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Kateřina Klancová, business unit manager at URGO Healthcare in the Czech Republic, shares the affiliate's journey in aligning with the needs of today's pharma market; discusses the opportunities and challenges of e-commerce and digital communications, and emphasizes their focus on bringing to market products based on innovative technologies with a strong unique selling point. Likewise, Klancová gives insight into the shift of the perception of URGO from a "plaster company" to a technology company and highlights the value that lies in building loyal relationships with their partner pharmacies.

Kateřina, could you give an introduction to URGO Healthcare's presence and footprint here in the Czech Republic, as part of the CEE cluster?

URGO's presence in the Czech Republic started through a cooperation with a partner company in the nineties. After a few years, URGO decided to purchase this partner, and the Czech subsidiary was born. The Czech affiliate was one of the first created out of the post-communist countries.

From the early days, URGO has had people both in the office and on the field to deal with the pharmacies. This approach, based on loyal relationships, remains the core of our business model today.

In terms of our business segments, although URGO comes with a project in the medical division — a pillar that is also growing — the healthcare division is the one that has a strong history here in the country. Our efforts, today and moving forward, are driving the healthcare division.

In the last decade, URGO has been very active in terms of acquisitions, aiming to grow rapidly and naturally. Now, within Europe, we are one of the groups' smallest subsidiaries, partly due to the size of the country. Of course, not the same can be achieved with a ten-million population than with 40-million or 60-million populations, which is roughly the case for Poland and Spain respectively.

Yet, despite not being the key strategic point for the group's success, we are respected as a long-term and stable contributor to global revenues.

What difficulties, presented by the Czech pharma market, have you had to address during your time as Business Unit Manager?

The Czech Republic has been facing a centralization of the market for several years, and one of my tasks, which is still ongoing, is to reform our internal structure as part of a consolidation of our business model to better address the changes of the market.

The Czech pharma market used to be very conservative. My background is in the mass market, and when I first joined URGO, it was interesting to compare the two worlds and to realize that in pharma we are slightly behind. One of my goals is to get URGO up to speed, to be more aligned with how pharmacies work and, this way, for our operations to be more profitable.

In the Czech Republic, URGO's operational focus is on the consumer healthcare division. Could you introduce our readers to your portfolio?

When I joined the company as Marketing Manager four years ago, I rearranged our product portfolio. It was extremely extensive, so I removed the SKUs that were not contributing to our final turnover. Currently, we have a more focused prioritization strategy and only two brands: URGO and Humer (both own brands of the company). Still, the number of total SKUs amounts to 70, which is considerably high. This is related to the fact that selling plasters goes hand in hand with having a broad portfolio if you want to be considered an expert, given that each type of plaster needs to come in different versions when it comes to size, shape, and so on.

As there are more and more chains on the market, some big pharmacies, as well as some independent ones, are launching their own labels. This, however, is achieved with products that do not have a special unique selling proposition (USP) or highly innovative qualities. They need to be easy to copy and not too expensive to produce for the pharmacies, providing them with a great margin.

This keeps us on our toes. We are concentrating on launching innovative products versus rather commodity products such as traditional protective plasters.

URGO has always been known as a traditional plaster company, and this is what we are trying to change now. Whereas six years ago, plaster products accounted for about 60 percent of our portfolio, it now accounts for less than half. We are succeeding in this transition into innovative technology company.

Yet, you continue to be a leading player in hi-tech plasters. How do you maintain this position?

There are many different plaster categories, and our position can vary from one to another.

This being said, at URGO we focus on the added value categories: plasters for fast healing, plasters for abrasions, etc. In these, we are either a market leader or fast followers.

What are the growth drivers within the whole consumer health portfolio?

We are strongly focused on innovative products with a certain USP. We work with several technologies within URGO. One of them is the liquid dressing Filmogel, which covers different consumer needs, all of them small injuries ranging from herpes and cold sores to cracks in the skin. There are six SKUs under the umbrella of this patented technology. Another technology is aimed at treating warts through cryotherapy or, as a stronger variant, acid-based technology. All these products use very particular technologies yet still have a wide target. Alongside them, of course, we continue to sell our traditional plasters.

What are the key factors to a successful product launch?

If I had a guideline, I would apply it every time, but there is no such thing in today's complex and ever-evolving market. Nonetheless, one thing we are great at here at URGO is relationships. We are aware of how crucial it is to develop long-term relationships with pharmacies and are confident in the quality of our products – we know we can rely on that. Pharmacists know that they can trust us and our products, which are of high quality and effective, as proved by our clinical studies. As a result, they recommend them to the end consumer.

When it comes to building our brand, the results of our clinical studies alongside the professionalism of our sales teams are key, as we use them to communicate the quality and effectiveness of our products.

When we met with Martin Slegl from IQVIA, he explained how the country is seeing major advances in e-commerce. How have you adapted to and taken advantage of the digital trend?

Some of the big pharmacies started to strengthen their online presence some years ago, as they knew that if not them, big mass-market players would enter the pharma sector.

At URGO, we sell our portfolio on the country's four biggest e-shops, and those sales account for six percent of our total turnover. Although this is not bad, we have encountered several challenges on our digital journey, the first of them being that our portfolio is not necessarily online oriented.

As of today, we do not have a strategy that is fully successful for us. Something holding us back to invest more into our e-commerce activities is the lack of measurement tools to analyze what really works and what does not from the e-commerce platforms. Additionally, the price for partners´e-shops sales activation tools, whether you sell plasters or painkillers, is the same according to standardized price lists. We lack a more specific win-win approach from partners in this sense as today the majority of these campaigns are not effective for us due to somehow higher investment cost. We are ready to invest but are still in a learning stage.

Further challenges include distribution and pricing. Products need to be distributed to the warehouses quickly, while e-shops can lower the prices significantly, which complicates the negotiations with other partners.

The first step in tackling this properly is to understand the type of portfolio that is right for online promotion. From my current perspective, I believe that our innovative products are going to be the best fit since consumer-friendly content can be produced around them for the web.

Since early 2010, our communications — social media, our website, and our blog — are entirely managed by an agency, which is helping us to create a strong online presence. I see a lot of room for opportunity online. Three years ago, for example, we conducted research in the Czech Republic to find out the number of people still using home-made treatments for issues such as warts, versus the number of people using new technologies. I was surprised by the results: roughly half of the population is still using natural recipes like lemon and honey. There is big potential in persuading and educating such people to use our products. Online marketing is a natural tool for us to expand, and, today also a necessity.

URGO prides itself on its family values. How is this culture reflected in your leadership style?

A small company enables a high level of flexibility. There are six of us in the office, which not only gives me the chance to share a lot of information with the team and involve everyone in important decision-making processes but also brings a lot of dynamism to our day-to-day work.

Where do you want the Czech affiliate to be when we come back in 2025?

Something interesting about the pharma market is that we work for two main actors: the end consumer and the pharmacists. Whilst the product is for the end consumer, our strongest relationship, as opposed to how it is in the mass market, is with pharmacists. We like to call ourselves their partner, and we give them our service. One of my goals for 2025 is for our relationship with our partners to remain at a peak.

Then, my biggest wish is for pharmacies to perceive and speak about URGO not as a plaster company, as it was in the past, but as a technology company providing high-value products with a USP. I want the shift from a traditional company to a technology company to be completed. This goal applies to URGO globally. Nevertheless, whereas we are still working on this switch here, it has happened in France already. In 2025, I hope to have the same brand awareness in the Czech Republic as they have there.

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