

Strategic Growth and Unique Product Development for Dietary Supplement Market

Penetration in Ukraine

by

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Abstract

In Ukraine's post-war healthcare landscape, rising interest in preventive health has driven significant growth in the dietary supplement sector. This Capstone project focuses on Asfarma Ukraine's strategic repositioning to capitalize on these trends by strengthening product offerings, professionalizing the field force, and optimizing operational processes. Built on frameworks such as PESTEL, Porter's Five Forces, Ansoff Matrix, VRIO Framework, Business Model Canvas, SWOT, McKinsey 7S, and Schein's Cultural Model, the project identifies key areas for improvement and growth. Methodologies include internal diagnostics, external market analysis, and financial modeling. Results suggest that targeting product portfolio expansion, organizational development, digital marketing enhancement, supply chain resilience, and regulatory compliance will significantly improve Asfarma's market position. Beyond financial outcomes, the project promotes broader public health access and supports Ukraine's healthcare recovery.

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Executive Summary

Asfarma Ukraine seeks to expand its presence and profitability in the post-war Ukrainian healthcare market, where the dietary supplement sector is projected to grow by over 60% between 2024 and 2027 (Proxima Research, 2024). The company currently faces operational constraints due to a limited product portfolio, a scaled-down field force, and organizational gaps.

To unlock growth, the project outlines a structured three-year strategic plan focusing on three core areas:

- **Portfolio Expansion:** Accelerating product registration to introduce *14 new SKUs* in the first year, *12 in the second, and 4 in the third*. These products target the rising demand especially for mental health, and musculoskeletal support, based on epidemiological data and pharmacy sales trends. *Milestone: First wave of 14 high-demand SKUs to be launched by Q1 2026*
- **Sales Force Scaling:** Expanding the medical representative team from *21 to 33 by 2028*. This expansion is designed to optimize territory coverage and sales force efficiency, aligning with industry benchmarks of 1 rep per 2–3 promoted products, ensuring full regional penetration, efficient coverage of doctors and increased pharmacy engagement. *Milestone: First recruitment phase (7 reps) completed by Q4 2026.*
- **Organizational Strengthening:** Evolving the company culture by blending the current Clan culture with Market-oriented performance drivers, implementing structured leadership training programs, and aligning internal capabilities with strategic priorities through McKinsey 7S and STAR models. *Milestone: First Leadership Development Cohort to be completed by Q4 2025-Q1 2026*

These initiatives are designed to achieve:

- $\geq 10\%$ *annual sales growth by 2026 -2027-2028* with the volume of \$ 7.260 million by the year 2028
- Full national pharmacy penetration in major and emerging regions,
- Stronger financial sustainability with improved operational margins and cash flow resilience.

Through disciplined execution of this roadmap, Asfarma Ukraine will transform into a scalable, high-performance organization capable of sustaining long-term growth and competitive differentiation in the evolving post-war healthcare market.

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Chapter 1: Project Introduction

Company Overview

Asfarma Ukraine operates in the dietary supplement and pharmaceutical sector, focusing on high-quality, scientifically backed products tailored to meet the growing healthcare demands in the region. However, it currently operates with a limited product portfolio and under-scaled field coverage, which restricts its ability to fully meet market demand. The company is now preparing for a strategic transformation to expand its offerings, strengthen national reach, and enhance organizational efficiency.

Market Opportunity in Ukraine

Given Ukraine's evolving post-war healthcare landscape, increased awareness of preventive health, and a rising demand for mental wellness and Joint Ligament support, Asfarma Ukraine is positioned to capitalize on these trends.

The Ukrainian dietary supplement market is valued at approximately \$ 530 million in 2024 (Proxima Research, 2024a). Market is growing every year more than 10%, but struggles with low-quality products, inadequate psychological treatments, and a lack of unique offerings.

Demand is especially strong in areas such as mental health, immune support, and musculoskeletal health, reflecting war-related stress and lifestyle changes (World Bank, 2024).

As we can see at the table 1 below, among psychiatric drugs, the drugs showing the greatest growth are:

ATC - ATC3 (N06A) Antidepressant - GR 39%

ATC — ATC4 (N06AB) Selective serotonin reuptake inhibitors — GR 45.7%; (N06AX) Anti
antidepressant - GR 33.6%; (N06AA) Nonselective monoamine reuptake inhibitors – GR 27.2%/

Figure 1

Sale Out: (N)Agents acting on the nervous system Period is MAT 2025 Month is March

ATC — ATC1	ATC — ATC2	ATC — ATC3	ATC — ATC4	kpcs	GR, %
(N)Agents acting on the nervous system	Total			61523.27	4.9 %
	(N05) Psycholeptics	Total		33050.04	1.8 %
	(N06) Psychoanaleptics (psychostimulants)	Total		13260.19	7.9 %
		(N06B) Psychostim	Total	8186.217	-2.5 %
		(N06A) Antidepressant	Total	4054.955	39.0 %
			(N06AB) Selective ser	2265.313	45.7 %
			(N06AX) Athers antid	1186.533	33.6 %
			(N06AA) Nonselectiv	603.1095	27.2 %
		(N06D) Drugs for th	Total	1019.013	4.8 %
		(N07) Other drugs for the treatment	Total	8745.993	2.7 %
	(N03) Antiepileptic drugs	Total	5828.097	21.6 %	
	(N04) Antiparkinsonian drugs	Total	638.9581	4.2 %	
Total				61523.27	4.9 %

Based on the collected data, it is planned to launch two new medicinal products belonging to similar ATC classes, as well as seven dietary supplements with similar therapeutic properties.

Market of mental health for dietary supplements \$ 36.5 million in 2024 (Quadrosoft 2024) and rapidly growing because of war related mental problems. 10.5 million people will be affected with Post Traumatic Stress Disorder.

Musculoskeletal Healthcare dietary supplement market is \$ 18 million and growing Fastly because of war related problems.

Strategic Focus and Applied Frameworks

This project proposes a comprehensive roadmap integrating the following frameworks and methodologies:

- Business Model Innovation
- Blue Ocean Strategy
- Organizational Development (OD)
- McKinsey 7S Framework & STAR Model
- Risk and Financial Management

The strategy focuses on:

- Market Expansion through both B2B and B2C channels
- Operational Optimization by reducing import dependency and enhancing logistics
- Differentiation through Innovation, leveraging exclusive formulations and trusted scientific data
- Digital Transformation via CRM and omnichannel platforms
- Organizational Alignment through leadership training and culture evolution
- Risk Management, including scenario planning and KPI-based decision-making

Project Goals

The goal is to position Asfarma Ukraine as a top-tier market player in dietary supplements by 2028, through:

- Product portfolio expansion (from 16 to 44+ SKUs over 3 years)
- Scalable field force growth (from 21 to 33 reps to meet geographic and segment needs)

- High-performance culture blending Clan and Market culture attributes
- Strong financial sustainability driven by optimized pricing, distribution, and CRM analytics

Problem Statement – Asfarma Ukraine

Asfarma Ukraine operates in a growing but challenging healthcare environment shaped by post-war recovery and rapidly evolving health demands. Because of rising demands for food supplements, especially for mental health disorders and musculoskeletal support products related war health problems, there is a great opportunity for the companies as well as for Asfarma Ukraine.

Company is facing regulatory, market trust, and digital transformation challenges in expanding its dietary supplement and medicine business as the other companies do.

The lack of clear regulatory guidelines, fragmented market dynamics, and low consumer confidence in local brands limits its success in all terms.

This project aims to fill these gaps by introducing supplements and medicines especially designed for post-war psychological health support and formulations. By focusing on quality and unique health solutions with the operational efficiency, the project seeks to differentiate the brand and achieve profitability.

Despite this favorable environment, Asfarma Ukraine's current structure limits its ability to capitalize on these opportunities due to:

1. A limited product portfolio of 16 products, unable to fully meet the evolving therapeutic needs, particularly in mental and musculoskeletal health categories which have a perspective in the market.

2. An under-resourced sales team of 21 medical representatives, currently covering only key urban areas, leaving significant regional opportunities untapped. Organizational inefficiencies, notably in leadership development and culture evolution, which hinder the execution of growth strategies at scale. Inefficient team and organization lead a weak marketing and sales effectiveness, and low presence share in pharmacies.

Strategic Rationale for the Proposed Solutions:

In response to these challenges, Asfarma Ukraine has designed a phased and market-driven growth strategy aligned with internal capabilities and sector benchmarks. The key and critical focuses will be:

Product Portfolio Expansion: Regulatory approval processes in Ukraine are time-consuming but manageable with structured planning. Therefore, the company plans to register:

- 14 new products in the first year (2025–2026), 8 products for mental health, 3 products for musculoskeletal health, 2 medicines for allergy, 1 product for immunity support. The important milestone for 2026 year is to register 14 products in the 1st quartal of 2026.
- 12 products in the second year (2026–2027), 3 products for mental health ,2 products for gynecology, 3 products for musculoskeletal health medicines, 2 products for urology 2 products for immunity support system.
- 4 products in the third year (2027–2028). For gynecology.

Given our already established and stable partnerships with neurologists, psychiatrists, orthopedic traumatologists, rheumatologists, and gynecologists, we are well-positioned to introduce new products rapidly and cost-effectively, specifically designed for these specialists. Since each of these physicians uses products from various pharmacotherapeutic (ATC) classes depending on the disease area, having a broader range of products from different ATC classes in our portfolio increases the likelihood of our products being included in their treatment regimens.

Naturally, it is impossible to cover all ATC classes used in the practices of these specialists simultaneously. Therefore, our product selection strategy is based on both market potential and the growth dynamics of the relevant ATC classes, as well as the level of competition within those segments. We prioritize categories with the largest market capacity and promising projected growth.

To ensure sustained engagement with physicians, it is advisable for the company to offer at least 3–5 products across different ATC classes. Accordingly, we are focusing on gradually expanding our portfolio while maintaining our focus on the existing target audience yet moving into new therapeutic areas.

According to the current epidemiological situation in Ukraine and expert forecasts, there is a growing demand for psychiatric products. At the same time, injectable forms of NSAIDs and muscle relaxants—commonly used in neurology and trauma hospitals—remain highly relevant. Additionally, orthopedic specialists continue to express a need for modern and safe anti-inflammatory therapies.

Sales Force Expansion: Based on internal workload analysis and external industry benchmarks, an effective pharmaceutical or dietary supplement sales organization typically requires at least 30–35 field representatives to achieve full national coverage and optimize engagement ratios (IQVIA Benchmark Report, 2023).

Therefore, Asfarma plans to:

- **Increase from 21 to 28** representatives by 2027. By the end of 2027 it will be a milestone to have successful 28 medical representatives to go further.
- **Reach 33 representatives** by the end of 2028.

