

# EXCLUSIVE INTERVIEW

## CARMEN RILEY

CHIEF OPERATING OFFICER, CH2

### PLEASE TELL US A LITTLE ABOUT YOUR PROFESSIONAL BACKGROUND.

Originally from Queensland, I completed my Bachelor of Commerce (Accounting and Finance) and went into a full-time role in this field following my degree, becoming a CPA. I was fortunate enough to have some great opportunities and after being encouraged to move into operational roles in project management, I eventually undertook operations management in supply chain. That really changed my career path and I'll be forever grateful for the encouragement and advice.

Most of that period was with Woolworths Supermarkets, after which I moved on to a business in consumer healthcare called Intouch and was initially appointed as CFO, then CEO. The business was eventually sold to Clifford Hallam Healthcare (CH2), where I've been fortunate enough to be provided with the opportunity to lead teams across all divisions, before being appointed to my current role as Chief Operating Officer.

This role involves leading all customer-facing functions, including the five sales business streams, marketing and customer service as well as procurement, data management and business intelligence.

### CH2 HAS AN INTERESTING STORY BEHIND ITS ORIGINS. CAN YOU SHARE THIS WITH OUR READERS?

Clifford Hallam Healthcare will be celebrating its 80th birthday this year, so the company has extensive experience within the healthcare market. Our origins are in the distribution of pharmaceuticals and medical supplies to hospitals. This has branched out over the years into aged and community care, primary care, veterinary as well as contract logistics.

What is relatively new is CH2's ownership. In 2015, David Collins and Peter Lacaze acquired the full shareholding of CH2, which at the time was predominately held by API and Allegro Private Equity. This was a pivotal time for CH2 as David and Peter had a very clear vision for the company and didn't waste any time implementing their strategy. During their first year of ownership the CSO [Community Service Obligation] applications were released and our team did an enormous amount of homework to ensure we were ready.

Our wholesaling experience, together with a very passionate team saw our successful listing as a CSO wholesaler on January 1, 2017. The passion that is behind Clifford Hallam Healthcare has driven our retail pharmacy division to grow rapidly into being our second largest division within 12 months, and we predict that it will be our largest division within the next three years.

(Note: Clifford Hallam Healthcare is a national wholesaler into hospitals, retail pharmacy, aged and community care, primary care and veterinary. It is listed as one of the top 35 private companies in Australia - IBS).



### WHAT MAKES CH2 DIFFERENT FROM ITS COMPETITORS?

One of our key differences is that we're an independent privately-owned Australian company. Our focus is purely on wholesaling as we have no interest in competing with our customers. We don't do the "value adds" that many wholesalers portray, which just add cost to customers, but we're a true and trusted wholesaler and share our success in driving a very competitive price to the market. Being independently owned and operated, CH2 understands that choice and flexibility are important to pharmacies.

I know it's a cliché to say, but the truth is our team is also our point of difference. You must have a bit of grit to stay the distance at CH2, because generally the roles are dynamic, and the pace is fast. As a business, one of our keys to success is about being agile and responsive and that in turn requires a team that has the same attributes. It's not for everyone, but we have the flexibility to test the market, not to be afraid to fail, and to drive innovation.

We're at a very fortunate time in our history to have growth as our biggest challenge – it's coming so fast we're focused on keeping control of it and managing it well.

### YOU RECENTLY MOVED TO A NEW DISTRIBUTION CENTRE IN KEYSBOROUGH, MELBOURNE, DOUBLING IN SIZE FROM YOUR DANDENONG FACILITY. IS THIS INDICATIVE OF THE SUCCESS CH2 IS EXPERIENCING AND ARE YOU PLANNING TO EXPAND OTHER DISTRIBUTION FACILITIES IN THE COUNTRY?

Yes, as mentioned earlier, in 2017 we were appointed as a CSO distributor. While CH2 had been supplying community pharmacies for many years through our contract logistics division, we felt it was important to seek out CSO distribution to provide an alternative for our community pharmacy customers. The reaction from the market was both overwhelming and humbling.

There was clearly a need for an alternative and we've already developed some wonderful relationships with pharmacists, who've been incredibly supportive to us during our transition phase. Initially we went live with ethical products, but we have now expanded our range to include full OTC and front-of-shop lines. To accommodate these additional lines and the rapid growth, we had to expand our footprint.

Our new Melbourne site is 20,000sqm and we've also expanded our sites in South Australia, Western Australia, Newcastle and Sydney. We're very fortunate to have this fantastic growth and it's exciting to have it as our biggest challenge at this present time.

