

Interview: Anita Ordog Managing Director, Angelini Hungary



Here at Angelini we believe in high-quality, especially in the long term. You gain credibility in the eyes of the patients, pharmacists, and all actors across the value chain.

04.07.2016

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Anita Ordog, GM of Angelini Hungary, discusses the affiliate's history in the country, their expanding OTC and specialty products portfolio, targeted marketing and sales strategies, and Angelini's challenging entrance into the Hungarian pharmaceutical market.

To begin, could you share some insights into your background and tell us how you came to lead the Angelini affiliate here in Hungary?

I am an economist, so my focus has always been on understanding and growing business. Originally, I was the sales and marketing director here at Angelini, and two years ago I was promoted to managing director while still overseeing my sales and marketing portfolio. These responsibilities allowed me to be active in the restructuring process as well as the development of our long-term strategies. During this time, we faced many challenges as it was in 2010 and we were managing the first round of austerity measures. It was an extremely difficult situation to be reorganizing a company, but we knew the direction that we were going. Here in Hungary we had a lot of difficulties that other countries did not have, and we set up the organization according to this situation. It was a crucial moment for us, we had to be very realistic and always adjust to the market. We started our business at the time with pharmaceutical products, for example Trazodone in CNS, which is one of our own molecules, as well as other therapy areas, including pain and cold and flu. This portfolio was developed in accordance to the needs and potential of the market. Our ability to adjust and adapt to market changes is one of our greatest strengths.

We see that globally Angelini has a very diverse portfolio, focusing on RX OTC and non-pharma products. Is the structure similar here in Hungary?

Most of the products we offer here in Hungary are very similar to the global portfolio; however, we are avoiding generics. In Hungary we do not have a diversified enough portfolio to be able to compete in the generics market, as the margins are very low. Our company is historically an OTC oriented company, but this varies to adapt to differences between countries in terms of legislation, pricing and other factors. What we enjoy at Angelini is the possibility to adapt our portfolio to better fit each individual market. We are a centralized multinational company with global portfolio, but we are allowed to fine tune our decisions according to local need. It is very typical in many other MNCs that you are simply given directives and the market environment is not considered, but that is not the case with Angelini.

You mentioned the importance of adjusting to the local needs of the market. How have you gone about adjusting the local portfolio, specifically OTC, to better fit the Hungarian market?

Traditionally, we structured our portfolio in line with Angelini's global strategy. In some cases, however, countries allocate bigger efforts to certain products that fit better to local needs. As an example we saw an opening in a market, and we took the initiative to launch the product. We realized that we have the potential for growth here in Hungary, and now we are market leaders with this product, which is something we are very proud of. This is an excellent example of how we, as an affiliate, have the possibility to choose where and how to strengthen our market share.

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We know that OTC is a very competitive segment globally, defined by high margins, fast turnover and very large marketing budgets. Here in Hungary how do you compete against competitors with much larger promotional budgets?

While budget of course plays a part in the success of a product, it by no means is the sole determining factor. We have to focus not only on marketing but also sales, where there are many stakeholders with whom we should be very active. Marketing communication is crucial to be effective, and differentiation is a key word for us. For example, recently we invested in a certain product where we were facing heavy competition with very large budgets. Our products are premium, that is our best and most unique selling point. Some companies do not believe that a good product is necessary, however here at Angelini we do believe in high-quality, especially in the long term. You gain credibility in the eyes of the patients, pharmacists, and all actors across the value chain. This is how we have achieved success in this example, with a step by step approach that emphasized our strengths. We had a good product and were efficient with sales. We entered the market slowly and expanded deliberately. It was a great success story and proved our ability to manage products in a different way, and we give a lot of credit to our sales force for this success. Once we started to advertise on television our market share doubled in size. This is an example of how budget is not always the determining factor to success or failure.

Differentiation is also quite important. We are targeting all stakeholders: individual pharmacies, chains, authorities and wholesalers. We have great partnerships in all of these areas and we adjust our sales strategy to each. Chains are very important now on the market as well, but they are challenging as well because they are interested in having products with a lot of marketing and discounts. To address all of the challenges I have mentioned we must have a very targeted strategy, and we do.

In terms of catering to Hungarian consumers, what have been the key considerations that patients seem to have in terms of brand, value, price and added therapeutic benefits?

Some companies are telling us that consumers are very price sensitive and do not bother about quality, but we have not noticed this. We are offering high value products and they are not disappointed because our products always exceed expectations. If a customer is disappointed, they only buy once or twice, and we are looking to develop long-term patient compliance. In addition to premium products, we also provide excellent service to our customers. We are targeting customers who believe that quality and value are important, which is why our aim is not to compete with low-level pricing.

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In terms of driving growth moving forward, can we expect new product launches or will you focus your resources on developing existing capabilities?

We would like to strengthen our existing products because they are ever changing; each day we have new challenges and new competitors. Things are always happening in the market and you cannot simply sit idly by. We love working with the existing portfolio, you always have to find different ways to drive growth. We are working on new launches as well and looking forward 3-5 years we can see great opportunities for growth and becoming market leaders in other categories in the covered markets.

The Hungarian pharma industry has come under a lot of pressure in recent years with budget cuts and cost containment measures, however, most pharmaceutical companies have still focused on the potential of the market in the long-term. For Angelini, what does that long-term horizon look like?

Of course we have to balance the effects of budget cuts, as well as the cost containment measures that heavily affect our RX portfolio, that is why our strategy is focusing on OTC, specialty and innovative products. Angelini is very much engaged in the specialty products market and sees opportunity for continue growth. At the same time, we have difficulties because of the government's cuts. Reimbursement of innovative products is a very long process, and sometimes it ends up with rejection. We have to prepare our organization to be ready for and patient throughout this entire process. These are the two areas where we would like to focus.

Where would you like to see yourself and Angelini over the next 3-5 years?

I would like to see us having continued to develop specialty and OTC products, launch new products and achieve leading market share in more categories. I also would like to continue to see committed colleagues around me with the same engagement and joy in the business, which is something that I truly believe is one of the main factors of success for Angelini.

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