

Cerkamed of Stalowa Wola. From a workshop in a flat to 70 markets worldwide



The first product was dental visors. Magdalena and Wojciech Pawłowski screwed them together at home because they could not afford an office. Today, Cerkamed is taking over the former buildings of Huta Stalowa Wola to produce advanced dental materials for 70 foreign markets. It has 200 distributors worldwide. Over the past five years, the number of employees it has hired has increased from 30 to 130. And there are even more to come, as the Pawłowskis' company is rapidly growing. Could it have been any different for a keen kitesurfer?

Stalowa Wola is Wojciech Pawłowski's hometown. He was born here and his father worked at the Stalowa Wola steelworks. He also returned here after studying in Wrocław. 'It was there that I met my wife and persuaded her to come to the Podkarpacie region', says Wojciech Pawłowski. 'I studied at the Academy of Physical Education and am certified as a level II basketball coach, which means I can lead teams in the premier league. My wife holds a master's degree in rehabilitation'.

The knowledge and skills of a coach are very helpful in the management of the company. The CEO of Cerkamed reveals that he learnt the secrets of leading a team from professionals such as coach Jerzy Szambelan, who in 2010 was the first person in the history of Polish basketball to win the world vice-championship with the Polish youth national team. 'He is the man who influenced how I manage Cerkamed today. I use what I have learnt from him about ways to deal with people. I observe

similar principles in my team of workers as in a basketball team. A poor worker, like a poor player, does not seek contact with strong people, instead preferring weak ones’.

‘Our company is like a good team’, nods Magdalena Pawłowska. ‘We all play to one goal, and everyone knows what their role is in the team and is there to help the others. We don’t play solo here.

If there had been a vacancy for a basketball coach in Stalowa Wola, Cerkamed would probably not be conquering world markets today. Fortunately for the Polish economy, there was no such vacancy and the Pawłowski family, fresh graduates of the University of Wrocław, had to find another way to make a living.

For a good start, find a niche.

Wojciech was introduced to the industry by his brother Piotr, a dentist who now has his own large clinic in Łódź. ‘Since 1993, while he was still at university, he and a colleague from his dormitory had been producing dental visors’, says CEO Pawłowski. ‘They were cheap compared to foreign products, so he easily found a wholesaler who started ordering larger and larger quantities from him. When he became involved in the development of the clinic, he transferred the business to me. This was not my first venture as an entrepreneur. From the beginning, my wife and I wanted to run our own business. Immediately after graduation, we took up organising corrective gymnastics classes in nursery schools, from Rzeszów to Tarnów. **We had a pretty well-developed network, but we came to the conclusion that running this type of business consumes too much energy in relation to the profit made’.**

A better business idea was suggested to them by Wojciech’s father. Also an entrepreneur, who took up tile and fireplace production after years of working at the Stalowa Wola steelworks, he offered to produce a fireplace kit – a rope with glue to seal the door. ‘He suggested the idea, but did not believe I would succeed’, recalls Wojciech Pawłowski. ‘I had no competition at all, so when I went to the biggest wholesaler in Poland with a proposal for this product, I received an order. However, I had to accept tough conditions – a three-month payment term for the delivered goods. I was penniless, but I took a risk, borrowed money and started production.

It paid off. Throughout the years, the company making “fireplace cords” produced profits that helped to develop a more sophisticated successor, Cerkamed’.

‘Production for the dental industry seemed attractive to me from the start. My brother passed “ready markets” on to me – four wholesalers ordered dentists’

visors from him. When I went to a trade fair for the first time, I sold them all in one day, and it was, after all, a cottage industry at the time. My wife was moulding the frames over a pot and cutting out the film, I twisted them, with our one-year-old child playing next to me', says the CEO of Cerkame

A that first trade fair, he had a stand next to an entrepreneur who offered a dental etch for enamel and dentine. Dentists looked at the product and complained that it was of poor quality – it leaked and was uncomfortable to use. They advised him: 'Make one that is like the best in the world, which is made in America'. However, he did not want to listen, as if he did not care about the opinion of specialists.

'I watched this for three days and decided that I would produce a good etch, one that dentists needed', recalls Pawłowski. 'And so, while developing the production of a fireplace kit and visors for dentists, we started looking for someone to create an etch for us. I travelled to all the universities in Poland, but the scientists threw up their hands helplessly, saying that technology like the American one could not be replicated in our country. Even a professor from Kraków that has dealt with orthophosphoric acid all her life was unable to help me. This took a year and a half'.