Asfarma Ukraine’s primary target audience includes healthcare professionals such as neurologists, psychiatrists, orthopedists, gynecologists, rheumatologists, and a segment of general practitioners. This group comprises approximately 10,000 physicians across Ukraine. Asfarma’s strategic objective is to reach at least 50% of this audience through consistent and informed engagement. Given that one medical representative can actively manage relationships with around 100 doctors, achieving this target effectively requires a field force of approximately 30 to 35 medical representatives.

Table 1

Current and planned medical representatives table according to the regions

	MS, %	MR 1 Year	MR 2 Year	MP 3 Year
Eastern	32%	5.0	8.0	10.0
Dnipropetrovsk	10.4%	2.0	3.0	3.0
Donetsk	1%	0.0	0.0	1.0
Zaporizhzhya	3%	0.0	1.0	1.0
Poltava	4%	1.0	1.0	1.0
Sumy	3%	0.0	1.0	1.0
Kharkiv	7%	1.0	1.0	2.0
Khmelnyskyi	4%	1.0	1.0	1.0
Southern	9%	2.0	3.0	3.0
Mykolaiv	3%	1.0	1.0	1.0
Odessa	6%	1.0	2.0	2.0
Kherson	1%	0.0	0.0	0.0
Western	23%	5.00	7.0	8.0
Volyn	3%	1.0	1.0	1.0
Zakarpattia	3%	0.0	1.0	1.0
Ivano-Frankivsk	4%	1.0	1.0	1.0
Lviv	7%	1.0	2.0	2.0
Rivne	3%	1.0	1.0	1.0
Ternopil	3%	1.0	1.0	1.0
Chernivtsi	2%	0.0	0.0	1.0
Central	36%	9.0	10.0	12.0
Vinnytsia	5%	1.0	1.0	2.0
Zhytomyr	3%	1.0	1.0	1.0
Kyiv	20%	4.0	5.0	6.0
Kirovohrad	2%	1.0	1.0	1.0
Cherkasy	4%	1.0	1.0	1.0
Chernihiv	3%	1.0	1.0	1.0

vbxTotal result		21	28	33
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Organizational Development: Alongside commercial scaling, Asfarma will enhance internal leadership capacity through structured training programs and strategic promotions, evolving from a purely Clan-oriented collaborative culture to a balanced Clan-Market hybrid culture.

This shift will maintain trust and teamwork while fostering greater performance, accountability and results orientation.

Table 2

Current and planned medical representatives table according to the regions

Category	Current State (2025)	Planned Future State (2028)
Number of Products	14 dietary supplements	30 dietary supplements (14+12+4)
Medical Representative (MR) Team Size	21 MRs	33 MRs
Target Channels	Pharmacy chains and doctors	Pharmacy chains, doctors, digital platforms
Digital Marketing Objective	No direct-to-consumer sales; limited brand visibility	Support pharmacy sales via enhanced digital presence
Key Digital Tools	Social media (basic), few medical influencer videos	Structured medical influencer campaigns, SEO, online education for doctors and pharmacists
Brand Awareness Strategy	Primarily dependent on MR visits and pharmacy presence	Omnichannel awareness via digital + physical medical promotions-MR visits
Growth Strategy Focus	Primarily Market Penetration in key urban areas	Combination of Market Penetration, Product Development, Market Development

Mission Statement: To deliver high-quality dietary supplements and medicines that enhance especially psychological wellness and promote holistic health, making them accessible and affordable for everyone in Ukraine.

Vision Statement: To be the trusted and preferred brand in the sectors of medicine, and food supplements therefore to lead the dietary supplement market with innovative, evidence-based products that combine modern science and traditional wisdom.

Objects of Asfarma Ukraine

Financial Results: Have a stable revenue growth at least to 7.200.000 USD. Net income before taxes at least 1.000.000 in the 3rd year and grow at least %10 each after the 3rd year. Generate consistently higher profit and resilience to market fluctuation and enhance flexibility.

Social aspect: Improve the psychological and physical health of Ukrainians, affected by war-related trauma. Contribute to national recovery by enhancing public health and supporting underserved communities.

Quality: Deliver evidence-based, high-quality dietary supplements that provide effective results.

Regulatory compliance: Ensure all products meet stringent Ukrainian and international regulatory standards.

Market penetration/ Share: Achieve strong market presence and consumer adoption of innovative dietary supplements. 70% pharmacy presence; 5% market share for Pasivalem in 2 years; 1% FS market share in 3 years.

Chapter 2: External Analysis

PESTEL

Political Factors

Understanding the political landscape is crucial for analyzing Ukraine's PESTLE factors. Key dimensions include the stability of the government, relationships with other nations, and perceptions of risk in the political environment. These elements significantly influence the country's business and investment climate.

Stabilization and Governance: Post-war Ukraine will focus on strengthening governance, supported by international initiatives like the OECD's four-year Ukraine Country Programme, launched in June 2023, to aid reforms and EU accession (Source: OECD, "OECD launches a four-year Country Programme with Ukraine," June 2023, <https://www.oecd.org>, Web ID: 18)

Geopolitical Risks: The war has reshaped global geopolitics, introducing terms like "friend-shoring" (Fern Fort University, Ukraine PESTEL Analysis, 2025), pushing Ukraine to align with allied nations for stability.

In Ukraine, dietary supplements are regulated under the Food Safety Law, which prohibits specific health claims such as therapeutic effects or psychological benefits. This information comes from a report by Food Compliance International titled "Ukraine Food Safety Regulations" (UFSR, 2023).

In the post-war period, if Ukraine aligns more closely with the European Union, stricter regulations such as the EU Food Supplements Directive (2002/46/EC) may come into effect. This

directive, published by the European Food Safety Authority (EFSA), could impact the marketing of mental health-focused supplements (EFSA, 2002).

Governance and Reforms: Preventing corruption and ensuring transparency in public drug supply is a political priority. Reforms initiated before the war sought to prevent irregularities seen in the past by centralizing procurement through international organizations (such as the United Nations Development Program, UNFPA, Crown Agents) (PromoBoz, 2023)

Economic Factors

For 2024 The Ministry of Economy of Ukraine estimates the growth of gross domestic product (GDP) at 3.6% compared to 2023. According to estimates of the National Bank of Ukraine (NBU), in 2024 Ukraine's real GDP increased by 3.4%. The World Bank (WB) estimates GDP growth in 2024. by 3.2%. As for forecasts, international institutions have significantly worsened their forecasts. The International Monetary Fund (IMF) predicts an increase in GDP in 2025. by 2.5-3.5%, and WB only by 2%. At the same time, Ukrainian institutions are more optimistic, the NBU predicts real GDP growth in 2025. to 3.6%. According to the NBU, inflation in 2024 was 12%. The key risk of inflationary dynamics and economic development remains the course of a full-scale war.

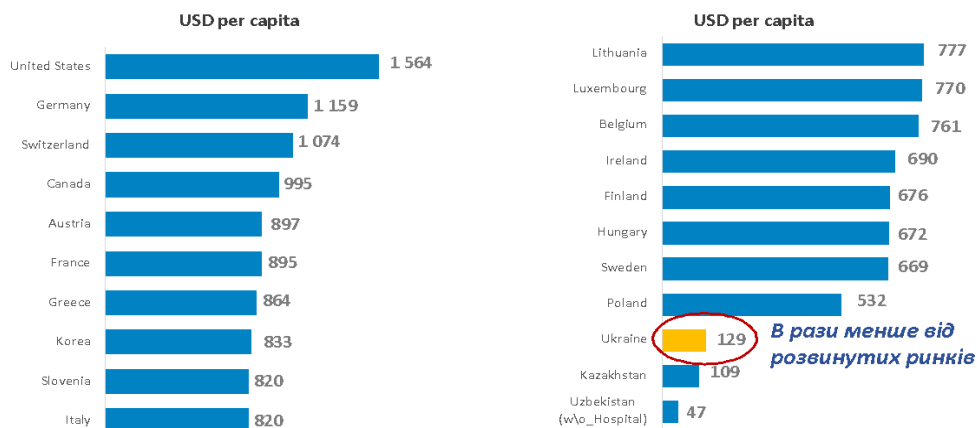
The key takeaway from KSE Institute's January 2025 Ukrainian Macroeconomic Handbook is that the G7's ERA assistance package likely ensures financing of the state budget until 2027 and will allow for sizeable reserve accumulation in the coming years. However, Ukraine will remain heavily dependent on foreign assistance and large amounts of external funding carry the risk of creating a significant financial burden for the future KSE projects that

Ukraine's budget deficit will amount to a cumulative UAH2.9 trillion over the next three years, largely driven by spending of defense, which will reach its peak in 2025 and remain significantly above pre-2022 levels thereafter despite a noticeable drop after the end of the full-scale war. Revenues performed strongly in 2024 due to the economy's recovery, rising imports driving up VAT receipts, changes to the tax code, a growing tax base due to inflation, and robust foreign grants. They are projected to rise further in the coming years, with grants higher than previously expected due to the ERA. Nevertheless, financing needs will be considerable with the budget deficit expected to reach 17.9% of GDP this year (KSE).

Figure 2

Comparison - Annual Volume of consumption of Ukraine (Proxima Research, 2024a)

Annual volume of retail and hospital consumption of drugs per capita population in Ukraine compared to other countries in 2023



Social Factors

Social factors will play a crucial role in the future. The rapidly declining population and the ongoing uncertainties, even after the war ends, have led to a significant number of young people and children remaining abroad. Additionally, there has been a substantial loss in the workforce. Moreover, there has been a massive migration from the occupied regions towards the western parts of the country.

Public Health and Disease Burden: Conflict has negatively impacted the health of civilians in many ways. According to UN data, tens of thousands of civilians have been killed or injured since February 2022. The bombing of hospitals, especially in eastern and southern Ukraine (1,336 health centers attacked, 699 hospitals destroyed), has restricted access to healthcare. As a result, more than 30,000 medical personnel joined the army, thousands more emigrated, and the need for access to healthcare within the country rose to a critical level for 30% of the population (IHPLb, 2024)

Mental Health and Awareness: Another crisis triggered by the war is in mental health. The World Health Organization estimates that around 10 million Ukrainians are at potential risk of mental trauma, while 3.9 million people show signs of moderate or severe mental illness due to the war (IHPLb, 2024).

Trauma, anxiety and depression are common, especially among children and young people. This will increase the demand for psychiatric medications and supportive supplements in society. Civilians and soldiers alike on the front line are reported to use cannabis, often combined with synthetic stimulants. Access to drugs is sometimes facilitated by medical

facilities. In addition, a black market for synthetic opioids, including methadone and Subutex (buprenorphine), has emerged. In this context, heroin – the price of which became particularly high in 2023 – has largely been replaced by methadone and other synthetic opioids. The use of synthetic cathinones, such as alpha-PVP (α -pyrrolidinopentiophenone, also known as ‘flakka’) and mephedrone (4-methylmethcathinone, 4MMC), is also on the rise, especially among young people seeking relief from the stress and trauma of the war.

Demand for psychiatric medications, anxiolytics, and supportive supplements (e.g., herbal adaptogens) is on the rise. This situation is a great threat for the future of the country.

