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08.10.2019

Tags: Sweden, M&A, Strategy, AddLife

AddLife is a Swedish company that acquires and streamlines profitable market-leading niche companies in the field of life science. CEO Kristina Willgård examines the company's international expansion strategy and the goal of doubling in size in five years, highlights her personal commitment to sustainability, and the challenges facing the laboratory and medical technology industries.

Can you introduce AddLife and the scope of its business?

AddLife is a value-adding company primarily active in the Nordic region, but also in Central and Eastern Europe. We focus on Medtech and Labtech within life science. At our core, we are a distributor because we sell other suppliers' products in the markets where we are present. We also sell our own products in selected niches, primarily within medtech and especially the homecare segment. The Nordics and many other countries where we are present have high entry barriers. It is costly to enter because of cultural differences, language differences, geography and almost everything we sell is through public procurement. Even for excellent niche manufacturers or suppliers, it is extremely difficult to be profitable here with just their own sales and marketing due to the size of the different markets.

AddLife works through long-term partnerships with leading suppliers which makes it a stable and scalable company. Most of our suppliers are organizations that have been distributing products

with us for decades, we have been very successful. Today, AddLife consists of more than 40 companies that specialize in different niches. Life Science is a huge market and our focus is being competitive in areas with a need for a high degree of competence.

A lot of products in healthcare are difficult to understand, so AddLife adds great knowledge, training and customer service. We have our roots in Bergman & Beving, a company founded in 1906, but are a spinoff from Addtech, which was successful in the life science business area for many years. The life science arm was separated and enlisted in the stock market in March 2016 as AddLife.

What was the reasoning behind separating the life science part of Addtech to create AddLife?

We were the business unit focused on the life science sector while Addtech, in general, was focused on the industrial sector. It came to a point where we had difficulties prioritizing investments within the life science unit and attracting new life science companies to the group because there was a perception that Addtech was just an industrial group. Now every week we see companies approach us.

What is your approach when looking at potential partners to communicate your value proposition?

Any company should be interested in working with AddLife. It is a company with a fantastic culture that is in a unique position to help companies grow. We usually acquire small and medium-sized family owned companies who continue with their own brand. Many of those companies don’t have the knowledge or the financial possibilities to take the next step and need help to innovate their business model. AddLife creates value by helping companies take that next step. A vital part of our proposition to the acquired companies is our own business school where we train all employees. The course “Vision and Corporate Philosophy” is our most important training where we meet all employees and introduce them to our core values, our culture and our financial goals.

The decentralized structure is at the core of AddLife, it is what separates us from the rest. We focus to improve small scale business, large scale-wise, the best combination of entrepreneurial businesses and group financial resources, development and long term sustainability. People are free to maximize their full potential by taking responsibility for as long as they want here. This is

especially important for many small entrepreneurial companies that are able to profit from our culture.

You recently mentioned that in your latest quarter report that the acquisition of Biomedica last year is a game-changer for AddLife. Can you explain your expansion strategy?

The Nordics is a fantastic market but is relatively small. Being a niche player, we realized that the way to profitability is to have great competence in several areas. We also took that approach when looking for potential new markets abroad. The rationale for buying Biomedica was to obtain another platform to grow in other European markets. Biomedica was a perfect match for us because we already had many of the same suppliers and the company also focused on niche markets. There was a common understanding of the business model and public procurement. They are a great platform to expand in Europe, although, I must say that the Nordic countries are still our main focus. There are many areas where AddLife can grow here. The Nordics are well-structured markets and we have the knowledge and relationships with all the stakeholders.

The suppliers appreciate that AddLife continues to add markets to sell their products, they see a partner that can help them grow. That is on the distribution side, which is 70 percent of the business, but we also have 30 percent of own-branded products, which are not pharmaceuticals but medical devices, which we now can sell in our new markets in Europe, and that was also part of the Biomedica acquisition.

Since most of AddLife’s products are sold via public procurement, what is the key behind constantly winning public contracts?

You should, of course, have an attractive offering. I must also say that the public sector starts to learn that prices are not the most important factor if the objective is to obtain quality products and top-class treatment for patients. AddLife is a niche quality player, so they know that we can provide fantastic products and know-how, which is essential for both hospitals and researchers.

Trust is a key component of the healthcare industry and our reputation helps. That is why companies want to be part of the group and suppliers wish to work with us. A commitment to sustainability is a natural part of AddLife’s DNA.

What are some specific measures AddLife has taken to contribute to a sustainable future?

We always ask ourselves how we can do business right while taking care of the planet. The group has been thinking about sustainability for 50 years. It all starts with a human perspective; it has to be a mindset and you find that in AddLife. The most important thing in regard to sustainability is to take care of our employees, and our code of conduct reflects that. Our culture and ways of working is sustainable.

Since many of our products are bought with public money, we have a higher degree of accountability, something we regularly discuss internally. Sustainability also means that we have to be long term profitable to continue investments in a sustainable business.

AddLife is mostly a distributor, so we do not manufacture that much and our environmental impact is in the products that we distribute and in transportation. We focus of course to always reduce the negative impact in these areas as much as possible. For example, we sell a large number of plastics in the Medtech sector, but we only use PVC-free plastics, which is an environmental statement we did years ago.

Where do you see AddLife in the next five years?

I have an extensive background in finance, so I always begin by looking it from that perspective. AddLife aims to help people live better lives in the long-term, but talking about financial objectives, the most important one is to have a profit growth of 15 percent per year; not revenue growth. That entails doubling in size in five years. During the past three years, we have already doubled. The plan is to continue being a leader in interesting niches, contributing to research and making sure we have a better healthcare system. We will accomplish it by developing the businesses we already have and add more smart acquisitions in the Nordics and the rest of Europe.

The future looks bright, but we must adapt to technological advances, as well. There are endless possibilities, especially in the diagnostics field and within homecare, to help people through innovation. I would like to see a society that goes from taking care of sick people to focus on preventing disease. There are already many tools in the market today, you just have to look further. Sweden has the potential of being at the forefront of that paradigm shift, but it needs to be able to respond quicker.

While there are more women CEOs in life sciences than in other industries, there is still a lot of room for improvement. What should the industry do to foster greater equality?

When the time comes to search for a new leader, companies need to be more open-minded. My reflection is that it seems like men usually feel more comfortable hiring another man, but women have a different way of thinking that gives a new or different perspective. For me, equality is not just about men and women; it is also about different backgrounds and culture. Sweden has had many immigrants arrive in the past ten years and we should be welcoming their abilities and ideas. We must change the way we perceive leaders to be, there are many people that do not fit the standard box but can do incredible things.

Going back to women, in particular, they also have to dare take the next step; if someone asks, they must say yes. I know that many women with children want more time with their family, which of course is understandable. I became CEO when I was close to 50 years, which was fantastic because my children were already grown-ups, so I had the time. I would probably not have said yes if they were still very young. The point being, not everything has to be done in your 30s and 40s. Life is fantastic after 50.

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