### YOU HAVE ALSO JUST LAUNCHED A NEW OTC RANGE. WHAT CATEGORIES ARE COVERED IN THE RANGE AND WHAT IS THE POINT OF DIFFERENCE FROM OTHERS IN THE MARKET?

We now have a full OTC range across all categories in the retail pharmacy sector. Our point of difference is that we're an independent partner that will truly work with our customers to meet their supply needs.

### HOW ARE YOU PLANNING TO SUPPORT THE NEW OTC RANGE?

We will support this range the same way we have supported all our ranges within the healthcare industry over the past 80 years, with high levels of consistency and customer service.

We have also established a new category management team to ensure we have all the up-to-date best-selling OTC lines available to pharmacies. In addition to our category management team we have a team of in-field account managers and the team in our call centre are specialists in pharmacy. Further to this, we have the distribution network across Australia to ensure seamless delivery to our customers.

### THE PAST FEW YEARS HAVE BEEN PARTICULARLY BUSY FOR CH2. WHAT IS YOUR VISION FOR THE IMMEDIATE AND LONG-TERM FUTURE?

While it has certainly been exciting to launch fully into retail pharmacy, we have four other divisions that have been very successful for CH2.

We've also had fantastic growth in the non-acute space and this really

cements our vision to be the preferred supplier within the healthcare industry. We're the partner that's easy to do business with and truly partner with our customers, we are not just box movers.

### WHAT SPECIFIC HURDLES DO YOU FACE IN THE PHARMACY CHANNEL AND HOW CAN YOUR PHARMACISTS GET ON BOARD TO OVERCOME THEM?

It's an interesting challenge to be the newcomer into a sector. While our customers and suppliers welcome it, we are still learning, and we are OK with that. With learning also comes new ways of doing business, so if our partners can embrace that, we'll be able to continue to offer them wholesaling that enables their business to prosper.

Of course, we're also trying to ensure we're building our brand awareness. We're a national full-line CSO, OTC and front-of-shop wholesaler. We partner with all major suppliers and we have the distribution network across Australia to provide the service to pharmacies.

We have the most amazing team of people who are very excited to be servicing this sector and I can assure you that our customers are our number one priority. Our main hurdle is building awareness that we're a full-line wholesaler; not all pharmacists realise this or know that we're already a leading distributor in Australia.

We'll keep our feet firmly planted on the ground and continue to work exceptionally hard for our business partners.

### A MUCH-DEBATED ISSUE AROUND THE INDUSTRY, PARTICULARLY AMONG WHOLESALERS, IS DIRECT DISTRIBUTION. DO YOU EXPECT THIS TREND TO CONTINUE AND HOW CAN DISTRIBUTORS BEST DEAL WITH THIS SYSTEM?

I expect it to continue for some manufacturers. Of course, I don't think it's what the pharmacies ultimately want, as it adds cost to their business. It increases their workload and they don't receive the same level of service, due to the distribution not being governed by the strict CSO obligations.

Being the new entrant to the CSO, I can assure readers that the rules of compliance are monitored daily and that CSO wholesalers ensure that service is at the highest of standards. At CH2, we encourage open communication with our supply partners to ensure they see value in distributing their products through CH2 and efficiencies are shared. I do believe that if a product is listed on the PBS it should be available to all CSO wholesalers, to ensure that pharmacies not only have the high standard of delivery but also have choice of their supply partner.

### PHARMACISTS ARE HEALTHCARE PROFESSIONALS OPERATING IN A RETAIL BUSINESS ENVIRONMENT. WHAT ADVICE WOULD YOU HAVE FOR PHARMACISTS WANTING TO HAVE A SUCCESSFUL BUSINESS?

Firstly, I would tell them to call the team at CH2. We're a point of difference and committed to sharing our success through service and price. Like all good business partners, we want to grow and learn with ours. Every industry can change overnight; there are just so many variables. You need to remain agile and open minded, and, of course, take some risks, but don't just stay the same; your biggest threat is not always the most obvious. Find your niche and do it exceptionally well.

### WHAT INSPIRES YOU AND MOTIVATES YOU TO KEEP GOING?

The people I work with and our business partners, of course. It's very true you must love what you do. I've been very fortunate to work with a lot of amazing people. They're the ones who are always there, stopping at nothing to help and they keep you going. Ultimately, I'd never want to let them down, as that's what they do for me and for CH2 every day.

Just being grateful for how fortunate I am keeps me going. We live in a great country, our business has some amazing opportunities and I love what I do. The opportunities are endless and that's both inspirational and motivating. **rp**