Rising Health Consciousness

The pandemic and the war have heightened public awareness about health and immunity. Market research indicates a strong rebound in vitamin sales, projected to surpass pre-war levels in 2023–2024.

Technical Factors

Digital Health and Telemedicine: The conflict accelerated the adoption of digital healthcare solutions. Telemedicine became a lifeline, especially in areas under threat of air raids. International donors and private firms provided telehealth equipment and software. By March 2023, around 3,000 patients had accessed remote medical services, and over 1,000 healthcare workers were trained. Ukraine’s national e-Health system is updating regulations to integrate telemedicine at scale (Abt Global, 2023).

E-commerce and Digital Distribution: Ukraine has a high internet penetration rate. Online pharmacies and supplement retailers became crucial during active conflict, serving

displaced populations. Research suggests the e-commerce market for dietary supplements could reach \$26 million by 2025, growing at about 7.1% annually from 2025–2029 (Statista, Ukraine: Online Pharmacy Market Growth 2020–2024, 2024b).

Digital Health and Telemedicine: The war has accelerated the adoption of digital health technologies in Ukraine. Telemedicine has become a lifeline (Abt Global, 2023).

E-commerce and Digital Distribution: Internet penetration is high in Ukraine, and e-commerce has continued to grow despite the war. Online pharmacies and supplement sales platforms have played a critical role, especially in conflict zones where physical access has become difficult.

Environmental Factors

Environmental Destruction of War: Russia's aggression has not only caused human casualties, but also major environmental disasters. In June 2023, Russian forces destroyed the Kakhovka Dam as they retreated, flooding 620 km² of land and affecting more than 80 settlements. Nearly 1 million people have been cut off from access to clean water, large-scale evacuations have been made, and the ecosystem has been severely damaged (IHPLb, 2024).

Nuclear and Hazardous Materials Risk: War has created extraordinary circumstances that increase environmental risks. In particular, the conflicts and threats to the Zaporizhia Nuclear Power Plant have led to the brink of a possible nuclear accident (IHPLb, 2024).

Legal Factors

Compliance with EU Legislation: Ukraine is undergoing an intensive legal transformation to align its drug and food supplement regulations with EU norms. The New Medicines Law, which

came into force in July 2022, brought the drug licensing and market surveillance processes closer to EU standards (Fitch Solutions, 2024).

With this law, unnecessary bureaucracy will be reduced, and the registration process of new drugs will be accelerated, and the scattered control structure will be unified by establishing a single state control authority as of 2024.

These steps will allow Ukraine to work more integrated with European medicines authorities and domestic manufacturers to export their products to the EU market more easily. In addition, Ukraine has accelerated its legislative harmonization efforts in the areas of intellectual property, clinical research standards and pharmacovigilance (drug safety monitoring) since it received EU candidate status in 2022.

Food Supplement Regulations: The food supplement market, which has been in a gray area for many years, is being disciplined with new legal regulations. In December 2024, the Ukrainian Parliament adopted the draft law “Improving Control over Food Supplements” in the second reading (MOZ, 2025).

Minister of Health Viktor Lyashko stated that the aim of the new law is “to prevent products on the market from misleading consumers and to protect public health.”

This comprehensive reform aims to align the Ukrainian supplement industry with EU food supplement directives and is expected to become law by the end of 2024.

Porter’s Five Forces – Industry Competitive Dynamics

In Ukraine’s pharmaceutical and dietary supplement industry, competition is shaped by both external and internal forces. Companies face substantial pressure to maintain margins and

assert strategic independence in a market heavily influenced by ownership structures and internal pricing models. Managerial agility, supplier and buyer negotiation skills, and trust-building are key differentiators. Currently, marketing and sales achievements are often prioritized over financial efficiency, reflecting the market's high-paced, performance-driven environment (Solutions, 2024).

1. Competitive Rivalry (High)

The Ukrainian pharmaceutical and food supplement market is characterized by a dense competitive landscape that includes both multinational corporations and a multitude of local generic manufacturers. Especially in the supplement market, private label products by pharmacy chains have intensified price-based competition.

2. Threat of New Entrants (Moderate)

Barriers to entry in the pharmaceutical sector are inherently high, largely due to the cost and duration of drug development, clinical trials, and the regulatory environment (e.g., GMP compliance). That said, supportive legislation for local producers has somewhat lowered these barriers, leading to a stronger presence of domestic firms and new functional supplement (FS) offerings from pharmacy private labels.

3. Threat of Substitutes (High)

Substitution risks in this sector are considerable. Generic drugs replace branded pharmaceuticals after patent expiration, while OTC products and traditional remedies provide low-cost alternatives. Functional substitutes also exist in the form of non-pharmaceutical interventions such as lifestyle modifications, physical therapy, and medical devices

4. Bargaining Power of Suppliers (Moderate)

Asfarma Ukraine's supplier network consists primarily of Turkish pharmaceutical manufacturers and a smaller number of European partners. Power asymmetries vary depending on product uniqueness and the supplier's access to other distribution channels. Asfarma currently collaborates with 12 Turkish and 2 European suppliers. If a supplier controls a highly sought-after product, their bargaining power increases.

5. Bargaining Power of Buyers (Moderate to High)

Buyer power fluctuates across market segments. In retail, end-consumers (patients) have minimal leverage, typically relying on prescriptions or pharmacy recommendations. Pharmacies and wholesalers, however, possess greater negotiating power, especially when comparable generic or FS options are available. Asfarma mitigates this through the import of differentiated and semi-exclusive products, limiting buyer choice. In institutional sales—such as tenders for hospitals or ministries—buyer power is significantly higher (Promoboz, 2023).

Analysis and Assumptions of the Critical PESTEL Factors Post-War (3 scenarios: pessimistic, conservative, optimistic)

Given Asfarma's operations in regions impacted by conflict, particularly Ukraine and its surrounding markets, strategic scenario planning is very important. In a more challenging outlook, prolonged instability or an escalation of the conflict could lead to heightened political uncertainty, ongoing market disruptions, and sustained economic volatility. Key factors such as elevated energy and transportation costs, persistent inflation, and continued supply chain disruptions, lack of qualified personnel would remain critical challenges, impacting operational

efficiency and overall market conditions in Pharmaceutical Industry as well as the other industries.

In a moderate scenario, hostilities subside without a definitive resolution, leading to a fragile ceasefire. Economic conditions improve gradually—supply chains stabilize, inflation cools, and Asfarma cautiously resumes activities in Ukraine. However, lingering trade barriers and geopolitical uncertainties could continue to disrupt market dynamics, while demographic shifts caused by migration may alter consumer demand. The success really depends on the population. The amount of people, especially women who are buying the medical products for family, will return to country is a key factor.

In an optimistic scenario, a peace settlement is achieved, ushering in political stability and a surge in post-war reconstruction. Ukraine attracts substantial international investment, economic confidence strengthens, and infrastructure recovery accelerates. This environment fosters improved regulatory clarity, declining energy costs, and renewed healthcare funding, allowing Asfarma to rapidly scale operations and secure a stronger foothold in the recovering market. In any way there will be at about 10.M people who is affected with PTSD and with other psychological matters. Preparing for all three scenarios ensures Asfarma can pivot its strategy (such as adjusting inventory, pricing, and market focus, team improvement) depending on how the post-war landscape unfolds.

SWOT Analysis of Asfarma Ukraine

Strengths

Asfarma Ukraine benefits from several internal strengths that position it favorably in the pharmaceutical and dietary supplement market. The company maintains strong partnerships with the five largest pharmacy chains (Apteka Nizkhniy Tsen, Podorojnik, Gamma 911, Cirius and Dobrogo Dnya) in Ukraine, which collectively account for approximately 60% of the market share (Proxima Research, 2024a). Additionally, Asfarma's portfolio includes unique pharmaceutical products and dietary supplements with several more planned for registration. The company's long-standing, cohesive team of medical representatives and managers contributes to organizational consistency and operational reliability. Another notable strength is the company's flexible and diversified supply chain. Asfarma collaborates with 12 reputable Turkish pharmaceutical manufacturers and maintains partnerships with four international companies, which enhances product variety and supply security.

Weaknesses

Despite its strengths, Asfarma faces internal limitations that constrain its growth potential. Notably, its products are not currently included in Ukraine's public reimbursement list, excluding them from state-supported prescriptions—a key factor in market competitiveness. The firm's core portfolio is heavily skewed toward dietary supplements, lacking diversity in high-margin prescription medications. Furthermore, Asfarma remains dependent on third-party manufacturers for product development and supply, limiting its control over pricing, availability, and innovation cycles. The absence of local production also limits agility and profitability. From a

human resources perspective, Asfarma employs fewer sales representatives compared to competitors, which may restrict its market coverage and customer engagement.

Opportunities

The evolving healthcare landscape in Ukraine presents numerous growth opportunities. With the gradual implementation of a national reimbursement system and health insurance schemes, consumer access to medicines and supplements is expected to increase.

Digitalization trends also represent significant potential. By investing in e-commerce platforms, artificial intelligence, and digital marketing, Asfarma can reach broader audiences and streamline customer engagement.

Demographic and epidemiological trends, such as rising rates of chronic disease, mental health disorders, and an aging population, will likely drive demand for medical products and supplements. Post-war reconstruction and population recovery are also expected to contribute to market expansion (World Bank, 2024).

Threats

Asfarma operates in a volatile environment marked by several external threats. Market competition is intensifying, particularly as pharmacy chains develop and promote their own private label brands. Rapid technological advancement also poses a threat, as failure to adapt could lead to obsolescence.

Geopolitical instability remains a critical concern. Changes in trade laws, sanctions, or import regulations may impose additional compliance costs or market restrictions (PromoBoz, 2023).

Currency fluctuation and economic uncertainty in Ukraine can further affect demand and profitability. High inflation, devaluation of the hryvnia, and public sector budget constraints pose financial risks. Finally, regulatory compliance and ethical risks—such as inadequate product registration or violations of anti-corruption laws—could result in serious reputational and legal consequences.

Swot Analysis Table at Appendix

VRIO Analysis of Asfarma Ukraine

The VRIO framework is a strategic tool used to evaluate a firm's internal resources and capabilities to determine whether they can provide a sustained competitive advantage. For Asfarma Ukraine, several key areas are assessed below:

Table 3

Vrio Analyses of Asfarma

	Valuable	Rare	Inimitable	Organized
High-quality pharmaceuticals. competitive	+	-	-	+
Exclusive Partnership (production, distributions) sustained	+	+	+	+
Unique supplements (Exclusive formulations and patented supplements)	+	+	+	+
Marketing adaptability (unique distributions channels) Temporary	+	+	-	+
Brand Reputation – Market Trust competitive	+	-	-	+
Regularly market expertise sustained	+	+	+	+
Mobile apps (B2B, B2C, B2G??) potential	+	+	-	-
Dedicated Sales and Marketing Team Temporary	+	+	-	+
Digital Sales and E commerce strategy potential	+	+	-	-

1. High-Quality Pharmaceuticals – Dietary Supplements– Competitive Advantage

- Valuable: Yes. High-quality pharmaceutical products enhance brand reputation, ensure regulatory approval, and allow premium pricing.

