Interview: Dr. Miriam Steimer – General Manager, Fast-Track Diagnostics (FTD), Luxembourg



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Miriam Steimer, as employee number one of the Fast-track diagnostics success story, provides a thorough analysis into the company's global footprint, the scope of operations in Luxembourg with both manufacturing and R&D activities, and the significance of the "made in Luxembourg" label. Finally, Ms Steimer shares FTD's remarkably high levels of growth in recent years.

Since its inception in 2006, Fast-track diagnostics has grown from one employee in a single location, to over 60 staff in four different offices around the world; Luxembourg, UK, India and Malta. While manufacturing and R&D are conducted in Luxembourg, what is the role of the other three entities?

Fast-track diagnostics was founded in 2006 and the first sales of our products occurred in the middle of 2007. I was actually FTD's first employee, and since that time, the company grew gradually, taking more staff on board every year. This year, we surpassed 50 personnel in Luxembourg with additional subsidiaries in the UK, Malta and India with a collective total of 14

people. In 2013, we realized we would need additional facilities for production and last year we finally managed to move that aspect of our business to Luxembourg. Next year, we are looking at increasing office and lab space, as we are anticipating further growth within the company.

Our UK base is primarily for managerial positions. Our CEO and founder Dr William Carman is based there, as well as Head of Global Sales who manages business development including all of our distributors. He has successfully managed to build a great distribution network for the company to exploit in forthcoming years.

In Luxembourg, we have our R&D team which is responsible for proving previous research findings and developing new opportunities. Our Clinical Affairs team deals with the collection of clinical samples, providing educational literature to our customers and conducts clinical studies. We also have Quality, Human Resources, Technical Support, and Marketing teams. The production process is split into two departments. Pre-production conducts quality control testing and produces reagents. We are committed to a great deal of quality testing and customer feedback suggests that this is a core reason why laboratories buy our products. The kit production team aliquots reagents into small tubes, conducts a brief final quality check, packages the kits and manages the shipping.

Malta serves as our financial headquarters dealing directly with customer invoicing and accounting. In India, we have a country manager, application specialists and our SE Asian business development unit. From India, we regularly liaise with and visit distributors in Malaysia, Singapore and other locations in Asia. The Indian application specialists also run workshops in the Middle-East.

What would you highlight as the important milestones in the company's development that have enabled FTD to post +25% growth in 2015 versus 2014?

When you start working with distributors, companies often experience the following pattern. The first year, is a learning process, so is a generally slow with little revenue generation. In the second year, one can see some business coming along, but it is really only in the third year, when distributors have built strong relationships with their customers, that we begin to see impressive results. We are in all 3 of these phases around the Globe Hence we are hoping to close our accounts this year with a growth ranging between 50- 60% in relation to last year's performance.

In June this year, FTD was awarded the Made in Luxembourg Label. Why did founder William Carman choose Luxembourg as the location for the company's manufacturing operations, and given you manufacture in one of Europe's most expensive nations, how do you ensure the affordability of your products?

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There were some noticeable advantages to conducting our operations in Luxembourg. For instance, when William Carman, Ben Weber [CEO Laboratoires Reunis] and Udo Margraff [CEO Laboratoires Reunis] first started the company, they had an all -equipped, ready-to-use laboratory to start creating reagents. Certainly, the facilities that exist here are very beneficial to our industry. In other countries, the documentation and legal processes can be a long-term struggle, whereas we were able to start very quickly with all the necessary facilities in place and could grow economically.

We also wanted to employ highly-skilled people who were capable of producing our diagnostics kits. In this industry, you need skilled biologists, trained scientists and people who understand their topic. In Luxembourg, it is easy to source this talent because the big markets of Belgium, France and Germany are all within close proximity. Even within these countries, their universities are also situated very close to the border with Luxembourg. We receive plenty of CVs and we also provide individuals with the opportunity to undertake internships with us. This allows us to stay in contact with the nearest universities and discover new scientists. It would be cheaper to produce our diagnostics kits in India, but that would not enable us to have the same tight control of the quality of our products, mainly because of distance from our R and D team. Although the quality control aspect is very time consuming, recommendations ultimately derive from delivering a high-quality product.

What would you say are the associated features of the Made in Luxembourg brand?

People sometimes think that Luxembourg is not a nation of its own, and that it is part of Belgium or Germany. Being associated with Germany is generally very positive, as the country has a special reputation for reliability and organization, but Luxembourg needs to create an image of its own, based on this high-quality. Similarly, to what the banking and financial institutions have built in terms of image of the country internationally, we must do the same for the bio- and life sciences field.

You currently export 92% of your products to over 70 countries. How would you describe your geographic footprint at present?

