

A Healthy Curiosity

Innovative Swedish healthcare and probiotics company BioGaia is utilising and commissioning leading research to explore the potentials for human health.

Images courtesy of BioGaia

With more than 20 years' experience in the healthcare industry, BioGaia is working closely with scientists, healthcare professionals, partners, and consumers to promote better health and provide illness prevention and treatment options for many digestive disorders. *The CEO Magazine* sat down with Peter Rothschild, founder and CEO of BioGaia, to discuss the company's evolution and its exploration of the diverse health benefits of probiotics.

The CEO Magazine: What led you to found BioGaia in the 1980s?

Peter: We were exporting organic fruits and vegetables from the south of Europe to Northern Europe, and when we did that we noticed that we had some produce that didn't keep that well. We were looking for some natural way of prolonging the life of fruits and vegetables, particularly vegetables like lettuce.

By talking to other people and friends, we heard that you could use microorganisms to kill off the bad bacteria so that the produce keeps for longer. We got in touch with this company in the United States and we were told that it would be a very long process and it would be very expensive.

However, one suggested that we could look into replacing antibiotics in animal feed. We started to explore that and we were excited about that opportunity because we already realised—this was about 20 years ago—that the problem was the antibiotic resistance and that it could be a really serious threat to people's health.

We saw that and that's really why we entered into the business. As we went along, we made progress and we were able to replace the antibiotics in animal feed. Then, when we tried to market it and sell it, our price level was too high and we had regulatory problems in Europe, and so on. We decided to go more into the human side and that was the very early times in functional food—adding healthy ingredients to normal food. Most of that was in dairy products like yoghurt.

We went into that field and we were quite successful in Sweden and other places. At that same time we started clinical trials on people, children especially, and when we got the results we noticed that our clients and the dairy companies weren't interested because they couldn't use it when they were marketing their products. That's really when we turned towards more medical-type products like supplements. We are still on that route and I think that's been the basis for our success.

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- Peter Rothschild

How have you developed BioGaia over the last three decades?

It really took off when we decided to focus on supplements and human health. Then, we asked ourselves how we could reach and educate consumers. We noticed that there was a lot of competition in the direct consumer marketing route and the big companies always have an advantage in terms of their marketing spend. We decided that we should really convince doctors, nutritionists, dietitians, and other health professionals that our products are superior by showing them the clinical trials.

We also realised that we couldn't set up a range of distribution companies in markets around the world, so we found distributors that could do the job for us. They already had the networks with the health professionals in place, so that was the start of the system we have today.

At the same time, we had to manufacture our products and we decided that we could do that with subcontractors. We also found that if we were going to develop our products and marketing we needed more science and more clinical trials. We developed a third network, in addition to our distribution and manufacturing networks, which focused on science. With these three networks we can >



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actually manage to stay pretty small in our team while expanding our product offering and reach. That’s really how we’ve built the business.

How do you work closely with key suppliers and business partners to stimulate success?

This is very important because the business is about building relationships. You build relationships with your end consumers, distributors, and suppliers. We work very long term; we try to make long-term agreements with suppliers, and we try to get them into our development process.

There is an open exchange, and over the years we have together built an extensive global network which all benefit from. Partnership and good relations on all levels is an important key for our success, both historically and for the future.

Where do you see the healthcare industry, particularly in relation to probiotics, going in the next decade?

I can simply speculate. What we already see is that self-medication has become extremely important. I think that with the demographic situation in most of the western countries this will become even more important. New research and medications are so expensive, so how can you finance the whole health system and ensure you remain as healthy as possible? I think the answer is that you have to start preventive work, like with some of our products, and also exercising and healthy eating.

The supplement business, in some countries at least, can be a pretty shady business, and I think that’s changing. A lot of companies, like us, are putting a lot of effort and money into producing really good clinical data that can convince consumers and doctors that this is a worthwhile investment.

What is your vision for BioGaia in the future?

I think we’ll hopefully expand with this mega trend, but what’s more important is that within the probiotic field we’re finding new research that talks about the importance of the microbiome, the flora that you have in the intestines which affects a number of functions in the body. Nowadays, the microbiome is regarded as another organ, like the kidneys or the heart. This means that there are so many new avenues and new applications we can utilise and work with. I am convinced that we are only in the beginning of an era in understanding the potential benefits that will come from probiotics, as prevention of illness but also as treatment of different conditions and symptoms in the future.

Our vision is that we’ll focus more on prevention and we’ll really help people to stay healthy, instead of just being treated when they’re ill. ◦

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