

An eye for business

As Sauflon celebrates its 25th anniversary, **Rory Brogan** speaks to Alan Wells about taking over the company in 1985, its development and recent milestones

Alan Wells, who is marking 25 years at the helm of Sauflon in November, is more fired up than ever about his products and their potential and is clearly enjoying the competition of taking on global contact lens manufacturers.

Leading the way in this battle for market share is the company's one-day silicone hydrogel Clariti 1 Day in particular, as well as its Synergi solution, formulated for the fastest growing sector, SiH lenses. Then there are additions to existing products and a flow of new product launches in the pipeline.

In 25 years Sauflon has grown to a staff of 1,000, with state-of-the-art manufacturing plants in Ashford, for solutions and distribution, Southampton, for contact lenses, Budapest, for large-scale contact lens production and its global head office in Twickenham.

This is very different to the Sauflon of 25 years ago when it employed 20 people and had a turnover at purchase of next to nothing. At that point, Sauflon Pharmaceuticals had been the solutions manufacturing firm of the vertically integrated Contact Lens Manufacturing (CLM) group, which included a frame manufacturing firm and contact lens production.

Wells had already cut his teeth in optical sales with eight years as sales and marketing director at solutions company Contactasol, a role he took on his return from a stint in South Africa with his family. 'I liked what I saw in the contact lens industry and was very impressed with the growth – even in recessions the turnover kept growing,' he explains.

Prior to Contactasol's acquisition by CIBA Vision, (by which time Wells had built it to UK market leader) he began to search for his own solutions firm. In 1985, when CLM began selling off parts of its business, he bought and demerged Sauflon Pharmaceuticals out of the group, setting up an independent company



Alan Wells: worldwide opportunity for Sauflon

with a new board of directors and a new financial structure, as well as a policy of being optician-only.

'At that time, because solutions were under the Medicines Act, it took four years to get a product licence, so there was little point in starting up a solutions company from scratch,' he explains.

Quality control

At takeover the solutions plant was based in a cul de sac building in London's Earls Court and the concentration was on growing Sauflon's international side of business in the two years before it gained a

licence for its preservative-free Aerotab range. The soft lens regime launch and optician-only policy were advertised in *Optician* in 1987 under the banners 'Sauflon: One in the eye for the chemist' and 'Sauflon: One in the eye for the solution manufacturers'.

'Once the product licence was granted the next move was to relocate our solution manufacturing and in 1990 we acquired a pharmaceutical business in Ashford in Kent that was producing anti-nerve gas and injectibles, with all the necessary manufacturing regulations and controls. From the outset we agreed that we would manufacture our solutions to pharmaceutical standards which is more rigorous than the standards required for solutions and therefore by doing so we go over the top in quality control.'

Wells points out that by 1999 Sauflon was the market-leading solutions supplier in the UK, and by 2002 was outselling all its multinational competition put together. The Ashford plant has grown from two units to cover the whole of the estate and now produces over 3.5 million litres of solutions each year. All-In-One light is its most successful solution to date and the preservative-free Synergi, specifically formulated for use with SiH lenses launched in 2006, is also a market leader, with its anti-lipid action for comfortable wear.

He explains that building a successful solutions company was a perfect base from which to launch contact lenses, having generated the cash and the customer base from which to operate. 'We were viewed as a solutions company and it took a lot of work and time to be seen as a contact lens company as well.'

To get to this point, Sauflon built up its home delivery service for opticians, sending out in excess of 3.5 million lens and solutions packs a year. At the same time the company was selling in excess of 10 million monthly disposable lenses purchased from another manufacturer. In 2004, to get that share of the



market and, as Wells says, control its own destiny, it opened a contact lens manufacturing plant in Southampton, having purchased Concavex two years earlier. The first lens products were Sauflon UV55, Clear Comfort and NewDay in 2005, with the Bioclear family to follow in 2007.

Following the investment of over \$42m in the Hungary plant in 2007 the scene was set for SiH manufacture, beginning with the third-generation SiH Clariti Monthly in 2008, followed by Clariti 1 Day in 2009 (*Optician* 04.09.09). Wells describes the Budapest opening and the launch of the Clariti 1 Day as the company's greatest achievements. 'It is without a shadow of doubt a breakthrough for us and has opened doors and brought us the reputation and sales emphasis we needed. There were a number of different monthly SiHs out there but we've opened the door with Clariti 1 Day rather than following other companies through the door.'

