

Interview: Ernest Bartosik, Country Manager, Unipharm, Poland



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Unipharm Poland's country manager explains what is needed to become a successful OTC and dietary supplement company in Poland, saying that it is "key to master the marketing mix but above all understand the needs of consumers and doctors."

The Polish OTC market is attracting many new players but is becoming more and more saturated. How is Unipharm creating its competitive edge and are there still many opportunities to grasp?

Absolutely: this market is not an easy one as it is highly competitive. It is per se not for amateurs, but for very experienced professionals. The OTC market like other markets has many entry barriers and successful companies are the ones which provide new products and solutions and not copies of existing products. Copying products from companies that are very successful is dangerous for one's business and this is not our strategy.

However, it is a fast growing market with a lot of opportunities and since Poland has been performing strongly economically, we are in the right country to do business. To grasp these opportunities, it is key to master the marketing mix but above all understand the needs of consumers and doctors.

Unipharm is well known for its quality and its American heritage ensures the highest standards and added value for its stakeholders. Unipharm's strategy is based on cooperation with doctors to develop the most suited and useful products in the area of joint care, bone health, osteoporosis, beauty, aging, memory loss and immune support. The company is deeply engaged in both health education and activities which support a healthy life, medical prophylaxis and treatment.

What are Unipharm's main growth drivers?

Unipharm is the leader in calcium market thanks to our blockbuster Vitrum Calcium 1250 and fast growing Vitrum Osteo. We are also well established in joint-care with Arthron Complex.

Since last year Vitrum D3 is our sales driver in Poland and Unipharm has invested wisely in promoting this product in our different affiliates and this strategy has proven to be successful. The vitamin D3 market is booming in Poland, since studies have shown that Polish and EU citizens were suffering from vitamin D deficiencies.

Last year Unipharm's sales increased 31 percent and our revenues reached USD 12 million in sales to pharmacies.

Unipharm products are successful, both in terms of brand awareness and sales, and this is demonstrated by the kind of loyalty that our loyal customers demonstrate to us. The company is committed to continue offering a wide variety of quality goods that are both effective and safe.

The Polish affiliate is part of Unipharm's 10 subsidiaries across the world. How does Poland rank in comparison to the other affiliates?

Russia is Unipharm's biggest affiliate with revenues significantly over USD 100 million, but Poland's fast growing sales and market potential indicate a bright future ahead. Only two years ago our affiliate had revenues of USD 7 million, and in two years we have the goal to reach USD 20 million. There is no doubt Poland will remain one of the key affiliates in the group's expansion.

Unipharm's products sold in Poland are fully manufactured in the US. How do you manage to remain competitive importing products from the US?

This is a challenge, and we face many barriers such as custom taxes, duties and different regulations. Since the products are manufactured in the USA they depend on US regulations, which are different to EU and Polish regulations. But manufacturing in the US is our best advantage in my opinion.

In fact, all of Unipharm's products are made in the USA under extensive quality control supervision at well-established facilities that follow Good Manufacturing Practice (GMP) guidelines and United States Pharmacopeia (USP) standards. Unipharm has been for many years registered with the US Food and Drug Administration.

Of course, our products are also manufactured, tested and packaged according to regulations mandated by every country the Company sells in. Therefore, we produce very high quality products which are checked many times before reaching Polish pharmacies.

Our strategy at Unipharm is to provide premium products given that we invest in the best quality and manufacturing standards possible.

Would Unipharm invest in a manufacturing facility specifically for the CEE region?

This is a possible scenario and our headquarters are always looking for new opportunities like this, however this is not written in stone and this decision belongs to the Board in New York. The future will tell how this will evolve.

Many consider Poland to be a sleeping giant. Do you believe this giant can bridge the gap with the five largest Western European countries?

If we take into consideration Polish GDP or average salary per capita, the gap is still substantial. The purchasing power in Poland is still too low and although it is increasing along with living standards, it is difficult to say when Poland will match the best performing countries. What is certain is that Poland is stable politically, relatively strong economically and has a wide room for improvement.

Where shall we find Unipharm in the next five years?

Since Unipharm Poland expects USD 20 million revenues in the next two years, it would also be part of our plan to reach USD 40-50 million in next few years. With a good portfolio, new development, the right individual skills and success oriented team we strongly believe in Unipharm's ability to meet these goals. Our Headquarters in New York (located in the Empire State building) is helping us achieve these goals. As an American company we are enterprising and highly ambitious.

Also, as a privately owned company that manufactures products in the USA, acquisition is not part of our plans and organic growth shall remain our main aspiration for the future.

You held strategic roles and developed various businesses in very large companies like Sandoz or Menarini. What was your role when you joined Unipharm?

My role when joining Unipharm was to identify opportunities and grow the business according to the market's potential. Unipharm to me is like a personal project and challenge and I was honored to be given this chance by the Board of Unipharm Inc. Having this trust and allowing me to run such an important affiliate is a sort of blessing, and this is why the company has been performing well in Poland.

What attracted you to join a smaller company like Unipharm?

Firstly, I am motivated by success and this is what I found at Unipharm. I have also found a great deal of freedom which makes me 100 percent motivated on a daily basis. Of course this freedom entails great responsibilities but they are needed for ambitious companies like Unipharm.

Secondly, I appreciate open communication and clear goals. As mentioned, we are very enterprising organization focused on action.

I am also glad to share this success with our 70 employees in Poland, which represent our biggest asset and advantage. Success can only be a collective matter and at the end of the day it is our employees and teams that have this direct link with our customers and doctors. Given our growth we have doubled our field force, expanded office staff, trained employees, and given them the opportunity to contribute to Unipharm's success.

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