



# Film director

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Perlen's new film-coating facilities in the emerging markets make it the whole package for pharmaceutical customers.

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**A**s the only system supplier providing film production and coating geared entirely to the needs of the global pharmaceutical industry, Perlen Packaging has sites across Switzerland, Germany, the US and China. Falling under the umbrella company CPH Chemie + Papier Holding AG (CPH Group), which specialises in the development, production and sales of chemicals, paper and packaging films, Perlen Packaging and its sister company Zeochem AG both have customers in the pharmaceutical industry. Following the opening of Perlen Packaging's new film coating production facility in Suzhou, China, CEO Wolfgang Grimm shares details of the company's planned expansion into new products, as well as the history and growth trajectory of the company and insight into life in the packaging industry.

#### WOLFGANG'S LIFE IN PACKAGING: A CAREER PROGRESSION

2003–present: CEO – Perlen  
Packaging, Switzerland

1998–2002: Managing Director – Perlen  
Converting AG, Switzerland

1995–97: Sales Director,  
Vice President – Schüpbach AG  
(now Amcor), Switzerland

1990–95: Sales Director, Export  
Manager – VAW Europack Export GmbH  
(now Amcor), Germany

**The CEO Magazine: Can you please provide a summary of your professional background and how you came to join the packaging industry?**

**Wolfgang:** I have spent a whole working life in packaging — it's an interesting industry — although I started out in business administration in Germany. I attended the University of Mannheim to get my degree, and I then continued my studies at the Cooperative State University in Villingen Schwenningen. It was as a dual study program with an internship I undertook in the US, and I finished that in 1982.

My first job in packaging was with a German company called VAW, which makes packaging for food, dairy and pharmaceuticals. I started there in the sales department as a manager across certain divisions.

The next step in my career was when I was promoted to export manager for VAW, where I stayed until 1992 when I took on a sales director role at Europack Export. I was responsible for managing sales for the whole group in the export business, and I went on to work for that company as deputy managing director. I was offered a job as deputy managing director at Schüpbach, here in Switzerland, and I worked there from 1995 to 1998. During that time, the company was sold to Danisco Flexible (to become Danisco Flexible Schüpbach).

While working at Schüpbach, there was the promise of becoming a general manager. However, before that could happen, in 1998 I was offered a job here at Perlen (then Perlen Converting) as managing director. I accepted the role and worked as managing director for Perlen Converting until the mother company, CPH Group, restructured and I officially became the head of Perlen Packaging. >>

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**When you were first appointed as the CEO of Perlen Packaging in 2003, what opportunities did you identify for the company?**

I think the main opportunity at the time was to grow the packaging business significantly. When I was first appointed CEO, it only had one site, but there was a clear vision from CPH Group that packaging is the business it wanted to grow. When the CPH Group restructured, it formed three divisions: packaging, paper and chemistry. I was asked to head up the packaging division in 2003.

At first, we opened Perlen Converting LLC in 2005 in the US, a subsidiary of Perlen Converting. In 2007, we acquired a company called ac-Folien, which was a backward integration, as we already had the barrier pharma films, and with ac-Folien we also then had the PVC mono film production in our portfolio. That meant we could offer a complete variety of products for our clients. The acquisition was a significant investment for us, plus another €15 million, all for extending the capacity and infrastructure of the company to be able to supply mono film for our own barrier films and to the market.

We have been operating and expanding continuously with this model. I started with one company, and now we have four production site companies.

Most recently, in 2016 we opened Perlen Packaging (Suzhou) Co. Ltd in Suzhou in China.

**What competitive advantages do you hold over others in the packaging sector?**

We have very strict and very clear process management so that we can streamline what we do, how we do it, when we did it, and for whom. Compliance and hygiene standards to the highest quality are the basis and guarantor for the systematic and continual strengthening of our market position.

As a global supplier, we always aim to give the same high standard of service and quality to our customers no matter where they are in the world. Our processes are regularly audited by our customers, by

the pharma industry, and by external authorities like the SQS (Swiss Association for Quality and Management Systems), the FDA (the US Food and Drug Administration), and we always pass those audits very successfully. We have the ISO 9001, ISO 50001 and ISO 15378 certificates,

so we uphold a very high standard of service and operations across the board. We also audit our own suppliers to ensure continued high quality, and regularly provide clear instructions around what we require, which is always very high quality.

Through our relationships with our suppliers, we can work with them to take advantage of any new raw materials to create new products or improve on existing ones. We have a wide range of products, from mono film up to high barriers, and >>

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we are continually developing many new products. We are still a medium-sized company with a flat hierarchy. We are not private-equity driven, which allows us to have a clear strategy, and we are quick to make decisions and remain very flexible in how we operate and grow.

**Perlen has invested in sites and production across the European and the Asian markets. What success have you seen from this strategy?**

Our new site in China is another opportunity to grow the business, as it provides further impetus for growth in the Asian pharmaceuticals market. We hold a very strong position in the European markets, but these are more saturated, with growth in the region of around three per cent. However, looking at Asian markets, there is so much potential. For example, India is an emerging and fast-growing market with growth rates of at least 10 per cent. The market for blister packs in Asia continues and has been growing at double-digit percentage rates.

At the same time, more pharmaceutical agents are being locally produced. Perlen Packaging generated just under 20 per cent of its net sales in Asia in 2016, which encouraged us to open our own coatings factory in China.

China was also appealing to us as a starting point in Asia because we follow our existing global customers when they move to those fast-emerging markets. Most of them are already in China or going to be there soon; they have started their own factories for the same reason as we do. By being on the ground, we enable them to grow their own businesses

In particular, with the new Chinese operation, we think we can reach the Asian pharmaceutical industry much better. Having locals working alongside and serving other locals brings us closer to our customers on the ground in new markets, while still providing the same quality

assurance as our European sites. The Chinese government has a focus on the pharmaceutical industry because they want to achieve a global standard level within the Chinese domestic market, so they’ll require a high-quality range of packaging materials to store and also export their materials.

**Looking forward three to five years, what are some other key goals, or strategic initiatives, you hope to achieve?**

Our objective is to bring Perlen’s packaging business to CHF 200 million turnover in the next five years, and our new Asian operations are a step in that direction. In a relatively short period of time, we will be taking another step towards that goal by looking to set up a site in South America, because this is also one of the fast-emerging market sectors.

We are supplying products to South American pharmaceutical companies

already, but again it’s important to have a facility on the ground to provide the same system, same service and same quality. Pharma is our key market, and we will remain focused on that market, but we are also pushing for new developments such as new blister packaging which can be used across a range of sectors. We are always thinking about where we can use our packaging systems and solutions for other markets.

Right now, we provide solutions for solid doses; that’s our business today. But you can also use packaging material for dry powder, such as asthma inhalers, and liquid doses for areas like eye care. So we offer solutions for these areas within pharmaceutical, while we also have plans to go into different areas down the line. We are taking advantage of some new opportunities to collaborate with other companies in the packaging field while also assisting the pharmaceutical companies in developing new products. ■

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