After that, a breakthrough in Cerkamed's history took place; it was as unexpected as the apple falling on Newton's head. Wojciech Pawłowski is happy to recount that incident today, because it is a great anecdote and an example of how persistence and consistency help in business. 'My wife was cleaning the toilet, put some gel in the toilet cistern and suddenly said to me: "Look, this gel contains orthophosphoric acid and is like the etch we would like to have". We found the manufacturer's address on the packaging and called. And he said to us: "Yes, no one in Poland can handle this acid, but I have a lot of experience and I will do what you want". We sent him a syringe of the American etchant and he sent us back two samples he had made in three days. **One was a exactly like the American product. It was perfect'**.

The inventor from Poznań agreed to sell the formula for PLN 4,000. 'It was 2001 and I was earning 400 złoty a month. I had to raise the money to buy the recipe by borrowing 50 to 300 złoty each from my friends. My father didn't support me at the time because he said it was a bad business. I took a train with a wallet full of money and I made the payment. The inventor pulled out a blender, threw the ingredients into a bowl and mixed them. My eyes lit up and he told me that I would never be able to sell it, because there are plenty of such goods on the market and at a low price. But I had a plan... For the next dental industry trade fair, I borrowed money again and went with a supply of several hundred syringes filled with my etch. I hung an advertisement above a small stand: "1 ml for 1 złoty". The dentists rushed to buy my etch. My price was a third of the price offered by the competitors. My product was a big hit, and dentists remember what I did then to this day.

I had a hit product and another problem. Poland was preparing to join the European Union and CerkaMed's product required certification. In 2003, going through such procedures was like discovering virgin territory, and there were no competent advisers'. The Pawłowski family managed to get through it all, although the auditor from Warsaw had comments on the small room with a hallway that they rented for their business. 'My wife is in charge of quality, I am in charge of production, and this is our customer service employee', I explained to the auditor. I also said: "here is the production area, here is the desk for taking orders, and we pack shipments in the hallway". The auditor told us to improve a few things, and as my wife had just gone into labour, he gave us a week to make the additions. And so, Magda, in a hospital bed, with a newborn baby and an aching stomach, wrote procedures. We received this certificate. It was for the etch and our next product, sodium hypochlorite (sold under the name Chloraxid). **I was able to set off to conquer EU markets'.**

He went to the Cologne trade fair, the industry's largest biennial event, full of hope for contracts with foreign customers. He was energised by the gradually increasing brand recognition in Poland. But in Germany, over five days, only two people approached the small Polish company's stand. 'I broke down. But not for long.

The sector he decided to enter was dominated by companies that have been in the market for several decades. They had extensive experience, capital and trust. Competing with them was similar to the fight between David and Goliath'. 'However, I stubbornly travelled with my three products to all industry conferences, symposia and trade fairs. I also added new products every year. I had more and more of them. And gradually I sold more and more'.

He knew that if he wanted to grow, he had to enter foreign markets. There are 20,000 dentists in Poland and 60,000 in Iran alone, while Germany and the United States have 100,000 each. 'Seven years ago, I was the first exhibitor from Poland to appear at the Dubai fair. I was also the first in Singapore and Chicago. **I invested the profits from the fireplace cords sales in these trips and promotions.** CerkaMed was not a very profitable business for the first ten years, but five years ago rapid growth began.

And the company is still on the offensive. Every year, it surprises trade fair visitors with an unusual stand. There has been a kite-style stand, because Wojciech Pawłowski is a kitesurfer. Half a tonne of sand, rattan furniture, boards and snakes. People still remember it today. 'It was crazy, but also unorthodox. For this reason, I am perceived in the industry as someone who wants to surprise customers in a positive way, to offer them a new and interesting product', the CEO, who ordered Ancient Roman-style costumes from Spain for the last trade fair, explains the company's policy'. For five days, he walked around in heavy 30 kg, Caesar-inspired armour and rode a chariot between the market stalls. 'Everyone wanted to take a photo with us', he laughs.



Catching the wind in its sails.

