

Mission Impossible: the Perfect Business Plan for Long Term Success

Interview with **Iulian Trandafir**, CEO - Farmexpert



Q: What is your view for the pharmaceutical industry and what expectations do you have for 2019? Which are the main challenges you perceive now in your industry?

Iulian Trandafir: The Romanian pharmaceutical industry is confronted with a few main challenges: the biggest one is methodology for calculating the prices of medicines that generates medicines shortages. Generic products' prices are affected drastically and disappear from pharmacies. Another challenge is calculating "clawback" tax. Creating a long term or even a medium term business plan becomes almost an impossible mission. Farmexpert has partnerships with all pharmaceutical manufacturers who activate on Romanian market, but unfortunately, more than 2,200 products disappeared from the market in the past years, because of these methodologies.

However, there is a constant growth in sales due to the launch of two hepatitis C drugs under a cost-volume agreement, but also due to launch of new innovative molecules with high prices. Another source of market growth is represented by OTC with more than 14% in 2018 vs. previous year. Farmexpert developed well in last years, especially due to innovative projects as Alphega. Alphega Pharmacy is a leading European network of independent pharmacists, whose aim is to improve the health and wellbeing of communities by delivering a future vision for independent community pharmacy. The membership of Farmexpert at Walgreens Boots Alliance - the first global pharmacy-led, health and wellbeing enterprise, is offering access to many international tools.

Q: What has been your company's dynamic for the beginning of 2019? Which is the main news for your clients?

Iulian Trandafir: For Farmexpert, the first months of 2019 have consolidated our position on the market, bringing very good results in all divisions of the company, and being a trustful partner for our clients - retail pharmacies and hospital pharmacies, but also for pharmaceutical manufacturers. All new projects have been successfully implemented.

Of course we have similar problems as all other companies in Romania in finding the personnel. It's more difficult to find people to work in distribution, even if you offer a list of many benefits.

Related to main news for our partners, we have in plan a rebranding process from Farmexpert into Alliance Healthcare. Pharmaceutical Wholesale Division, which mainly operates under the Alliance Healthcare brand, supplies medicines, other healthcare products and related services to more than 110,000** pharmacies, doctors, health centers and hospitals each year from 291* distribution centers in 11* countries.

Our wholesale businesses seek to provide high core service levels to pharmacists in terms of frequency of delivery, product availability, delivery accuracy, timeliness and reliability at competitive prices. We also offer innovative added-value services which help pharmacists develop their own businesses. This includes membership of Alphega Pharmacy, our pan-European network for independent pharmacies.

Q: You are part of a large international organization, doing business around the world. How does "Slowbalization", the new economic reality, translate for your industry?

Digital technologies fundamentally transform organizations, while the pace of technological change exacerbates the challenge.



INSIGHTS FROM BUSINESS LEADERS

Iulian Trandafir: It's normal that a big company to move slower and a small company to be more agile. "Slowbalization" is a natural process and even if it had not this name, it existed in different forms in nature. Being a part of a huge group offers access to information, to data and sometimes to know how. Of course, each business depends on the regulations of the country where it activates, but the development is common and the values are shared. The most important benefit is we can learn from each other.

Q: How does the workforce crisis and fiscal regulations affect your business and the industry sector in which you operate?

Iulian Trandafir: Unfortunately, in Romania I think the emigration was encouraged in last years, more than 200,000 people leaving Romania every year. The active population emigrates and of course, all Romanian companies are affected. It is more difficult for us to recruit employees, but we try – through the benefits we offer – to be a good employer. Also, the fluctuation of personnel as workers, drivers is higher than a few years ago.

Q: What is the impact of the technological transformation on your company, on your industry and in addressing your clients' needs?

Iulian Trandafir: We have a plan of digitalization in our company with a clear objective to increase the efficiency of the teams. Implementing new digital solutions support employees' activity and contributes to company's growth. We live in a new digital era and of course we need to adapt ourselves to the technological transformation. Digital technologies fundamentally transform organizations, while the pace of technological change exacerbates the challenge. Organizations must have a coherent strategy that includes a plan to reskill workers. Whereas previous technological revolutions (most notably the industrial revolution) played out over a relatively long period, the speed of digital transformation is such that businesses need to move quickly.

Q: As a manager, you must also lead the transformation process. How do you do it in your company?

Iulian Trandafir: A company is in a continuing process of transformation, it cannot be frozen in time, otherwise it disappears. In Farmexpert young employees work together with very experienced employees. All of them have to achieve the common objectives of the company and have to collaborate. A company with many procedures is not moving very fast, but it creates ways of collaborative working and



Whereas previous technological revolutions played out over a relatively long period, the speed of digital transformation is such that businesses need to move quickly.

offers solutions to almost all situations. The digitalization process is not so easy to be introduced in a company with almost 1,200 employees, and for us it is clear that not everything can be digitalized. Human interaction is crucial in people management, in connection with our clients and with our partners, in understanding the needs of our employees and in communicating the common goals.

Q: What's your "Be careful at..." advice for the managers of large local companies and entrepreneurs in 2019?

Iulian Trandafir: "Be careful at employees" would be an advice for the managers of large local companies. Without good teams, no one can achieve good results. Employees should be engaged and objectives of the company should become the objectives of employees.

Q: Going personal now, how do you prepare for permanent self-improvement as a leader? How do you get out of your comfort zone? How do you find the right work-life balance?

Iulian Trandafir: A leader has to read all the time, it does not matter if it is literature or specialized books. A

leader has to attend courses all the time, to learn something new, even when he/she thinks he/she knows everything about a subject. For example, these weeks I attend Communication School for my self-improvement. Last but not least, a leader has to communicate with employees from all levels, and to understand their problems. This is an important source of self-improvement for a leader. Moreover, a leader should be curious – about business and about people.

Q: Which are, in your view, the main qualities of a good strategist, leader of a top company in Romania?

Iulian Trandafir: When you are a leader of a small company, you need technical skills, you need to be good with numbers, but as a leader of a big company, you need to have empathy, interrelation skills, in addition to technical skills. This is the only way to assure growth of a company and to develop the teams. A leader of a top company should know how to motivate people and should accept that sometimes people can do mistakes. In addition, a leader of a top company should leave the people to do their job and to trust his team.



Farmexpert D.C.I.
Amilcar C. Sandulescu 7, 060859, sector 6, Bucuresti
Tel. +40 21 407 7711, Mobil +40 740 180 479
Member of Walgreens Boots Alliance

