. In orthotics, we create products that are light and breathable, and avoid especially using neoprene as material for our products as this can cause patients to sweat heavily. For orthopaedic pillows, we utilize memory foam, a modern but commonly used technology, and concentrate on their unique shape, working closely with physicians in the design process. Lastly, for walkers and rollators we make them as light as possible, as many competitors use heavy materials.

Throughout the process we are constantly in dialogue with the relevant medical personnel and we have a highly-qualified staff with a medical background. Moreover, we are constantly analysing market information and filling the potential opportunities of our products.

The distribution arm of the company is a large part of sales. How do you position the company for potential partners?

Poland is a price-based market and companies must understand this aspect when entering. Companies cannot launch incredibly innovative products at a premium cost as they will most likely be rejected. We understand this and assist businesses launch products on the Polish market throughout the entire journey, from registration to sales; Antar is a one-stop shop. Our role is to ensure our partners achieve success and the fact we cover 95 percent of all Polish medical stores is a huge advantage.

Where do you see the trends of orthopaedic devices going in the future and how will Antar adjust accordingly?

The ageing population will be one key factor in growing the market size, but equally people are looking not just for medically accurate devices, but that also provide excellent comfort. In this regard, Antar will constantly be looking for ways to meet this comfort need, by utilizing innovative materials and making comfort a cornerstone of our design decisions.

Where do you want to take the company in the next five years?

My aim is to have around 60 to 70 percent of the turnover based on international sales. Additionally, we want our self-manufactured products to make up 40 percent of profit, and this will ensure we have a broad and balanced portfolio.

Antar is a company that continues to build its footprint, both locally and internationally. What is the recipe for your success?

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