

# Interview: Salvador Fernandes – Chairman of the Board, Ralph Steffen – Production Manager and Sofia Fernandes – Marketing Manager, Sidefarma, Portugal

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07.06.2018

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*Salvador Fernandes, Ralph Steffen and Sofia Fernandes, chairman, production manager, and marketing manager respectively, discuss Sidefarma’s positioning in the Portuguese manufacturing landscape, and the strong relationship evolving between the government and the pharmaceutical industry. Furthermore, they highlight the importance of becoming successful in the domestic market before expanding internationally.*

## **Can you introduce Sidefarma to our international readership?**

Sofia Fernandes (SF): Sidefarma is a Portuguese company dedicated to manufacture and marketing pharmaceutical products. With 40 years of technological experience, Sidefarma is a CMO specialized in the manufacture of differentiated and customized size batches of solid, semi-solid and liquid dosage forms. We are looking to expand our CMO services and constantly searching for new in and out licensing partnerships.

Ralph Steffen (RS): Sidefarma has been manufacturing in Portugal for 40 years, starting with liquids before expanding our portfolio towards solids and semi-solid products, allowing the company to become a multifunctional facility. More recently, in 2016, we acquired an additional part of the building, enabling the company to expand the warehouse by 40 percent, increasing the versatility

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and verticality of our manufacturing

SF: Regarding our CMO services our clients are based in Germany, France, Norway, Sweden, UK, other markets and of course Portugal. Finally, we are looking for investment that can bring smart capital, and capital that can bring more products for our facilities and more production efficiency.

### **How did Sidefarma perform in 2017?**

SF: We have seen a two digit growth in the sales of our own products in the last few years. There is a domestic but also European demand for our products and also for our CMO services.

CPhI Worldwide has allowed us to promote our company and we have gained visibility in the manufacturing environment through our participation at this event. We have been able to consolidate our current partners, as well as establish new national and international partners.

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### **What are the benefits of vertical integration for Sidefarma?**

RS: Sidefarma gains more benefits from vertical integration for the manufacturing process and the natural flow of material. Our idea is to have a continuous flow of manufacturing, for example a production area where we produce liquids that flow down to the lower levels, as opposed to transporting along the entire floor level. This way, there is no need for transportation or crossing over of materials. However, we have now re-organized the structure of our manufacturing process thanks to the recent acquisition of a part of the building, formally owned by another company.

### **What can the Portuguese market expect from Sidefarma in 2018?**

SF: In the pipeline for 2018 we have new product launches in addition to welcoming new partners to our portfolio. We are very focused on out-licensing our own products, but we also have the potential to in-license for our domestic market.

### **What is your assessment of the government and the industry's current relationship?**

SF: Currently, there is an increasing proximity between pharmaceutical companies and the relevant government and other associations, we are seeing efforts to empower the industry through government incentives.

RS: I believe that the industry is cyclical, and Portugal's climate has experienced several different patterns. When the country started to experience economic difficulties, even before Troika, the country underwent several pharmaceutical plant closures. Nowadays, manufacturing plants are expanding their sites and thus their presence in Portugal.

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### **How do you position Sidefarma as the partner of choice?**

SF: Sidefarma has positioned itself in the Portuguese market as the partner of choice for manufacturing differentiated and customized size batches of solid, semi-solid and liquid dosage forms. Another differentiating feature of partnering with Sidefarma is our ability to operate with a high level of flexibility to adhere to our clients' capacity constraints. We balance our clients' needs and we are flexible in terms of rescheduling manufacturing timetables.

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SF: Technology transfers are another area of our competitive activities, through our know-how and experience.

Furthermore, we strive to position ourselves as the partner of choice for the government due to our long history in Portugal as a local manufacturer. We have more than 76 employees, having increased our HR recruitment in the last year by 10 percent. In addition, Sidefarma is continuing to increase its investments in our production and employment opportunities in Portugal. Of course, with more expansion, we will create more jobs.

Finally, we welcome the governments incentives offered to local manufacturers to develop products, and we want to emphasize that we have seen many benefits of this. Local research and development is rewarded in Portugal and it is important for potential investors to recognize that this initiative comes from the government.

RS: Balancing our internal and external clients is challenging, but this shows our commitment to being flexible.

### **What is your main strategy to remain cost-competitive in the Portuguese market?**

RS: we produce national and international products on a small to medium scale. Manufacturing on a large scale is very achievable in this climate, but our separation from this is our strength, and we remain cost-competitive through our niche operating abilities. we specialize in branded products and focus on the niche markets for our clients, to capitalize on the generics market in Portugal I feel that companies must specialize in the unique areas of the market.

### **How important is the domestic market for Sidefarma versus the international market?**

SF: The domestic market is very important for Sidefarma, in 2016, 80% of our sales remaining in Portugal, We must have the company comfortably cemented within the domestic market before we can begin to export. But these figures are changing with sales exports increasing every year.

### **What can potential partners expect from Sidefarma in the coming years?**

RS: Potential partners can expect to see our commitment to growth both domestically and internationally, and a more pronounced emphasis on flexibility in orders. In Portugal, we were one of the first to have a working model ready and validated for technology transfers. We already have the first serialization machine installed and are set to be ready for the start of July. Unfortunately, the market is not yet ready which is an issue after we have invested a lot of money into the preparation.

SF: However, Germany is ready in the sterilization market, so we have the potential to begin exporting there when we are ready, which is an exciting opportunity.

### **Finally, what has been your proudest achievements at Sidefarma and what lasting impression would you like to leave?**

SF: I would like Sidefarma to enters in new markets with its own products through solid partnerships and at the same time extend its portfolio in the domestic market.

I also would like Sidefarma to leave a solid footprint in the manufacturing landscape in Portugal, as well an increase in the integration of digital aspects into the pharmaceutical sector.

Although a rational answer, I want the company to remain in Portugal and uphold its reputation as a profitable company.

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