He adds that in spite of the economic climate and the resulting difficulties in borrowing money for manufacturing, the Hungarian banks have been supportive, enabling Sauflon to add new capacity at the 145,000 sq ft facility. A further \$7.5m of equipment has been ordered, due for delivery later this year.

'The Hungarian government appreciate what we've taken to Hungary, but our financial director still had to work hard to get the investment,' says Wells.

The Hungary plant started off with two manufacturing lines, now has six and has the potential to expand to 18, driven by the daily disposables which Wells describes as being produced in enormous numbers. 'Hungary has delivered everything we planned – the whole idea was to reduce the manufacturing cost and we have been able to deliver everything we had hoped, which we could never have done in the UK.'

'Our manufacturing platform is unique due to the fact that all of our lenses are produced down the same manufacturing lines and we can switch according to demand, which helps to drive the costs down,' he explains.

Such is the demand that the contact lens business in just four years has overtaken the solutions side of business, growing at 40 per cent per annum year on year, even through the recession, and is estimated to continue to do so, eventually contributing up to 80 per cent of business revenue.

Product development

Wells describes the lifeblood of the company as new product development and points to the R&D facility at its Southampton plant. All the new lenses are developed and put into production here before volume transfer is made to Hungary. 'We've got a very robust R&D team with two professors, links with five speciality universities and joint venture development programmes with companies in associated fields.'

As to the future, there will be lots of additional products in SiH, including a toric and a multifocal as well as others including an antimicrobial treatment for lenses.

'We're tethering an antimicrobial treatment onto the surface, developing the ingredient and the method, which we will put onto lenses from 2011,' explains Wells.

He adds that Sauflon is also one of the few companies that is still carrying out extensive R&D into solutions, a market that is viewed as flat or going backwards due to the ever increasing demand for daily disposables. 'We've grown the solutions business every year and the advent of SiH lenses has given a new boost. We spend a lot of money and put a lot of effort into new solutions. The R&D focus is to continue improving existing solutions and at the same time looking at new products.'

On top of the R&D, Wells points to a strong management team that includes his three sons – David, Bradley and Gary – responsible for export sales, UK sales and the contact lens case company Optipak respectively. 'I am lucky that they all want to be in the business and all started at the bottom and worked their way up on their own merits,' he adds, while pointing that there is also an excellent board of directors/managers, all experts in their own fields and with a lot of experience in the contact lens business.

As well as his son David, who started out in the warehouse and has done virtually every job in the company, John Maynard, financial director and founder member and Jenny Clark, senior clean room supervisor, have also been with Sauflon from the very outset.

Global opportunities

Sauflon's aim, he says, is to be number one in solutions and lenses in the UK and number five worldwide, a privately-owned company competing with the multinationals with new and

creative products that are optician only.

'All throughout my career my motivation has been fear of failure and that keeps pushing you along. More recently I have to say that with the company and our products we have the tiger by the tail. I honestly believe we have the best contact lens in the world with Clariti 1 Day and must not waste that opportunity. It's a worldwide opportunity.'

'We have developed a low cost manufacturing platform and with the price at the correct level the target is to allow practitioners to upgrade their patients from an old hydrogel lens into more comfortable and healthier silicone hydrogel lenses for the same price or slightly more.'

On whether pressure from supermarkets and websites, as demand for Clariti 1 Day increases, would ever mean a change in its 25-year-old optician-only policy, Wells says it would never happen. 'It would be egg on our face. The eye care professionals are the gatekeepers. If they didn't recommend lenses that are widely available at discounted prices via the supermarkets and internet sites then these outlets would never be able to sell lenses. We're backing the gatekeeper. So yes, people talk of the growth of the internet, but it is still the optical practitioner who starts the patient and recommends product. We could never go down the other route.'

Having recently formed Sauflon Asia and Australia, adding to its other worldwide subsidiaries, the company is now researching the South American market, its last major area.

'We have gone from zero to a multi-million pound concern, and having been a company that produces me-too lenses, we're now a leading light in the contact lens field,' he says. 'When we were starting out I never thought in a million years we would go into contact lenses but now we're very happy to be involved.'

To mark its 25th anniversary, Sauflon is hosting parties for staff at all its sites, from Twickenham to Budapest, as well as thanking customers with product promotions for the rest of the year. There will also be an opportunity for many practitioners around the world to visit and see the scale of the Hungary plant.

On the question of how he maintains his enthusiasm for the contact lens industry, working as hard as the rest of the family, Wells explains he still gets a kick out of securing a good deal with a satisfied customer. 'The secret is to enjoy it, and I enjoy it.' ●