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**„ÖKOPHARM“ – HOW GOOD
CHANGE MANAGEMENT CAN LEAD
TO A COMPANY'S SUCCESS**

A Thesis

Presented to the Faculty of European University

In Partial Fulfillment of the Requirements for

The Degree:

BBA in International Management

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EXECUTIVE SUMMARY

The Thesis covers the subject of how a good change management approach can lead to a company's success. The author used a real life example, the Austrian pharmaceutical company "Ökopharm", which has become an innovative, competitive and profitable company over the past years.

Ökopharm is a small business pharmaceutical company in Austria, specialized in the production of OTC (over-the-counter) natural micro-nutrients that was founded in the nineteen eighties by Mag.pharm. Norbert Fuchs, a visionary pharmacist, owner and General Manager. The headquarter is located in Unternberg, the Lungau Region of Salzburg, Austria, since 1997.

In year 2003 the company found itself in financial troubles due to several reasons. With its deteriorating financial position, bank analysts believed that the company would run into bankruptcy. Hence, Ökopharm had to start with an immediate restructuring program and to restore the organizational health of the company. Ökopharm got support from external consultants from Minas Vienna, a firm specialized in restructuring and turn around programs. Soon they believed in the future potential of Ökopharm and the worthiness of a turnaround program in order to prevent bankruptcy.

To restructure Ökopharm an 'Action Agenda' was set-up whose objectives were to stabilize, repair, turn around, and win the game. With a detailed planning, an experienced change manager, a supportive change team, engagement and discipline as well as various restructuring processes, Ökopharm and its team finally won the game.

Moreover, in 2007 Ökopharm found a strong Austrian venture capital partner which invested in them and maintained their research and development work and provided capital reserves for buying back patents sold.

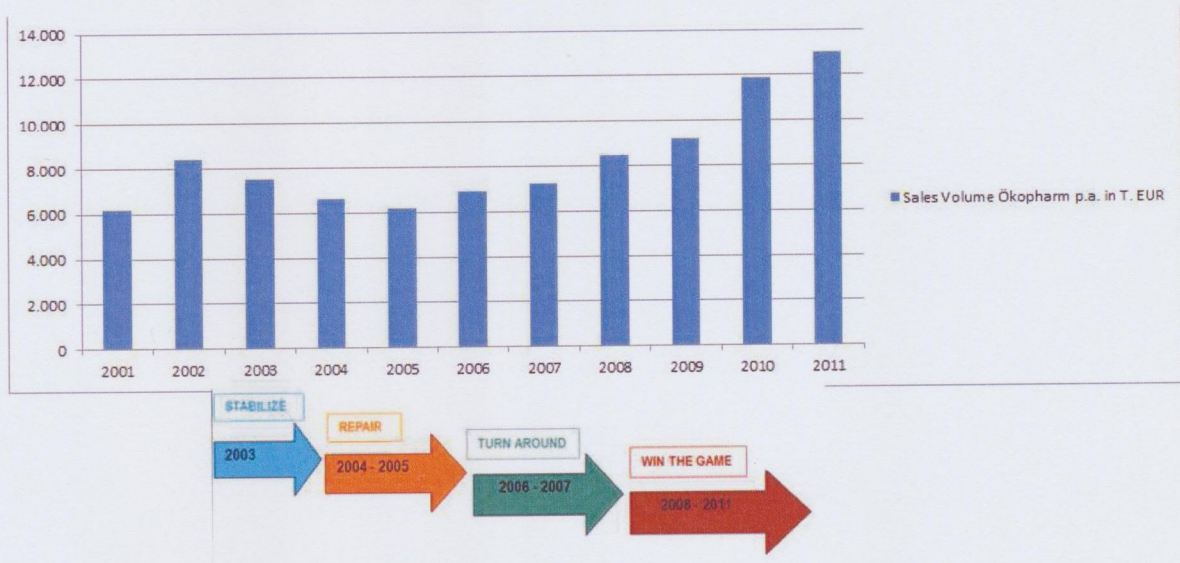
Today, Ökopharm is financially stable, owns more than 20 patents and is about to expand on the international market. In 2009, 2010 and 2011 Ökopharm was ranked at third place of the leading pharmaceutical companies in the Austrian OTC market.

In fact, winning the game could only happen through a realistic 5-years action plan and a systematic and practical turnaround phasing approach.

succession planning soon. Most responsibilities are borne by two important people: Mag. Fuchs and Mag. Martinak, the current two General Managers. Both have an extraordinary work experience and a certain charisma which of course is hard to copy. Anyhow, appropriate successors need to be found and educated soon in order to keep Ökopharm's innovative creativity, strategic thinking, profitable growth and company culture to an existing level.

In terms of how to measure winning the game the author prepared a table which clearly shows the winning part. When looking at the 4-phases model and combining it with annual sales of years 2001 to 2011 one can see that sales were typically growing after the repair phase following a linear curve, sometimes also called "hockey stick" curve. This is the "ideal" sales curve in business and also applies for the Ökopharm turnaround process.

Table 4: Sales growth chart combined with 4-phases approach



As Ökopharm wants to grow with expansion into international markets, it is necessary to constantly adapt to market trends and consumer needs. Constant improvement should be one of the future goals. Probably it helps to screen its own position by repeating SWOT analyses of main operations once a year. Secondly, the author recommends anchoring some of the turnaround measures into the management strategies as a preparation for future changes which allows to review and learn from the past change process.