At first they gained customers due to the price, but also with customised offers for distributors. 'There is a huge marketing gap in the dental industry,' he admitted. 'Companies fail to promote themselves attractively, exhibit at trade fairs and advertise. They are dull and colourless, like their packaging. Our marketing is different. Cerkamed's product catalogue looks like an Avon catalogue. It does not suit all tastes, but that is our strategy. It has to be colourful, attractive and eye-catching'.

Wojciech Pawłowski is a born marketer. He easily relates to people, can be the soul of the company, put on a show and get everyone's attention at a trade fair. He also takes care of new product development and keeps an eye on finances. Magdalena Pawłowska holds the position of quality director at the company. **Another of her duties is to organise the work, which is a challenge given the pace of development and the possibilities of the labour market.** Since CerKamed caught wind in its sails five years ago, the Polish company's products have been sold in markets not only in Europe, but also in Arab, Asian and African countries. Goods from Stalowa Wola go to more than 70 markets, through 200 distributors. The number of employees has quadrupled to around 130 today.

‘Customers that had been watching the company for 10 to 15 years began to come to us and liked our innovation, the diversification of our offerings and our recognition of market needs. The dental industry is reluctant to change suppliers. Registration of a medical device in each country has to be done from scratch, takes quite a long time and costs a lot. If someone in Japan takes three years to register our products, they don't want to devote the next three years to another company that sells something a dollar cheaper’, notes Wojciech Pawłowski. ‘We are constantly developing our portfolio. Every year, we offer new, innovative products, which makes us comparable only to the American giant Ultradent. **They are the model I follow.** They dominate the American market. There is something else that makes our companies similar. That company was started by a dentist, and I also have a doctor who tells me what the industry needs, my brother Piotr’.

At the moment, CerKamed already has 50 such advisers worldwide. But in the beginning, it was only his brother who advised Wojciech Pawłowski on what was worth producing for dentists, which products they were looking for and which would be completely inappropriate. ‘It takes about a year of consultation with doctors before we release anything to the market’.

The company has implemented quality systems in compliance with ISO 9001 and ISO 13485. It undergoes detailed quality audits by independent European certification bodies three times a year. CerKamed currently offers 150 products. ‘And every year we introduce about 10 new ones. Every medical product requires extensive documentation, which must be updated annually. And in 2018, regulations would be tightened even further. This makes it more difficult for new companies to enter the market, which doesn't mean that I don't have competition and can stay calm’, jokes Wojciech Pawłowski. ‘In Poland, companies like mine have been bought out by foreign corporations. I receive proposals to sell CerKamed regularly, but for the time being I am not interested. I have good ideas and far-reaching plans. We are preparing unique products. For example, we are now introducing herbal rinses, with an incomparably higher content of active substances than in the blends available in

regular shops. Their action is stronger and more effective, yet they are a 100 per cent natural product.

Someone suffering from periodontitis will prefer such a product to traditional pharmaceuticals. The formula was developed by an eminent specialist in herbal medicine, Mateusz Senderski, MSc, the father-in-law of a good friend of mine, whom I met on kitesurfing trips', laughs Wojciech Pawłowski. 'It is quite surprising that no one has yet introduced this into the offer for dental practices. I will be the first in the world to do it'.

This direction of the company's development is in line with the life philosophy of Wojciech Pawłowski, who admits that he is a healthy lifestyle fanatic. He cares about following a proper diet and practises sports. His passion is kitesurfing. He travels all over the world to sail a board with a special kite instead of a sail. A spa, including a sauna, a solarium, a massage room and physiotherapy equipment – has been permanently installed at CerkaMed's premises. It can be used by the employees. The spa is located on the top floor of the totally transformed former tool shop of the Stalowa Wola steelworks building. A month ago, the company bought another building, formerly occupied by the management of the mechanical plant. Its renovation is underway.

'I'm not going to tell you what will be there', stipulates the CerkaMed CEO, and states that creation is a driving force in his life. 'I feel incredible satisfaction when I can say that I did something first, I introduced a product that no one before me has. An example of such a product was the adapter system for the sodium hypochlorite bottle, which has made the dentists' work much easier and is indispensable in the practice today. Everyone followed my example and started producing it. This is the law of the market. You can observe and mimic others. But it does not bother me, because I have no shortage of new ideas.

And it won't be long before you can find out'.