- Rare: Partially. While Asfarma maintains robust quality assurance processes, similar standards are met by global pharmaceutical firms and regional competitors, reducing the exclusivity of this asset.
- Inimitable: No. Competitors can potentially replicate quality through investments in Good Manufacturing Practices (GMP), WHO compliance, and reliable suppliers.
- Organized: Yes. Asfarma manages regulatory compliance, supplier quality control, and internal processes effectively. These structures support competitiveness but may not yield a long-term advantage on their own.

2. Exclusive Partnerships (Production & Distribution) – Sustained Competitive Advantage

- Valuable: Yes. Exclusive distribution and manufacturing agreements secure product availability, stabilize pricing, and minimize disruption from geopolitical risks. This strengthens Asfarma's market presence.
- Rare: Yes. Asfarma has its own exclusive suppliers – manufacturers. Many companies rely on open distribution contracts or third-party agreements with other suppliers
- Inimitable: Yes. These partnerships are based on long-term trust, performance, and regulatory credibility, which are difficult for competitors to replicate quickly.
- Organized: Yes. Asfarma actively manages and nurtures these alliances through strategic business development and compliance, ensuring alignment and long-term value.

Business Model Canvas – Asfarma Ukraine

Understanding Asfarma Ukraine's current business model is essential for identifying gaps, optimizing performance, and planning future strategic growth. The following canvas

outlines key structural elements of Asfarma's existing operations in the Ukrainian pharmaceutical and dietary supplement market.

1. Key Partners

Asfarma relies on a diversified network of strategic partners to maintain competitive operations in Ukraine's complex healthcare environment:

- Pharmaceutical manufacturers and suppliers: Domestic and international partners ensure a stable and diverse product portfolio.
- Research institutions and universities
- Healthcare professionals (doctors, pharmacists, nutritionists)
- Regulatory bodies and government agencies
- Distributors and pharmacy chains

2. Key Activities

Asfarma's core operational activities are designed to maximize compliance, visibility, and customer trust:

- Navigating regulatory and quality assurance processes (Cooperated by Asfarma Türkiye).
- Expanding its sales and distribution network across Ukraine.
- Managing long-term customer relationships via education and support.
- Registering clinically validated and high-quality products.

3. Key Resources

The success of Asfarma is underpinned by three core resource categories:

- An experienced sales/marketing, financial, regulatory and managers team.

- Office-leasing automobiles
- A growing portfolio of registered and certified pharmaceutical and supplement products

4. Value Propositions

Asfarma differentiates itself with a clear and patient-focused value proposition:

- Delivery of high-quality, evidence-based pharmaceuticals and supplements.
- Emphasis on service quality and consumer trust, especially in sensitive post-war healthcare conditions.
- An ambitious sales culture driven by an experienced executive team.
- Preferred network access to top-tier pharmacy chains, ensuring widespread availability

5. Customer Relationships

The company invests in building trust and loyalty through:

- Loyalty programs for pharmacies and end-users.

6. Customer Segments

Asfarma serves both institutional and individual clients:

- B2B (Business-to-Business): Includes pharmacies, hospital networks, healthcare marketplaces, and clinical institutions.
- B2C (Business-to-Consumer): Health-conscious individuals, chronic disease patients, and general wellness customers.

7. Channels

To reach its customer segments, Asfarma utilizes:

- Retail pharmacies, clinics, and medical centers.

- Professional referrals via healthcare providers and participation in medical conferences.

8. Cost Structure

Asfarma's cost model reflects a balance between innovation and operational sustainability:

- Regulatory compliance costs (certifications, audits, approvals).
- A dedicated sales and marketing budget, including professional education events.
- Employee compensation, training, and performance incentives.

9. Revenue Streams

The company generates revenue through diverse sources:

- Direct product sales via pharmacies and wholesale distributors.
- Partnership deals with hospitals and healthcare organizations.
- Contracts with public health institutions.

See the Business Canvas Model Table at Appendix

Value Chain Analysis

The value chain analysis identifies key activities that add value to Asfarma's dietary supplement products, from raw material procurement to final delivery.

Primary Activities:

Inbound logistics: Asfarma sources finished pharmaceutical products from its partner manufacturers. It must manage international shipping and customs (

Operations: In Asfarma's context, operations include product registration, and inventory management rather than manufacturing.

Outbound logistics: Distribution through pharmacies from distributors and medical institutions. This refers to the distribution of products to customers (pharmacies, hospitals, clinics).

Marketing & Sales: Digital campaigns, healthcare partnerships, brand awareness strategies, promotions -conferences -KEY Opinion Leaders. Its primary value-adding activity is promoting and selling partner products.

After sales service: Provides pharmacist & healthcare professional assistance. Offers educational programs for pharmacies and distributors. Implements efficient feedback systems for continuous improvement and handling product recalls or quality issues if they arise.

Support Activities:

Firm Infrastructure: Asfarma Ukraine operates with an effective management structure, ensuring efficient decision-making and strategic alignment with the parent company. Local management focuses on market-specific strategies, compliance, and sales growth.

Human resource management: Asfarma Ukraine invests in training for its sales, marketing, and regulatory teams to keep up with pharmaceutical trends and compliance changes.

Technology development: Enhances efficiency, inventory management, and distribution tracking. The company is using CRM system.

Operating Model Analysis – Asfarma Ukraine

Analyzing Asfarma Ukraine's operating model through the Operating Model Canvas framework reveals how the company organizes its resources, people, and infrastructure to deliver value efficiently in a market challenging.

1. Processes & Activities

Asfarma's core processes include:

Product Introduction, Demand & Supply Planning, Sales Operations, Supporting Functions

2. Organization & People

Asfarma Ukraine operates semi-autonomously to respond to local regulatory, logistical, and geopolitical challenges. The team includes sales reps, regulatory expert, marketers, and financial staff under a country manager

3. Locations & Infrastructure

Asfarma runs a distribution-based logistics model, supplying directly to major pharmacies and hospitals.

4. Technology & Information

The company uses CRM platforms for sales activity management and inventory coordination.

Operational focus is enhancing digital ordering systems for pharmacy chains.

5. Partners & Suppliers

Local partnerships are vital to navigate trade restrictions and demand volatility.

Key partners include:

- Regional distributors to access rural areas.
- Regulatory bodies
- Major pharmacy chains for high-volume product movement.

6. Management & Performance Systems

Performance is measured using key indicators such as:

- Market share and penetration - Sales growth by product segment.
- Inventory turnover rates.
- Regulatory submission timeliness.

Operational focus:

- Cross-functional collaboration between sales, compliance, and logistics.
- Implementation of a supply chain risk management framework.

Conclusion: Problem Definition. Areas for improvement

Problem Definition

Asfarma Ukraine is operating in a complex post-war and future post war pharmaceutical and dietary supplement market characterized by regulatory inconsistencies, economic instability, and evolving consumer behavior. While the demand for dietary supplements is growing due to rising health awareness, mental health concerns, and increased preventive healthcare practices, several structural and operational challenges hinder market penetration and growth. Key factors contributing to the problem include:

1. Regulatory Uncertainty
2. Lack of unique products

3. Economic and Post-War Challenges
4. Lack of Strong and wide sales team.
5. Financial problems
6. Low Effectiveness of the teams.

These challenges limit Asfarma Ukraine's ability to expand market share, increase brand trust, and optimize its distribution network. The company must address these structural, regulatory, and consumer engagement barriers to achieve sustainable growth.

Areas for Improvement & Strategic Focus:

- Registration of unique medicines and dietary supplements due to market demands.

To have a unique and qualified product portfolio is the key factor of the success of Asfarma Ukraine. The main issue is to find new unique dietary supplements and medicines in the nearest time

- Increasing the amount of sales team (to 33 Medical Representatives) and improving the effectiveness of the whole team, especially sales and marketing.

To have a very qualified, trained and professional team is the key point to have a profitable and successful company.

- Customer-Centric Growth Strategy

Launch awareness campaigns for Asfarma's dietary supplements, focusing on post-war healthcare needs. It will be especially focused on Psychiatrically and joint ligament treatment segments

- Regulatory Optimization & Compliance Acceleration

Strengthen regulatory affairs team to ensure faster drug approvals and compliance adaptation.

- Supply Chain Diversification & Local Sourcing

Reduce import dependency by expanding partnerships with local pharmaceutical manufacturers.

- Digital Transformation & E-commerce Expansion

Develop a multi-channel digital sales strategy targeting mostly healthcare professionals and pharmacies. It will ensure us to make influence on these segments by using influencers from medical professionals.

Chapter 3: Diagnostics: Market Analysis

Customers' Needs Definition for Asfarma Ukraine

For the patients

Ultimately, patients and health-conscious individuals are the end-users. In pharmaceuticals, their core need is to get well or manage their condition – they need access easily to effective medicine and dietary supplements at an affordable price. In the dietary supplement space, consumer needs revolve around preventative health, energy, and well-being. Due to economic challenges, patients seek cost-effective treatments without compromising quality.

For pharmacists

Reliable & Timely Supply of Medicines for Pharmacies and Retailers: This segment cares about availability, assortment, and margin. Pharmacies need a steady stock of the medicines and supplements that consumers demand. The needs here are logistical (fast restock, easy ordering) and commercial (pharmacies earning a reasonable margin on Asfarma's products).

For Physicians and Healthcare Providers:

For prescription medicines even for some FS, doctors are a primary audience. Their need is for effective, safe treatments for patients. For the doctors the most important point is effectiveness of the products and as the result to treat the patients.

For Hospitals, Distributors, NGOs

Large-scale buyers (hospitals, distributors) require volume-based discounts & flexible payment terms.

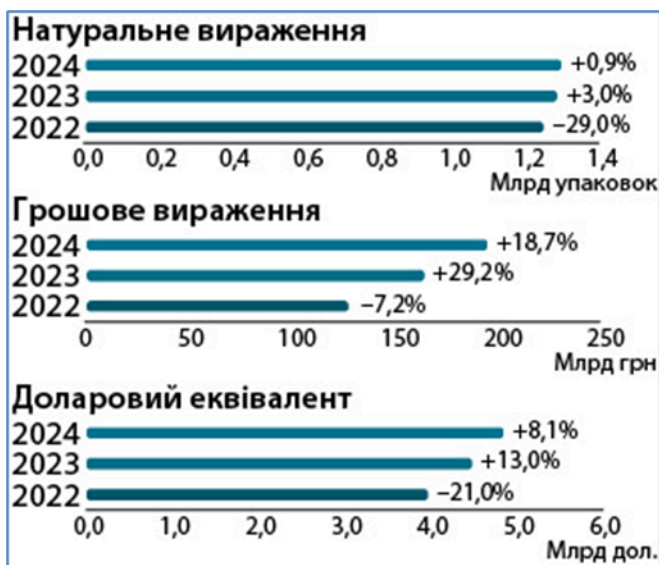
Market Overview

In 2024 the total volume of pharmacy sales of "pharmacy basket" goods amounted to UAH 194.7 billion and increased by 19% compared to 2023. In physical terms, retail sales amounted to almost 1.3 billion packages and increased by 1%. In dollar terms, sales in the studied period increased by 8% and amounted to 4.8 billion US dollars.