80% of our clients are acquired through our distributors who operate within 50 to 60 countries. We have a Business Development Manager for Asia who has been in place since early 2016, and we have also employed a Business Development Manager for Latin America as we see the South American continent as a very promising market for the future. We have a limited number of direct

clients. Some of our direct clients herald from Germany as a result of personal connections. Germany is definitely a stable and growing market. We can also note that we receive some direct requests for our kits from countries such as Mongolia, Malaysia and even the United States. However, this is not our normal sales route. In our organization, the bulk of our sales are conducted through our distributors.

Our biggest market today is the UK; France is potentially equally lucrative . Generally, all of Europe is doing very well and we are well established in the continent. Often, it is smaller markets, such as Switzerland and Norway, that do particularly well because of the personal relationships the distributor builds up with customers. We do not have much of a presence in Eastern Europe and beyond, including Russia.

The Middle East region is performing well, with Oman and Qatar leading the growth Regarding Asia, we tried to distribute our products in China without success, but we have good relationships in Thailand and Malaysia and have a long-term relationship with the Australian market which also covers New Zealand. The market is quite difficult there because it is very price driven; even more so than Germany.

The Brazilian market, where we have a new distributor, is rapidly growing but presents several administrative challenges. You cannot simply send products to Brazil with a stamp on them! It was challenging to find the right distributor, and we knew this would be the case from previous research collaborations and our experiences with direct sales in Brazil. That being said, our distributor is now able to register and package all our reactions. We hope Brazil will act as a jumping off point for the rest of South America.

Finally, when it comes to North America, we have a distributor in Canada but not in the USA for the time being, given we need to be FDA approved.. The US is the biggest healthcare market in the world, but it is also very costly both financially and in regards to the time a company needs to dedicate to all the regulations. You must have a facility in the US which means you have to create an expensive new business to get FDA clearance. We have a broad range of kits and our clients often buy multiple kits. Given this is somewhat unique, we do not wish to lose our unique selling points for the sake of greater immersion into the US market. We will therefore see what the future holds in regards to the US market.

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You work with more than 50 distributors who are scattered across the globe. Maintaining this strong ‘Made in Luxembourg brand’ image is crucial when selecting

your partners. So just how do you select your distributors and ensure that this image is conveyed?

In most cases, we are approached by distributors. Sometimes, we actively seek them out. Potential distributor should demonstrate knowledge and experience of the molecular diagnostics market. It is important to have this expertise because otherwise companies could experience difficulties with aspects like PCR or simply working with a different customer base. Equally, we have come across very enthusiastic distributors without portfolios in this field so it can be quite difficult to select the right distributors. What we absolutely do not want is our distributors selling our competitors' products; exclusivity is very important to us. For example, in smaller markets, there may only be three large distributing companies but from our perspective they need to decide whether to prioritize FTD or run multiple clients at the same time. We want to offer our customers exclusivity so we must receive this commitment from our distributors. Obviously, this is our preferred business model but in Italy for example, we have more than one distributor because they only operate in specific regions. In stark contrast, our distributor in the UK works in all corners of the country.

Last February, FTD was awarded the top prize for its export achievements at the Export Awards. How can such a prize enable you to take your business to the next level?

We sent an application to the Export Awards with a very relaxed attitude, as we really did not anticipate winning it! Out of 17 companies that applied, we won the top prize; naturally, we were very happy and I think this helped to explain internationally that the Luxembourgish bio-health industry can be very competitive. We hope to win it again next year!

Your motto is "True Positives, True Negatives", I believe in reference to the results of your diagnostics tests, not leaving any room for error in the diagnostics. Can you tell us about your diagnostic tests and the reasoning behind your motto?

Standard diagnostic practices follow this pattern: the doctor takes a swab, places it in a medium and sends it to the laboratory. Most companies operate with a collection of kits and a huge number of samples. Then, laboratories are often connected to university hospitals; a connection which is crucial as university hospitals often have a lot more maneuverability when it comes to reimbursement. Insurance companies will often ask why they should reimburse certain tests when there are cheaper options or perhaps when the patient may experience a natural recovery. However, when you are hospitalized, it is not always easy to take multiple swabs from that particular patient. This means often doctors need to test different kits and find an appropriate

solution which could take up to six hours. With our kits, you take one swab, and two and half hours later, you have a clear result. We strive for early diagnosis, with the little discomfort as possible to the patient. That’s our edge.

How do educate the healthcare system and the life science community in regards to your practices?

We have one advantage – that all of our customer facing staff are scientists. This gives us an advantage in building confidence in our way of making diagnoses. We do regular training sessions with our distributors. Our new initiative is to grow our Clinicla department so we can educate our existing and potential customers in our type of diagnostic approach so that they can justify it to their funding authorities.

A few words to conclude?

We have grown considerably in the last few years and that is largely due to the commitment and enthusiasm of our employees. This leads to a high quality product that is Made In Luxembourg. We still have the same enthusiasm, and are committed to Luxembourg, so we are expecting further growth.

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