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## Ovidiu Buluc

Farmexim

After more than 25 years of experiencing fully functional market economies, countries in Central Europe are beginning to create robust family businesses with second-generation involvement. One of those, and one that offers a great example to businesses throughout the region, is the Romanian-based pharmaceutical group Farmexim. Started by Ovidiu Buluc in 1990, Farmexim is today among the biggest pharmaceutical companies in Romania. It is also transitioning to second-generation ownership and control – with Ovidiu’s two daughters Isabelle and Alina moving up the ranks and taking key roles within the business.





**"Sometimes, you need the vision, hard work and passion of a founder to take the business forward."**

**Ovidiu Buluc,**  
CEO, Farmexim

When Romania was moving from the command-type economy of Nicolae Ceaușescu's notorious communist dictatorship to a market-based one, many new companies were set up. One of these was the pharmaceutical group Farmexim, founded in 1990, which not only survived the transition period but thrived – and is today one of the country's most successful businesses. Still under the control of its founder Ovidiu Buluc, Farmexim is nevertheless very much a family business, with his two daughters Isabelle Iacob and Alina Barcaru in senior positions in the company.

Twenty-seven years after it was founded, Farmexim is one of the country's biggest pharmaceutical groups, with revenues of €545 million in 2016. Besides the distributor, there are two other companies in the group: Help Net, a nationwide chain of pharmacy stores; and Green Net, an importer and distributor of cosmetic products and nutritional supplements, which includes a perfumery chain. The entire group employs around 2,500 people throughout Romania. Farmexim distributes its products through 12 big warehouse complexes that are spread across the country. "This makes it possible to meet our customer demands very quickly," says Ovidiu. "Distribution is everything for a business such as ours."

Farmexim was originally created as a state-owned company to support the efforts of Romania's Ministry of Health in importing pharmaceutical and medical equipment. Ovidiu says he was employee number one in the newly created business, and he adds that he got the job because of his wide experience. Three years later, in 1994, Farmexim became a fully privatized business, with Ovidiu as the main shareholder. At around the same time, Farmexim dropped the medical equipment side and moved exclusively into pharmaceutical distribution to pharmacies, hospitals and health centers throughout the country.

### Sister generation

Success in pharmaceutical distribution led Farmexim to set up Help Net in 1998. A year later, on the back of its success with Help Net, Farmexim launched its cosmetics distributor business under the Green Net brand. And a few years after that, Green Net started its Beautik Haute Parfumerie chain of stores. During that time, Ovidiu's two daughters came into the business. Isabelle, the elder of the two, joined in 1994 and concentrated on sales and marketing. She set up Help Net as an Executive MBA school project and currently manages the chain of more than 200 pharmacies nationwide. Three years



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Ovidiu is pictured with his two daughters: on his right is Isabelle, currently Head of Help Net; and left is Alina, Executive Director of Farmexim.



later, in 1997, Alina joined the IT part of the business and moved through various departments before, like Isabelle, taking on a more senior role. Isabelle is currently Head of Help Net and Alina is now Executive Director of the distributor Farmexim. "Farmexim is, for me, a life story. This is the place where I made the first steps into my career, and improved gradually to get to where I am today," says Alina. Both daughters sit on the board of directors, along with Ovidiu and five non-family members. When it comes to other governance structures, Ovidiu says these are for later generations to add. "For now, I am the family council."

In 2014, Farmexim opened its state-of-the-art distribution center in Balotești, southeastern Romania, where it now has its operational headquarters. "Balotești is one of the most important logistics centers in Romania," says Ovidiu. "It has achieved the highest European standards of performance and features the latest technology. It was also an investment of €16 million, which has been turned into a benchmark for the domestic pharmaceuticals industry." In 2015, the company celebrated its 25th anniversary and a new warehouse was set up in Timisoara, in the western part of the country.



Help Net, a nationwide chain of pharmacy stores, is a company in the Farmexim group.



The other company in the group is Green Net, an importer and distributor of cosmetic products and nutritional supplements, which includes the Beautik perfumery chain.

## Putting business first

One of the competitive strengths of Farmexim, which is so often the case with family businesses, is that all the company's profits were reinvested back into the firm during those early years. "We very much had the mentality of investing now for a return in the future," says Ovidiu. Another important factor in Farmexim's success is its ability to make decisions very quickly. "That is one of the secrets of running our business," says Ovidiu. And his own entrepreneurial skills and his determination to drive the business forward have made a major contribution. "Sometimes, you need the vision, hard work and passion of a founder to take the business forward," Ovidiu says.

All Farmexim's stakeholders play an important role in its success as well, which is a point Ovidiu is keen to emphasize, particularly when it comes to the company's employees. "We take a lot of care with the people of our company," he says. "After all, without them, I cannot do anything." He adds: "Our whole activity is dedicated to the improvement of people's well-being, which is why we are concerned with our employees, and their professional and personal development."

“The system of ownership has worked well for us and will continue to do so. As long as we have happy clients, the business will continue to prosper.”

Ovidiu Buluc



Farmexim, founded in 1990, is one of Romania's most successful businesses.

Farmexim is also a big contributor to the wider community it works in and, in 2012, it set up the Help Net Foundation. “It was created from our desire to get involved even more in the life of the community by organizing charitable actions that make a real contribution in fields such as social, animal and environmental protection.”

What about the future for Farmexim? Does Ovidiu think that it will continue to be a family business? “Of course. The system of ownership has worked well for us and will continue to do so,” he says. And he adds: “As long as we have happy clients, the business will continue to prosper.” Certainly, the legacy Ovidiu has created and continues to develop is as good an example as any for the future generations of Farmexim's owners. Ovidiu can be very proud of that – and much else as well.

## Ovidiu Buluc

CEO

Company name: **Farmexim**

Generation: **Second**

Founded: **1990 in Bucharest, Romania**

Industry: **Pharmaceutical**

Employees (2016): **2,500**

Revenue (2016): **€545m**