The volume of retail sales of "pharmacy basket" goods in monetary and natural terms, as well as dollar equivalent (at the NBU exchange rate) for 2022-2024 indicating the rate of growth/decrease compared to the previous year

Figure 3

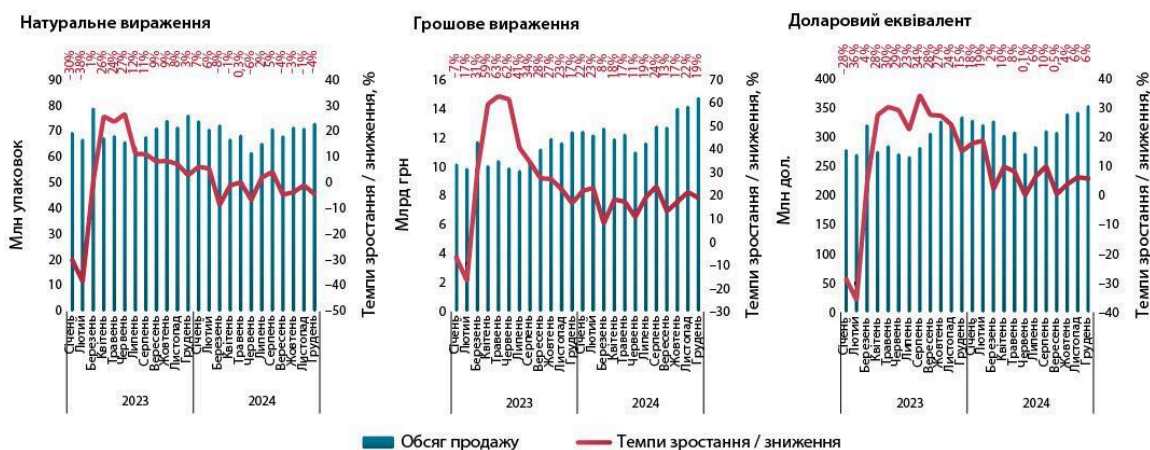
The Volume of retail sales of pharmacy basket goods in monetary and natural terms (Proxima Research, 2024a)



An increase in the volume of pharmacy sales in monetary terms is noted for all categories of the "pharmacy basket," but in physical terms a decrease is recorded for the category of medicines (-0,9%) (Table 1). The highest rate among the categories of goods "pharmacy basket" continue to increase retail sales of dietary supplements. For 2024 growth in monetary terms is + 28%, and in kind - + 13%, which is significantly higher than the growth rate of other categories and the average market growth rate. Therefore, the tendency to increase the share of dietary supplements in the overall market structure continues.

Figure 4

Monthly dynamics of pharmacy sales of medicines in natural and monetary terms, as well as dollar equivalent for the period from January 2023 to December 2024 (Proxima Research, 2024a)



In the face of a decrease in the physical consumption of drugs, the main factor in market growth in monetary terms was the inflationary component, which reflects a change in the volume of pharmacy sales due to a change in price. According to the results of 2024 its impact is estimated at 13%, which is comparable to the inflation rate in the country (12%)

Figure 5

The structure of pharmacy sales of medicines in the context of the top 10 groups of ATS of the 2nd level classification in monetary terms for the results of 2023-2024



Key players.

In the period under study, 3 Ukrainian companies became leaders in terms of pharmaceutical sales of medicines and dietary supplements in monetary terms: Farmak, Darnitsa and Kyiv Vitamin Factory. According to the results of 2024 NUROFEN, XARELTO and NIMESIL became the leaders in terms of retail sales among brands of medicines.

Table 4

Top-20 of brands of medicines in terms of pharmacy sales in monetary terms in 2024 indicating their position in the ranking in 2022-2023.

No: Year			BRAND
2022	2023	2024	
3	2	1	НУРОФЕН
1	3	2	КСАРЕЛТО
2	1	3	НІМЕСИЛ
23	5	4	НАЛБУФІН
6	6	5	ТРИПЛІКСАМ
4	4	6	СПАЗМАЛГОН
5	7	7	ЦИТРАМОН
7	8	8	ДЕТРАЛЕКС
77	15	9	СИМБІКОРТ
10	10	10	ЕВКАЗОЛІН
8	11	11	ГІДАЗЕПАМ
13	9	12	СИНУПРЕТ
15	12	13	КРЕОН
17	17	14	ВАЛЬСАКОР
29	22	15	КО-ПРЕНЕСА
12	14	16	НО-ШПА
87	40	17	ФОРКСІГА
35	19	18	ПУЛЬМІКОРТ
33	20	19	ЕНТЕРОЖЕРМІНА
27	23	20	КО-АМЛЕССА

Figure 6

Dietary Supplements Sales in volume (Quadrasoft)

Marketer	Rank	Rating	MUSD	GR_USD	GR %	MS %	EI	Replacement	Inflation	Elasticity
Ананта Медікар Україна ТОВ (Україна)	1	0	2 255.00	175.88	8.4 %	11.6 %	94	11.2 %	-2.5 %	-0.2 %
Нутрімед ТОВ (Україна, Київ)	2	0	2 045.90	358.58	21.3 %	10.5 %	106	15.3 %	-1.9 %	-1.5 %
Представництво Баум Фарм ГмбХ ТаОВ (Україна)	3	1	1 807.65	280.39	18.4 %	9.3 %	103	-40.5 %	-2.8 %	4.7 %
Магнолія ФК ТОВ (Україна)	4	2	1 615.30	291.46	22.0 %	8.3 %	106	16.4 %	-0.9 %	-0.8 %
Дельта Медікал Промоушна АТ (Швейцарія)	5	0	1 459.36	22.75	1.6 %	7.5 %	88	-2.1 %	-0.6 %	2.9 %
Ілан Фарм ТОВ (Україна, Київ)	6	-3	809.57	-739.31	-47.7 %	4.2 %	45	-55.2 %	5.1 %	-2.9 %
Перрері Фармачеутікалі (Італія)	7	0	728.96	177.13	32.1 %	3.7 %	115	18.3 %	11.1 %	2.7 %
Біоділі Фармасьютикалс Пріват Ліміт (Індія)	8	0	654.46	103.83	18.9 %	3.4 %	103	25.9 %	-6.1 %	0.6 %
Бевіос Фарм ТОВ (Україна)	9	0	627.26	139.60	28.6 %	3.2 %	112	25.5 %	1.0 %	2.1 %
Фармак АТ (Україна, Київ)	10	38	561.20	538.65	2388.4 %	2.9 %	2166	408.9 %	-3.9 %	-7.6 %
Асіно Україна ТОВ (Україна, Київ)	11	13	485.37	331.16	214.7 %	2.5 %	274	33.7 %	-2.5 %	-0.7 %
Здравофарм ТОВ (Україна, Сороківека)	12	1	426.07	103.51	32.1 %	2.2 %	115	5.3 %	-0.8 %	-1.4 %
Зандра Лайф Сайнсіс Пвт. Лтд. (Індія)	13	1	388.30	73.05	23.2 %	2.0 %	107	26.9 %	-3.6 %	-0.4 %
ІнтерХім ТДВ (Україна, Одеса)	14	-4	387.18	27.90	7.8 %	2.0 %	94	9.3 %	-1.8 %	0.0 %
Здраво ТОВ (Україна, Київ)	15	-4	383.36	41.65	12.2 %	2.0 %	98	6.2 %	3.1 %	-0.5 %
Асфарма (Туреччина)	16	-4	347.94	7.26	2.1 %	1.8 %	89	2.0 %	-0.9 %	0.4 %
Нобелі Фарма ТОВ (Україна)	17	8	323.00	173.03	115.4 %	1.7 %	187	115.2 %	-0.2 %	-0.3 %
Уорлд Медісін ТОВ (Україна)	18	-2	301.98	17.55	6.2 %	1.6 %	92	5.5 %	1.1 %	-0.5 %
Базіс Фарм Груп ТОВ (Україна)	19	1	288.23	100.09	53.2 %	1.5 %	133	26.8 %	-3.7 %	0.4 %
Фармберг ФК ТОВ (Україна)	20	-3	281.95	11.83	4.4 %	1.4 %	91	6.4 %	-2.1 %	0.3 %
Ворваерт Фарма ТОВ (Україна)	21	2	276.51	104.17	60.4 %	1.4 %	140	53.9 %	3.7 %	2.9 %
Сперко Україна СП ТОВ (Україна)	22	-1	257.31	75.63	41.6 %	1.3 %	123	-18.3 %	11.2 %	-2.3 %
Доміфарм ТОВ (Україна)	24	-9	229.19	-66.41	-22.5 %	1.2 %	67	-27.3 %	8.5 %	-3.5 %
Київський Вітамінний Завод АТ (Україна, Київ)	23	54	223.20	223.20	-100.0 %	1.1 %				
Атіс Фарма (Україна)	25	2	166.95	36.86	28.3 %	0.9 %	112	6.7 %	19.8 %	1.7 %
Новатор Фарма ЛПП (Велика Британія)	26	3	163.05	44.88	38.0 %	0.8 %	120	37.9 %	-1.1 %	-0.1 %
Сінєрджі Фарм Груп ТОВ (Україна)	27	1	133.28	10.53	8.6 %	0.7 %	95	-8.1 %	18.0 %	-1.6 %
Медхаус Саїс ГмбХ ТОВ (Україна, Дніпро)	28	-9	129.03	-97.24	-43.0 %	0.7 %	50	-7.8 %	-8.4 %	1.8 %
Мегаком ТОВ (Україна, Харків)	29	4	115.43	26.75	30.2 %	0.6 %	113	25.5 %	3.3 %	0.6 %
Солюшн Фарм ТОВ (Solution Pharm)	30	7	115.14	63.31	122.1 %	0.6 %	193	13.6 %	0.2 %	-7.3 %
Всього			19 445.46	2 519.62	14.9 %	100.0 %	100	-0.6 %	-0.1 %	0.3 %

Among manufacturers in this segment, VorvostFarma, ranks first in pieces. In value terms, the leading position is held by the Indian company Anantavati.

A terrible Problem: Mental illnesses and disorders.

According to the estimates of "WHO 2024 Emergency Appeal: Ukraine" - 9.6 million people in Ukraine are at risk or live with mental illness, of whom 3.9 million suffer from moderate to severe symptoms.

Mental health and psychosocial support (MHPSS) in Ukraine are limited. The number of people in need of support during the first year of a full-scale war is estimated to have exceeded

10 million and has tended to increase by the third year of a full-scale invasion. 52.7% of those in need of psychological help show symptoms of psychological distress, including anxiety (54.1%), depression (46.8%) and insomnia (12.1%).

