

Interview with Radek Sali, CEO, SWISSE

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Speaking to the Australian environment, how would you rate the market in terms of companies like Swisse?

After traveling the world, the Australian market has shown to be one of the most developed and competitive we have seen. Pharmacies stock endless product options, and because of that, brands really need to stand out, and companies need great relationships with retailers to ensure proper market positioning. Swisse has worked hard to do just that, in addition to listening to our customers in a big way, and ensuring we are the benchmark in delivering top quality products. As there is a very limited amount of shelf space, Australia represents a continuously competitive market from day one, and initiatives must be carefully thought and planned out to ensure good implementation. Swisse needs to deliver a premium product, and relies on consumers to be educated, so our team empowers consumers as to why Swisse is a premium product and the fact that it costs more because there are far greater benefits and you get so much more. Is a lonely end of the market because there are not that many premium products due to the large associated investment, and additionally Swisse's costs are a lot higher than our competitors. This is because the company invests much more in Research and Development and in the quality of raw materials to ensure greater consumer benefits which results in repeat sales and customer loyalty. As a result of that, our retailers are very confident in recommending the Swisse brand because they know it works and consumers will come back and purchase the product again and again.

How important is the perception of vitamins or other supplements being a truly effective part of a healthy diet?

Perception is changing. In the ideal world we do not need vitamin supplements, however we don't live in the ideal world. It's true that if you live a perfect life - a balanced diet of organic foods, unpolluted environment, no stress, daily exercise - then vitamin supplements would not be necessary.

However who lives the perfect life?

Most foods have also been exposed to pesticides. As a result of pesticides, fruits and vegetables do not contain as many antioxidants, and this is a scientific fact, which means that we are not getting the antioxidants that we used to. Plus some pesticides are destructive to our health and that of our earth. Soils are also synthetically fertilized and not permitted to rest and replenish naturally, consequently there are fewer minerals in our soils and thus in our foods. So you can see why a balanced diet is a very difficult thing to achieve these days. Even when you're doing all the right things a poor digestive system, malabsorption, caffeine and alcohol can be taxing on our health. Even something as simple as a daily cup of coffee or tea with your breakfast saps the body of

necessary B-vitamins that you need as a source of energy. So, vitamins protect us in doing everyday activities. And if you don't have your energy, you are going to start running into some challenges. All these factors in terms of lifestyle aren't conducive to getting everything that we require. So it is really an insurance policy to be taking a multivitamin every day. Independent, peer reviewed medical studies have proven the benefits of Swisse vitamins and mineral supplements. However, nothing ever replaces healthy organic food, exercise, a positive attitude - we just need that extra boost due to the demanding and not so ideal lifestyles we lead.

Could you talk about how unbalanced diets benefit from taking vitamins?

Unbalanced diets mean that you're missing out on many vitamins minerals and other nutritional elements critical for healthy mind and body functions. Swisse Ultivite Women's and Men's Multivitamins are clinically proven to deliver essential nutrients to promote wellbeing and assist in preventing illness - because up to 80% of disease may be linked to nutritional deficiencies. You can feel the difference with relief from tiredness and stress, healthier hair, nails and skin, increased mental alertness, stamina, and positive mood just to name a few - plus the many invisible benefits taking place within your body to promote long term wellbeing. Swisse's supplements are produced with the highest grade raw materials that we can find, which have higher bio availability and deliver far greater benefits to our consumers. For example, we always aim to incorporate natural rather than synthetic ingredients. Generally, when clinical trials find that a vitamin is not working, it's because the vitamin is synthetic or they are administering minute dosages to cure acute conditions. Therefore, by using natural vitamins, although at times up to 10 times more expensive than the synthetics, deliver far better results - at Swisse consumer care comes before profit share. In addition to premium natural ingredients and clinical potencies, Swisse is also far more comprehensive - over 55 natural ingredients in each of Swisse's men's and woman's multi-vitamins. You get what you pay for. Swisse is also obsessed with quality assurance, - Swisse Men's and Women's Ultivite must pass over 427 tests before they are released for sale, and each of those nutrients are fingerprint tested to make sure that the company delivers exactly what is on the label and in each tablet every time. Every Swisse batch meets world class regulatory and ethical standards every time. No compromise. Swisse has performed double blind clinical trials on both men and women for the Swisse Ultivite Multi-vitamins, with significantly positive results. The Swisse products have shown to be effective for relieving tiredness, PMT, improving stress adaptation as well as assisting in the prevention of diseases such as Alzheimer's, heart disease and osteoporosis. Looking at the facts, there are some examples of synthetic doses of vitamins being used to try to cure cancer or heart attacks, and that is simply not what they are for. They are generally for prevention and optimal wellbeing.

