

# Entry into the market of medical cosmetics

## "We'll mix that for you"

Some ointments and drops that doctors prescribe are still manufactured in the pharmacy. The bases for these mixtures are produced by a company from Saxony-Anhalt. After the German reunification in 1990, PKH Halle did not just impress the pharmacies of Eastern Germany: Virtually all the pharmacies of the state's university hospitals and some hospital pharmacies in Switzerland regularly order compositions from the "Apomix" brand.

"As soon as you're in the red, we'll shut you down." A clear announcement – but it didn't trigger fear in Hiltrud Neidhardt. It was 1991, when the Halle citizen decided to establish the crosssectoral departments of the former "Pharmazeutisches Zentrum" (pharmaceutical centre) as a GmbH (limited liability company) with the trust as the chief partner. And she stuck with that: No fear of new paths. **Today, the 71-year old manages a company, valued by pharmacists throughout Germany** – and even frequently "produces in line with the good old GDR standard formulae, which we should not be ashamed about."

But Hiltrud Neidhardt is in no way living in the past, quite the contrary: She occupies a very profitable niche with her company, PKH Halle. And also because she has repeatedly invested money and tried out new things. "From the very beginning, we have had fixed customers, many of which we have been supplying for 25 years. This has always bolstered us," says Neidhardt.

A glance back in time explains a lot: With the Unification Treaty, all pharmaceutical centres, the service providers of pharmacies, were broken up. They manufactured base formulae and controlled the basic materials for mixing ointments, oils and drops before they delivered these to the pharmacies. Suddenly, the pharmacists were on their own. Hiltrud Neidhardt, then the head of the crosssectoral departments in the Halle-Neustadt centre, took on all the employees, the mixing machinery and testing devices and began to supply the pharmacies again.

"We quickly reached our limits when it came to order processes and deliveries," Neidhardt remembers. Increasingly, she handed over the logistics to pharmaceutical wholesalers, who in turn recommended the products to their existing customers. **"Our basic formulae were sought-after: Lots of doctors still prescribed them because they were familiar."** Word quickly spread throughout the whole of Eastern Germany: In Halle, there is one company which produces in line with GDR standard formulae.

In 1992, Hiltrud Neidhardt bought the company from the trust, and also took over a Wolfen-based company and its employees in this move. She did not let anyone go: "We needed every hand." Shortly before the turn of the millennium, when the new production site had been completed, Neidhardt wrote another chapter in the success story of PKH. **"Because we work in cleanrooms, we were able to further increase the quality of all products."** Sterile oils, ointments and drops for use in eyes or operating theatres are now developed in the company's sterile department. The company has found its niche in completely preservative-free ointments and base recipes. "This makes us unique on the market."

The new technology had its price: With four million Deutschmarks, a big impact on the budget was made by the new build, which Hiltrud Neidhardt had built in 1998 on the **weinberg campus, East Germany's second largest science and technology park**. The Martin Luther University of Halle-Wittenberg also concentrates its scientific sectors here, so that research and application go hand in hand. PKH Halle also benefits from this proximity: More and more pharmaceutical students work in the company, who deal with any emerging questions as part of projects.

Thanks to subsidies from the state of Saxony-Anhalt, the investment into the building was possible. While about half a tonne of ointment bases was manufactured per month at the beginning of the 1990s, this was already two tonnes per month in 1998 – this year, employees are already producing ten tonnes per month. They are filled into about 4000 different packagings, from the 10g box or 10ml bottle to 25kg ointment barrels. Since 2004, the products have had the brand name "Apomix".

With the use of computer technology and further machinery, it has been possible to slowly but continually expand production. PKH Halle is in good company in this respect: **Countless regional companies of the pharmaceuticals industry, such as IDT Biologika, Oncotec, Pharma Wernigerode and Bayer Bitterfeld, are currently expanding their production capacities.**

Axel Neidhardt, who will be taking over parts of the business from his mother in the coming year, is already thinking ahead. "We are still a factory. We have to expand because then we will have more leeway in our negotiations with wholesalers. We can calculate for large purchase quantities differently." This is why there is a new warehouse on the grounds, and there is financing in place for an even larger mixing plant.

Customers of the Halle-based company have long since expanded to include mainly hospitals along with pharmacies. Hiltrud Neidhardt explains that their clinic-based pharmacies have a big demand on base formulae for ointments, oils and drops, which they then adapt specifically to in-house requests. "It is not worth it for these pharmacies to keep all the necessary active ingredients in stock. That is again our niche."

This is also how the Neidhardts got onto the Swiss market. "Hospital pharmacies", says the boss, smiling as she imitates the Swiss accent. The strong Swiss franc makes the prices of PKH Halle extremely attractive. The entrepreneurs are also hoping for good business in terms of Germany's operating theatres. In a research project, doctors from the university hospital in Greifswald are testing creams which surgeons use as skin protection. Treated in this way, hands are easier to put into gloves, do not dry out in them and still remain sterile. "The Charité hospital is very interested in this test. That would, naturally, be something," says Hiltrud Neidhardt.

And another "something" is already in the starting blocks. The Neidhardts will be presenting a new product at the "expopharm" trade fair in October: a sea salt-based cream. It should further open the door to the lucrative medical cosmetics industry. "Some of our ointments, for example for people suffering from neurodermatitis, have been available in the pharmacy as finished products for years. With our sea salt-based cream, we want to draw more attention to our competence in this field," says Neidhardt, the management graduate. His mother adds smiling that he did not just push on with modernising the technology of the company when he began work there in 2007. He also worked on its aesthetics. "Now, our products look really chic – your eyes also play a part in selecting the right cream."

Author and photo: Kathrin Wöhler on behalf of IMG Saxony-Anhalt

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