In the first nine months of 2024, 353,049 patients, 54,464 of whom were children under 18 years of age, were referred to family doctors, therapists and pediatricians for mental health care. This is more than three times higher than last year.

The Ukrainians were more likely to use it for the following reasons:

- Anxiety/nervousness/tension - 150,236 patients.
- Sleep disturbance - 98,043 patients.
- Other psychological symptoms/complaints - 58,605 patients.
- Depressed mood - 20,707 patients.
- Child behavior/symptoms/complaints - 15,177 patients.
- Acute stress response - 14,531 patients.
- Memory impairment - 12,981 patients.
- Tobacco abuse - 10,172 patients.
- Feeling/behavior irritability/anger - 6531 patients.
- Old age, feeling/behavior of the old man - 6324 patients.

Due to the full-scale Russian invasion of Ukraine, the number of Ukrainians suffering from mental disorders has increased 39% of the people surveyed experience daily fatigue or reduced energy. Such data was released by the mental health screening platform Anima.ua.

More than 670 primary care facilities provide basic psychological services.

% PTSD among the civilian population is growing rapidly (12.5 thousand fixed cases, this is the tip of the iceberg, since only 1 out of 50 cases in Ukraine are diagnosed)

78% of Ukrainians living with stress have never seen a neurologist, psychotherapist or psychiatrist

At the beginning of a full-scale war, the Ministry of Health of Ukraine predicted that about 15 million Ukrainians would need psychological support because of what they had experienced. Of these, 3-4 million will need the most medication.

According to experts' assessment by the National Institute of Strategic Studies, 40-50% of the population will need psychological help. In certain population groups, the number of such people will be: among military and veterans - 1.8 million, among older people - 7 million, about 4 million - children and adolescents.

According to the Ministry of Health, last year about 135,000 patients (in particular, 72,000 women and more than 18,000 children) filed complaints about mental health of primary care doctors.

In the seven months of this year, almost 277,000 patients have already received assistance, including 42,500 children.

The full-scale war in Ukraine will have critical consequences for the mental health of Ukrainians, reported the Ministry of Health.

As a result, according to Viktor Lyashko, about 15 million citizens will need professional assistance.

At the same time, about 3-4 million Ukrainians will have a certain mental health disorder - moderate or severe.

According to the estimates of "WHO 2024 Emergency Appeal: Ukraine" - 9.6 million people in Ukraine are at risk or live with mental illness, of whom 3.9 million suffer from moderate to severe symptoms.

Figure 7

More than 670 primary care facilities provide basic psychological services (MOH Ukraine)



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Table 5

Categories of Dietary Supplements Affecting the Nervous System

Term names	TU	SV USD
07 Drugs acting on the nervous system		
07A Sedatives	3 372 913	19 445 458
07B Tonics	193	866
07C Drugs improving memory and attention	1 231 756	10 094 266
07X Other drugs acting on the nervous system	885 760	7 198 344
Total result	5 490 621	36 738 933

The largest share is occupied by dietary supplements with a mild sedative effect. In second place are supplements for improving memory and focus.

When we look at the market among psychiatric drugs, the drugs showing the greatest growth are:

ATC - ATC3 (N06A) Antidepressant - GR 39%

ATC — ATC4 (N06AB) Selective serotonin reuptake inhibitors — GR 45.7%; (N06AX) Anti antidepressant - GR 33.6%; (N06AA) Nonselective monoamine reuptake inhibitors – GR 27.2%/

Figure 8

The sales volume of psychiatric group medicines (QUADROSOFT)

		by Brand	by SKU	by Area	by ATC	MAT	MTD	QTD	YTD	MS all market. %	MS select. %														
												23 >	Январь	Февраль	Март	Апрель	Май	Июнь	Июль	Август	Сентябрь	Октябрь	Ноябрь	Декабрь	
												↑ ↓ ↕ ↶ ↷ 📄 🔔 ☰ 🔄													
ATC1		kUSD	GR, USD	-	GR, %	MS, %	EI	Replacemant	Inflation	Elasticity	Innovation														
(N) Засоби, що діють на нервову систему		324 022,11	37 065,20	37 065,20	12,9 %	100,0 %	100	8,7 %	2,4 %	-0,5 %	2,2 %														
(N06) Психоаналептики (психостимулятори)		139 555,50	15 528,88	15 528,88	12,5 %	43,1 %	100	8,9 %	1,6 %	-1,0 %	3,0 %														
(N06B) Психостимулятори, засоби, що використовуються для лікування СДУГ та ноотропні препарати		78 739,02	644,51		0,8 %	24,3 %	89	-4,4 %	2,8 %	-0,4 %	2,8 %														
(N06A) Антидепресант		47 014,80	12 578,75		36,5 %	14,5 %	121	39,3 %	-2,1 %	-2,5 %	1,9 %														
(N06D) Препарати для лікування деменції		13 801,68	2 305,62		20,1 %	4,3 %	106	8,1 %	4,2 %	-0,4 %	8,1 %														
(N05) Психолептичні засоби		120 328,60	12 006,24	12 006,24	11,1 %	37,1 %	98	3,4 %	5,3 %	0,2 %	2,3 %														
(N05C) Снодійні та седативні засоби		67 159,44	4 765,37		7,6 %	20,7 %	95	-2,8 %	6,9 %	-0,4 %	4,0 %														
(N05B) Анксиолітик		32 636,87	4 058,17		14,2 %	10,1 %	101	9,7 %	3,2 %	1,3 %	-0,0 %														
(N05A) Антипсихотичні препарати		20 532,29	3 182,70		18,3 %	6,3 %	105	15,2 %	2,8 %	0,5 %	-0,1 %														
(N03) Протиепілептичні препарати		55 416,22	9 269,44	9 269,44	20,1 %	17,1 %	106	20,8 %	-0,5 %	-0,9 %	0,6 %														
(N03A) Протиепілептичні препарати		55 416,22	9 269,44		20,1 %	17,1 %	106	20,8 %	-0,5 %	-0,9 %	0,6 %														
(N04) Протипаркінсонічні препарати		8 721,79	260,64	260,64	3,1 %	2,7 %	91	9,0 %	-5,1 %	0,7 %	-1,5 %														
(N04B) Допамінергічні засоби		8 622,02	262,06		3,1 %	2,7 %	91	9,0 %	-5,2 %	0,7 %	-1,4 %														
(N04A) Антихолінергічні засоби		99,77	-1,43		-1,4 %	0,0 %	87	12,3 %	-1,5 %	-3,7 %	-8,4 %														
Всього		324 022,11	37 065,20	37 065,20	12,9 %	100,0 %	100	8,7 %	2,4 %	-0,5 %	2,2 %														

The sales volume of psychiatric group medicines is 3,028,960 units and 324,022,110 dollars, with a growth of 6.1% and 12.9%, respectively. In the ATC-3 class, the largest share and growth in this group are shown by the following classes: N06A - Antidepressants, N05A - Antipsychotic Drugs, and N03A - Antiepileptic Drugs. Considering the data, we see potential in launching the following products on the market:

1. Duloxetine - Antidepressant.
2. Olanzapine - Antipsychotic.

See Figure 27 at Appendix Dietary supplements for musculoskeletal system support.

The market volume of dietary supplements for musculoskeletal system support is 1,373,530 units, with a growth of 27%, and 18,193,390 dollars, with a growth of 21.9%.

The leading company is Profarma with the product Merkana.

Distribution Segment

According to the results of 2024 the leading positions in terms of supply of "pharmacy basket" goods to pharmacies were the companies Optima-Pharm, BaDM and Venta.LTD. There is a fierce competition between the leaders of the segment.

The share of the top 5 distributors in terms of deliveries of "pharmacy basket" goods to pharmacies in monetary terms for the period from January 2023 to December 2024

Figure 9

Share of Distributor Companies (PROXIMA)

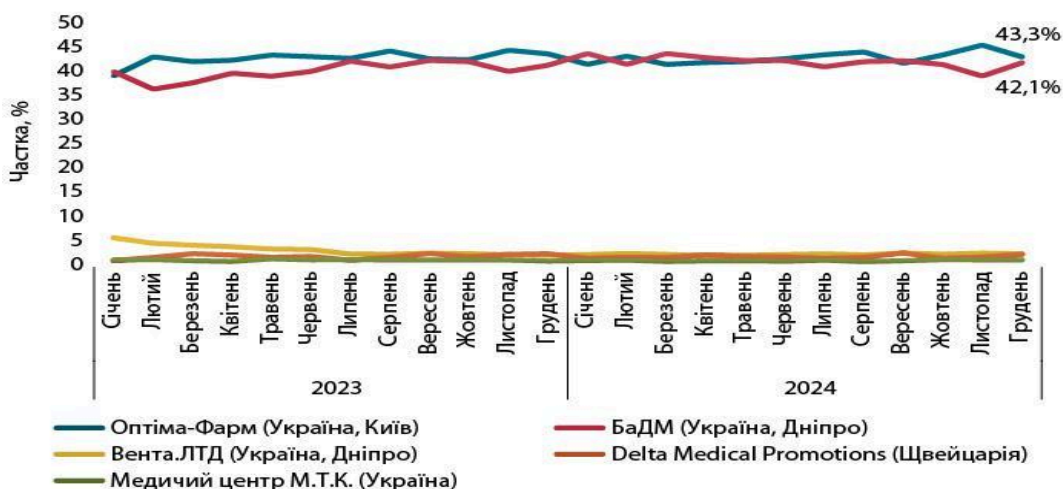
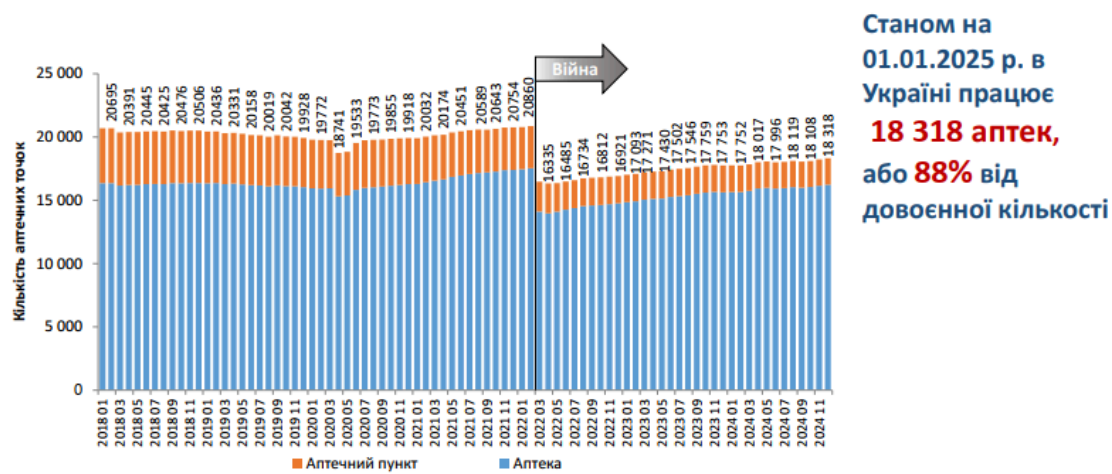