Which Swisse brands would you like to highlight?

Swisse Ultivite Women's and Men's Multivitamins - the Ferrari of Multivitamins for the reasons previously mentioned - are the category leader in Australia and have been gaining substantial market growth year by year for the past 10 years. Another category, Fish oil is a great example of a product which has done very well and particularly in Australia, where there are so many options of fish oil, probably due to the fact that there is nothing negative. Doctors recommend fish oil, and to see why, you just have to look at some experiments. The longest living people in the world are in Japan and they are on the smallest, most crowded, and polluted piece of land in the world. If you ask why this is the case, the answer is fish oil. The Australian market is very developed, and therein lies room for premium players, which Swisse will work diligently towards earning. For us, the fish oil market is a little bit like as buying eggs in the supermarket. You can buy the big eggs, the small eggs, the larger ones and free-range ones, or even the organic ones. Swisse expects fish oil to develop in a similar manner. The only thing that does worry us is that up to 70% of the world's fish comes from China, a non-regulated market. Consumers need to be aware of where products

come from, and that comes back to a focus on ingredients and benefits. We are confident that consumers are becoming more aware of these factors.

Can you tell us about Swisse's current stage of international expansion?

Swisse is well on the path to establishing a number of export markets which is exciting, but expansion is a matter of ensuring we maintain our focus in a very competitive local market, and ensuring the company continues the growth rate of recent years. The challenge for Swisse is that, because we are growing rapidly in Australia, it has been a matter of establishing a team that could first of all care for the prime territory of Australia, and then invest further resources doing justice for our export partners. Because Australia is such a developed and competitive market, there is a lot of room for Australian products overseas; it's just a matter of finding the right local partners who embrace the same Swisse's principles and passion to unite our energies and deliver benefits to our consumers, earth and partnerships. We're in no rush until we can perfect this strategy.

Swisse is known for taking an unconventional approach to human resources and culture. Would you tell us about it?

I came to Swisse with a background in a large public company, and they always try to inspire, and the values will be written on the wall, but there was never real synergy between those values and what really happens. This harmony is what really appeals to me in working at Swisse. When I go through the company's 4Ps (People, Principles, Passion before Profits), people are just so important to ensuring the quality of the product. You need to have the best marketing people and the best product, and then comes passion. You must be passionate about your career, as you will be doing it for the majority of your life. It's like your second marriage in life, and you need to be happy in that marriage in order to be successful. So if you are not passionate, you are certainly in the wrong industry. At Swisse, we really make sure that every person is really passionate about what they do. Looking back at Swisse's history, we have never had issues in terms of products being under focus, and that is because we are principle-driven. The company has been offered different options in order to reduce cost in manufacturing, but has chosen not to, instead choosing another road which is more costly but also the most rewarding. That's because for the Swisse team, what's best for consumers health is the key driver in decision making. Swisse is a company with a lot of values and on our walls you will always find things such as CLED which stands for Celebrate Life Every Day. And what we love about it are the reactions. When we say things like that we always get someone to smile, and we love that. At Swisse, we are here to enjoy ourselves and make the most of every day - it's all about actions that promote health and happiness. In order to make this feasible there needs to be a very inclusive approach involving all the elements in our strategy. Swisse needs to be open to feedback, and maintain regular communication to ensure alignment and that we are very much focused on our teams. If you have good, passionate people, they are going to be excited about working and delivering results.

How would you characterize your management style in making this vision a reality?

My management style is very inclusive, and Swisse is very open to people, but at the same time must be strong and decisive. Not everyone can run the company and make every decision themselves, so defining where we are heading is also really important. Although there is a lot of room for growth in Australia, the overseas expansion is very important, and will be done through a 4Ps partnership. The main challenge in expansion will be to find the standout locals, because Swisse is a very values-driven company. As such, our partners driving business on a local level must share the same values and principles, and it is more about the ethos in choosing foreign partners. For Swisse, any market outside Australia represents an opportunity. There are some interesting areas throughout Asia, New Zealand, and Europe, the latter having a lot of room for growth. Already, Swisse has registered

products in those territories, that process alone presented some challenges, in taking over two years to achieve. However, with the right position here in Australia, and world-leading standards for our products, Swisse is in good shape moving forward and overseas.

What is your final message to Pharmaceutical Executive readers, particularly those who may be looking for overseas partners like Swisse?

Australia is sometimes out of peoplesâ?? mind, so we have to work harder and be very persistent in what we do in order to attract people to consider Australia as a destination. If you have read and enjoyed what has been said, Swisse would love to have a chat with you to explore potential opportunities that could be presented and formed as a result of a partnership. And always, CLED!

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