Fotis Kalantzis – General Manager, Perrigo Romania

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Fotis Kalantzis, general manager for the Romanian affiliate of OTC medicine and food supplement specialist Perrigo reveals how the switch to a consumer-centric model was inducive to winning an IQVIA award and receiving the highest engagement recognition in the group. He shares his insights on local trends that are driving the demand for OTC products, and identifies food supplement as the main growth area. Kalantzis also contextualizes the importance of the affiliate, reflecting on the potential of the country as a driving force in the South-East European cluster.

Can you introduce yourself and the activities of Perrigo here in Romania?

I joined Perrigo five years ago and started my career in Belgium as a global brand manager and enhanced my responsibilities by becoming the global category manager analgesics and cold and flu. This was around the time when we acquired new products from GSK. After being transferred to south-east Europe as regional marketing director, I moved to Romania to lead the affiliate.

In Romania, as in most countries around Eur0pe, Perrigo markets OTC products, medicines, food supplements and medical devices. The affiliate is a leader in cold and flu, vitamins and some niche categories such as head lice products and follows the typical distribution model to provide them to consumers. Perrigo works with all the distributors in the market and our products are being sold by national and regional pharmacy chains as well as independent pharmacies

What are the market trends and dynamics that are shaping the over the counter (OTC) business in Romania?

The OTC market is not subject to clawback or referencing pricing, hence it is driven by GDP growth and consumption. Romania is the fastest growing market in Europe, but it is still very traditional as the e-commerce boom has yet to come. The steady growth and the untapped potential attract new competitors into the market making it one of the most dynamic sectors in Romania. A lot of investments are made in innovation launching new formulations to the market. Consequently, Perrigo and other companies are taking advantage of this economic boom to launch many new products to meet the demands of consumers.

What are some of the products that you have launched since your tenure?

Perrigo had significant launches in many categories, one of which was a medicinal product called Coldrex Plus Cough. The innovation of this product is that it can treat cold and flu symptoms, but also help patients who are suffering from coughs. We also introduced Solpadeine Extra a highly effective pain reliever, and Calmogen Complex, a mood enhancer that relieves stress and helps restore emotional balance. For women's hygiene we launched Lactacyd Oil, and for children's wellbeing a Vitamin C syrup, under our leading local product Ascovit.

In which segment do you see the growth coming from?

Romanian people are following the global trend of taking a more proactive approach to maintaining their health. Hence, we see an uptake in the supplement and vitamin business. These segments are more sustainable for the growth of the company, as they are not seasonal or reactive as with flu or pain medicine.

In the end, these products treat ailments and cannot be categorized as prevention. However, food supplements and medical devices are, and this also represents us as a company. Perrigo's new vision is "to make lives better by bringing quality, affordable, self-care products that consumers trust everywhere they are sold". Prevention is probably the most important aspect of ''living better''.

How does Perrigo set itself apart from other competitors in the market?

The most important thing is the company’s values. The vision of who we want to be, what we want to do, and how we want to do it is entrenched in the company. For us, there is a clear direction of what we want to achieve, which might not be the case for other companies. This helps us with finding the right talent and rallying people behind a common cause.

Most of the companies have a substantial Rx or generic business, and this might create a conflict of purpose. Their approach to the market and its customers becomes different depending on what they sell.

Perrigo has a clear vision and mission, which helps focus everyone’s efforts. Additionally, the organization benefits from a wide array of products across the globe, of which, it can select and bring to Romania. The launches that the organization does are in line with the social responsibility of the company: giving new preventive methods to consumers.

How does the portfolio of Perrigo here in Romania compare to the ones in Western Europe?

Each affiliate around the world has its unique portfolio as we have adopted a “glocal” approach. There are corporate global brands that have been launched across Europe and many others that are marketed locally. Romania is no exception, the food supplement portfolio, and the brands present, are unique in the Perrigo group. For instance, our biggest food supplement is named Vitamax whilst in the Netherlands, it is Davitamon: different name, different positioning, different equity.

Our approach to building the portfolio is embedded in investing in the similarities of the existing and successful products, rather than on the differences.

What factors contribute to a good product launch for Perrigo in Romania?

First and foremost, the need of the consumers drives the success of a product. Hence, Perrigo tries to deliver meaningful innovations that are compatible with the needs of the local market. Social media and sub-standard access to medicines are inducive to Romanians being more aware of their health and using prevention as a supportive tool to enhance their wellbeing.

For the company, a good launch means to expand on adjacencies to facilitate the product uptake by customers. Brand recognition and loyalty are very strong in Romania, hence building on existing

and trusted products facilitates its adoption in the market. Additionally, you must indulge in above the line advertisement, like TV and radio, but also digital, to spread awareness in the market.

What has been your strategy in growing the business in Romania?

One of the first things on my agenda was to implement a more consumer-centric approach in the market. Perrigo has traditionally been a benchmark for customer centricity, so the idea was to focus more to the end consumer. Hence, we invested more on the consumer itself, honed on the quick wins, advertised more our flagship brands and invested in consumers education.

Where do you see the potential of growth coming from?

The biggest potential lies behind prevention, thus the food supplement business. Additionally, as GDP keeps on growing, so too will all OTC products. From a channel perspective, e-commerce will be an important growth pillar in the years to come.

How important is this affiliate for Perrigo's regional presence?

Romania is clustered in with the Central Eastern European countries, and today it is the 2nd biggest country in terms of turnover after Poland. Looking at the macros, growth-wise, Romania has the biggest potential in the cluster.

What are the milestones that you have set yourself for 2020?

After two years of successful growth rates and achieving our targets, this year will validate, whether this growth can be sustainable. This will be my third year as GM, and the most important one so far. Expectations for the Romanian business are very high, and the team and I are focused on achieving another year of solid growth.

Furthermore, as an organization, we want to increase our predictability with constituents across the globe. There needs to be a red thread between the values, the missions, and the deliverables.

Are you planning to launch new products this year?

We are planning to launch new products in March this year as well as in different categories. Furthermore, we want to build on adjacencies and take advantage of the heritage to create value for our customers.

What “personal touch” have you brought into the organization that has translated in these great results?

I tried to bring the spirit of entrepreneurship and empowerment into the organization. People are the most important asset of an organization, and I tried to make people speak up and bring forth new ideas. At the core of a successful company, are people that openly communicate and that are proud to work there.

From a business perspective, we switched from a customer to a consumer-centric model, which was used the previous years. We focused on consumer research, trends and needs, launching more innovations, and investing more in above the line advertisement. Since being here, we launched seven products and these combined elements, have paid off well.

If you were to leave the country tomorrow, what advice would you give to your successor?

Romania is a great country to live and do business in. People like me who have come here have not regretted it.

What has been your proudest achievement as GM?

There have been two instances of which I am the proudest. The most important one was the internal recognition by the group, that Romania had the best enablement and engagement results for Perrigo across the globe. This is an indication that the people are happy, engaged, and motivated.

Furthermore, in October 2019, Perrigo Romania received the IQVIA Award for “Best Performing Consumer Healthcare Company” in the market. This award summarizes the collective efforts of the team to grow the business sustainably.

What makes me happy is how the team received internal and external appreciation for their efforts. This is a recipe for keeping the team highly engaged and motivated when their hard work has been recognized.

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