Figure 10

The amounts of Pharmacies from 2018 until the end of year (18.318 pharmacies by 2024)

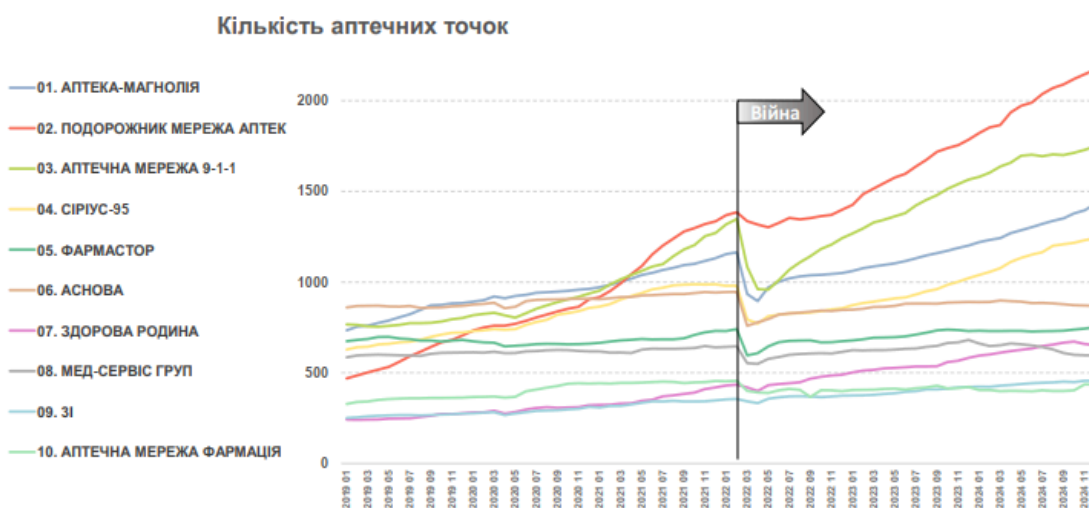
(Proxima Research, 2024a)



Dynamics of the number of operating pharmacies in Ukraine during peacetime and wartime.

Figure 11

In extensive development, the Top 4 pharmacy chains with a significant increase in pharmacy outlets can be distinguished (Proxima Research, 2024a)



Strategic Priorities and Development Plan for Asfarma Ukraine (2025–2028)

To achieve long-term market leadership and sustainable profitability in Ukraine’s dynamic post-conflict healthcare environment, Asfarma Ukraine will focus on five strategic priorities. These are built on internal diagnostics, market insights, and established strategic frameworks such as the McKinsey 7S, Ansoff Matrix, VRIO, and the Resource-Based View (RBV).

1. Product Portfolio Optimization

Strategic Priority: Refine and expand the product mix to better meet market needs, especially in mental health and musculoskeletal support.

Development Plan:

- Register 14 new products in Year 1, 12 in Year 2, and 4 in Year 3.

- Focus on evidence-based, high-margin dietary supplements and selected pharmaceuticals.
- Align registration with evolving Ukrainian and EU regulations.

Expected Impact:

- +10–15% increase in portfolio profitability
- Stronger positioning in underserved therapeutic areas
- Improved brand trust through regulatory compliance

Important Milestone: 14 new SKUs registered in Year 1

2. Building a High-Performance Sales & Marketing Team

Strategic Priority: Develop a skilled and motivated field force to drive sales coverage and doctor engagement.

Development Plan:

- Grow team from 21 to 33 medical representatives by 2028
- Implement structured onboarding and monthly training programs
- Maintain a productivity rate of 18–20 visits/day

Expected Impact:

- Full national coverage and better HCP access
- Improved team performance and retention
- Enhanced customer experience and brand loyalty

Important Milestone: Expand team from 21 to 28 medical representatives by 2027

3. Advanced Marketing and B2B Activation

Strategic Priority: Build brand awareness and preference through targeted marketing and Key Account Management.

Development Plan:

- Run segmented campaigns to reach neurologists, psychiatrists, gynecologists, orthopedists, rheumatologists, and family doctors
 - Engage at least 50% of the 10,000 core HCPs in Ukraine
- Launch KOL partnerships, medical conferences, and digital detailing tools

Expected Impact:

- Increased sell-out from pharmacies
- Improved conversion from prescription to purchase
- Stronger relationships with strategic B2B stakeholders

Important Milestone: 10 major pharmacy chains integrated into KAM model by 2027

4. Supply Chain and Distribution Excellence

Strategic Priority: Create a resilient logistics and distribution structure.

Development Plan:

- Build reliable partnerships with Ukrainian distributors
- Introduce shared warehousing and buffer inventory systems
- Reduce stockout rate from 15% to under 5%

Expected Impact:

- Faster delivery times (within 3 days)
- Reduced revenue loss from product unavailability

- Stronger distributor and pharmacy satisfaction

Important Milestone: Reduce stockout rate to below 5% by end of 2026

5. Regulatory Compliance and Operational Agility

Strategic Priority: Accelerate product registrations and digital readiness for long-term

compliance and competitiveness.

Development Plan:

- Reduce approval times to <90 days for food supplements and <18 months for medicines
- Fully implement CRM and compliance dashboards
- Improve internal coordination with performance tracking tools

Expected Impact:

- Faster market access and product lifecycle control
- Reduced legal risk
- Higher operational transparency

Important Milestone: Regulatory approval timelines: FS <90 days, Medicines <18 months

Milestone Tracking & KPIs: Performance will be monitored via KPIs such as revenue growth, product approval timelines, coverage ratios, and field force productivity. A dedicated dashboard will provide quarterly updates and strategic feedback loops.

Prioritization of Initiatives: To support strategic decision-making, initiatives are ranked using a multi-criteria decision matrix considering four dimensions: impact, ease of implementation, investment level, and time horizon.

Table 6

Prioritization of Initiatives (Adapted from OPM Project Prioritization Models; see Kerzner, 2022)

Initiative	Expected Impact	Ease of Implementation	Investment Required	Timeframe
Product Portfolio Optimization	High	High	Medium	Short-Term
Enhancing Workforce Development	High	High	High	Medium-Term
Sales & Marketing Optimization	Very High	Moderate	High	Short-Term
Supply Chain Resilience	High	Difficult	High	Long-Term
Regulatory Compliance	High	Moderate	Medium	Medium-Term

Chapter 4: Go-To-Market Strategy

Go-To-Market Strategy Overview

A. Market Entry Framework

To ensure an effective and sustainable market launch, Asfarma Ukraine will implement a phased go-to-market (GTM) strategy that facilitates structured growth while minimizing regulatory and operational risks. This includes national rollout planning, segmentation, multi-channel sales, regulatory alignment, and strategic pricing.

Phased Market Entry Timeline

Phase 1: Product Launch & Pharmacy Integration (0–6 months)

During the initial stage, Asfarma will finalize regulatory approvals for at least 14 dietary supplements targeting mental health, immunity, and musculoskeletal health. The company will also secure supply agreements with top pharmacy chains and begin training a specialized sales force focused on pharmacy engagement and medical promotion.

Phase 2: Team Training, Regional Expansion Preparation (6–12 months)

The second stage will emphasize internal capacity building through comprehensive training for the medical sales team and marketing staff. Asfarma will also begin engaging with regional distributors and pharmacy networks beyond major cities to prepare for broader geographical rollout.

Phase 3: National Expansion (12+ months)

After laying the groundwork, Asfarma will expand across Ukraine by deploying field sales teams regionally and developing institutional partnerships with hospitals and health centers.

Performance management systems will be used to ensure consistent messaging and sales outcomes across all regions.

Segmentation – Targeting – Positioning (STP)

Customer Segmentation Strategy: Asfarma Ukraine

One of the most important analyses of this project is to know the details of Customer segmentation. Segmentation based on mostly B2B especially because of big pharmacy chains and distributors, but the specificity of industry directs us to visit the doctors and to have marketing programs which effect directly patients.

Market insights reveal that 75% of dietary supplement sales occur through pharmacies, making segmentation especially critical (Proxima Research, 2024a)

Table 7 Segmentation Strategy of Asfarma

Dimension	Segments	Description
B2B	Pharmacy Chains	75% of sales, shelf-space dominance
	Private Clinics	Institutional demand for post-war recovery
	E-Pharmacies	Rozetka, Apteka24.ua – high-growth, urban users
B2C	Health-Conscious	Urban, educated, prefer premium/imported FS
	Budget Buyers	Prefer smaller packs, high price-sensitivity
Geography	Urban (Kyiv, Lviv)	Ads, influencer exposure, wide choice
	Rural (East, West)	Narrow access, clinic-orient

A. B2B Segment

1. Pharmacies & Pharmacy Chains

Pharmacies are the leading supplement distribution channel.

Strategy: Asfarma aims to secure exclusive supply agreements with Ukraine's top 10 pharmacy chains, such as Apteka Nizkiy tsen Podorojnik, Apteka Dobrogo Dnia and Apteka 911. Key initiatives include pharmacist training programs, incentive marketing (e.g., shelf-space agreements), and digital catalogues to support engagement (Proxima Research, 2024a).

2. Private Clinics & Hospitals

There is growing institutional demand for immunity and mental wellness products following the war.

Strategy: Asfarma leverages its medical sales force to engage healthcare providers directly, offering clinical trial data and patient sampling programs in partnership with leading private institutions (World Bank, 2024).

3. E-Commerce & Digital Health Platforms

- Online dietary supplement sales in Ukraine are growing at a CAGR of 7.1% (Statista, E-commerce in Ukraine: Dietary Supplements Market, 2024a).

Strategy: Asfarma collaborates with platforms like Rozetka, Apteka24.ua, Liki24, and Tabletki.ua. It invests in SEO optimization, influencer partnerships. Online activities for doctors and pharmacies, which will affect the purchase of consumers especially at the pharmacies.

4. Institutional Buyers

- The purchase of especially medicines by the institutes are important

Strategy: B2B outreach to departments, offering discounts for bulk orders.

B. B2C Segment

Patient and consumer insights within the B2C segment do not imply that Asfarma will engage in direct sales to consumers. However, it remains critical to define and understand this segment, as influencing consumer behavior through digital channels significantly impacts their purchasing decisions at pharmacies

Key Market Dynamics Affecting Segmentation

- Quality as a Differentiator: GMP certification, clinical validation, and transparent ingredient listings are essential for trust among medical professionals and consumers (UNN, 2024).
- Post-War Health Trends: Demand has surged for mental health products (melatonin, valerian) and immunity boosters (vitamin C, zinc) due to war-related stress and immune system vulnerability (World Bank, 2024).
- Pharmacy-Centric Purchases: With 75% of dietary supplements still sold through physical pharmacies, pharmacy presence remains vital despite rising digital sales (PromoBoz, 2023).

Important: Healthcare professionals' behavior in Ukraine includes attending medical conferences, engaging with pharmaceutical reps, and writing prescriptions based on familiarity or clinical evidence. Asfarma can segment doctors by their prescribing behavior: e.g. those who frequently prescribe imported brands vs. those who default to domestic generics. Pharmacists' stocking behavior is another factor – some pharmacies might stock a broad range of

supplements (catering to proactive wellness consumers), while others focus on fast-moving essential drugs. Understanding these behaviors allows Asfarma to tailor its approach – for instance, ensuring that high-demand OTC supplements are widely stocked for impulse buyers, or providing ample physician education for prescription products so that doctors will initiate the use among patients.

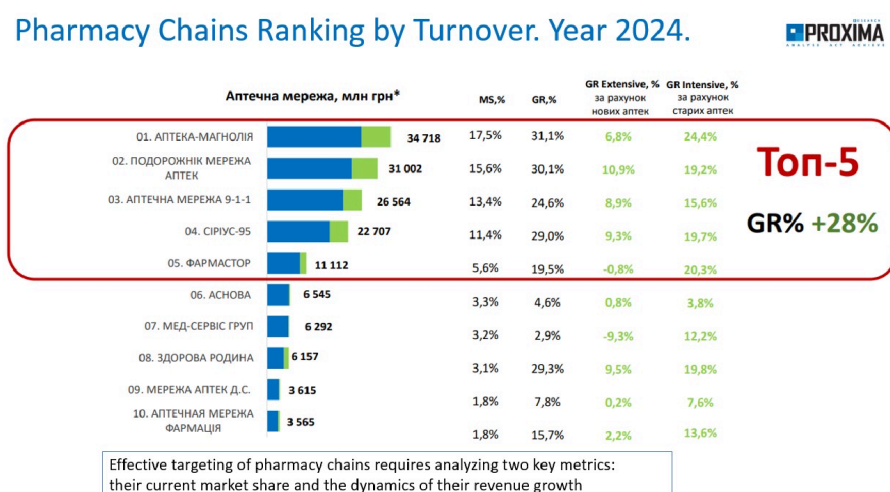
Targeting Strategy of Asfarma Ukraine

- Primary Focus: Pharmacies, hospital groups, e-health platforms
- B2C Influence: Through digital marketing and influencer content to impact pharmacy decisions indirectly

Asfarma Ukraine should adopt a hybrid B2B and B2C targeting strategy, reflecting the dual nature of the Ukrainian pharmaceutical market. Most products reach consumers through intermediaries, making B2B targeting vital. Key targets include pharmacies, distributors, hospitals, and clinics. Distributors with nationwide logistics capabilities are especially strategic partners, ensuring access to pharmacies across urban and rural regions (Proxima Research, 2024a).

Figure 12

Targeting of Pharmacy Chains for Asfarma.



We primarily target the headquarters of pharmacy chains to influence purchasing decisions and participation in corporate product initiatives. Additionally, we focus on individual pharmacists at the retail level, who are responsible for selling the products to consumers. We support them by providing comprehensive information about our products and the promotional campaigns we are running.

Sales & Distribution Model

Asfarma will employ a multi-channel sales model to maximize product reach and consumer access.

- Pharmacies: Shelf-space contracts, in-store training, pharmacist engagement

- E-Commerce: Collaborations with leading online pharmacy platforms such as Apteka24.ua, Rozetka, and Liki24 will expand reach. These partnerships are crucial to serve urban, tech-savvy consumers and increase product accessibility.
- Institutional: Asfarma will target hospitals and corporate wellness programs through tailored procurement offers. Institutional buyers such as private clinics and insurance-backed health plans present strong volume opportunities.

Marketing Mix – 4Ps

Currently Asfarma Ukraine is working with 16 products by 21 Medical Representatives.

Marketing Mix – Asfarma Strategy

1.Product

- Focus on dietary supplements and medicines targeting mental health and musculoskeletal conditions.
- High-quality, GMP-certified, clinically supported products imported from Turkey and other countries.
- Premium packaging with strong brand identity.
- Product portfolio tailored to local needs (e.g., melatonin, joint support SKUs).

2.Price

- Tiered pricing strategy: premium (urban), core (general population), and affordable (rural).
- Value-based pricing for innovative products like Majezik, which has no direct analog (inelastic demand).

- Mixed pricing strategy for comparable products (e.g., Pemova & Pemova Plus at different price points).
- Introductory offers, loyalty programs, and pharmacy-specific incentives.

3. Place (Distribution)

- Multi-channel distribution: national pharmacy chains, e-commerce, and B2B institutional sales (clinics, hospitals).
- Strategic collaborations with platforms like Rozetka, Apteka24.ua, Liki24.
- Delivery and wholesale partnerships across urban and rural regions.

4. Promotion

- Education programs for pharmacists, detailing visits, and shelf-space promotional incentives.
- Digital marketing: SEO, YouTube-style videos for doctors and end-consumers, social media presence.
- Regular online conferences and training for medical professionals and pharmacies.
- Thematic campaigns focused on post-war health topics (mental health, immunity).
- Sampling programs at medical expos and events.
- Publications in medical journals and consumer magazines.
- Discount and promo campaigns for distributors and pharmacy network

5. People

- Asfarma follows a rigorous multi-step recruitment process to ensure that new hires align with the company's values and mission.

- The marketing and sales teams participate in biannual performance evaluations and skill-building workshops.
- A continuous learning culture is promoted across the organization through internal and external development initiatives.

6.Process

- Customer service protocols for pharmacies include:
 - Product knowledge sessions,
 - Health information seminars,
 - Regular field visits and feedback loops,
 - Targeted promotions and seasonal discount campaigns.

7.Physical Evidence

Asfarma's visual identity is consistently applied across:

- Product packaging, promotional materials,
- Office branding, and Company machines.

The brand's physical presence includes a professionally designed head office in Kyiv, open to visitors and reflecting Asfarma's commitment to quality and professionalism.

4.6. KPIs GTM Phase

- Phase 1: Product approvals, number of pharmacies onboarded
- Phase 2: Number of trained reps, CRM adoption rate, market coverage
- Phase 3: Volume growth, customer retention, Net Promoter Score, market share.
- The following KPI table highlights the operational goals across 7P dimensions

Table 8*KPI table for 7P dimensions*

Mix Element	Key KPI (Target)	Current KPI (Asfarma Ukraine)
Product	Sales Growth 10% annually — $\leq 1\%$ Product Complaint Rate	Sales Growth $\sim 2-3\%$ — Complaint Rate $\sim 2\%$
Place	70% Pharmacy Penetration — Avg. Delivery Time: 3 Days	Penetration $\sim 45\%$ — Avg. Delivery Time: 4–5 Days
Price	Prices $\leq 15\%$ below branded — Premium for Majezik	Prices $\sim 15\%$ below — Majezik priced premium
Promotion	4 Congresses, 8 Conferences annually — 10% Engagement Rate	2 Congress, 2–3 Conferences — Engagement $\sim 3-4\%$
People	24 Trainings/year — 15 field visits/day per rep	6–8 Trainings/year — 9–10 field visits/day
Process	90% Shelf Compliance — 95% JIT Delivery	Shelf Compliance $\sim 60\%$ — JIT Success $\sim 75\%$
Physical Evidence	$\leq 0.5\%$ Packaging Defect — $\leq 24\text{h}$ Adverse Event Response	Packaging Defect $\sim 1.2\%$ — Response Time: 48–72h

Pricing Models and Strategies: Pricing will be informed by the above positioning for the premium products, Asfarma can employ a value-based or premium pricing strategy – setting

prices at or slightly above the level of established premium competitors to signal quality.

Premium pricing works if the product offers distinct value (e.g. an advanced formula or imported ingredient) and is supported by marketing that builds a prestige image

A promotion-heavy strategy initially can also aid penetration: offering introductory discounts, and loyalty rewards will attract budget shoppers.

Channel-based pricing is another consideration. Pharmacy retail often involves markups, so Asfarma's ex-factory or distributor pricing must allow the end price to remain acceptable after the pharmacy's margin. Working with pharmacies on recommended retail prices (RRP) and ensuring a healthy margin for them will incentivize pharmacies to stock and actively sell Asfarma's products

Positioning Strategy

Asfarma Ukraine's strategic positioning is built on its ability to deliver trusted, high-quality, and affordable healthcare solutions to the Ukrainian market. The recommended brand positioning statement is:

To Ukrainian Pharmacies- Healthcare Professionals, and Consumers, Asfarma is a Pharmaceutical Brand, offering innovative high-quality, unique medical drugs and FS, tailored to meet specific health needs, because of our commitment to advanced manufacturing and strict quality standards.

This statement integrates key competitive elements such as international quality standards, affordability, and emotional connection through health and wellness.

Strategy About Digital Marketing

Due to the specific nature of the pharmaceutical industry, digital marketing strategies must follow certain rules and constraints. In the pharmaceutical sector, direct-to-consumer advertising is legally restricted. However, for dietary supplements and herbal products, advertising is legally permitted. Nevertheless, because approximately 75% of sales still occur through pharmacies, and given that both pharmaceuticals and supplements are typically consumed following doctor recommendations, the approach to digital marketing must differ from standard FMCG practices.

Key digital activities that Asfarma can utilize include the following:

1. Creation of professional videos targeting doctors and pharmacists. These can be led by respected Opinion Leaders (OLs) who are recognized within the sector.

Segment-Based Video Content Strategy:

Break down video communication by audience segment:

- For pharmacists: product benefits, stock offers, profitability
- For doctors: clinical benefits, patient outcomes, trial data
- For end consumers (supplements only): sleep support, immunity, stress relief

2. Online training sessions for pharmacists and doctors.
3. Virtual conferences for healthcare professionals and pharmacy stakeholders.
4. Targeted communication via email, Viber, and Telegram channels.
5. Social media presence and maintenance of a corporate website.

6. Placement of educational content and consumer-focused ads on pharmacy chain websites.

7. Collaborations with prominent online pharmacy platforms such as Tabletki UA and Liki24.

8. Eventually, depending on infrastructure readiness, the development of Asfarma's own branded e-commerce platform.

9. Define Digital KPIs (Measurable Outcomes):

Some useful digital performance metrics could include:

- Influencer reach goal: minimum 50K per campaign
- Cost-per-click (CPC): below \$0.15
- Email open rate: above 20%
- Video average view duration: over 15 seconds

10. CRM Integration for Conversion Tracking:

Leads generated via digital platforms (web forms, subscriptions) should be tracked via CRM to monitor conversion rates and optimize ROI.

CONCLUSION:

If these digital tactics are implemented effectively and backed with appropriate budget allocation under the marketing activation plan, it is estimated that e-commerce and digital-influenced sales could contribute up to 10% of total company revenue within 3 to 5 years.

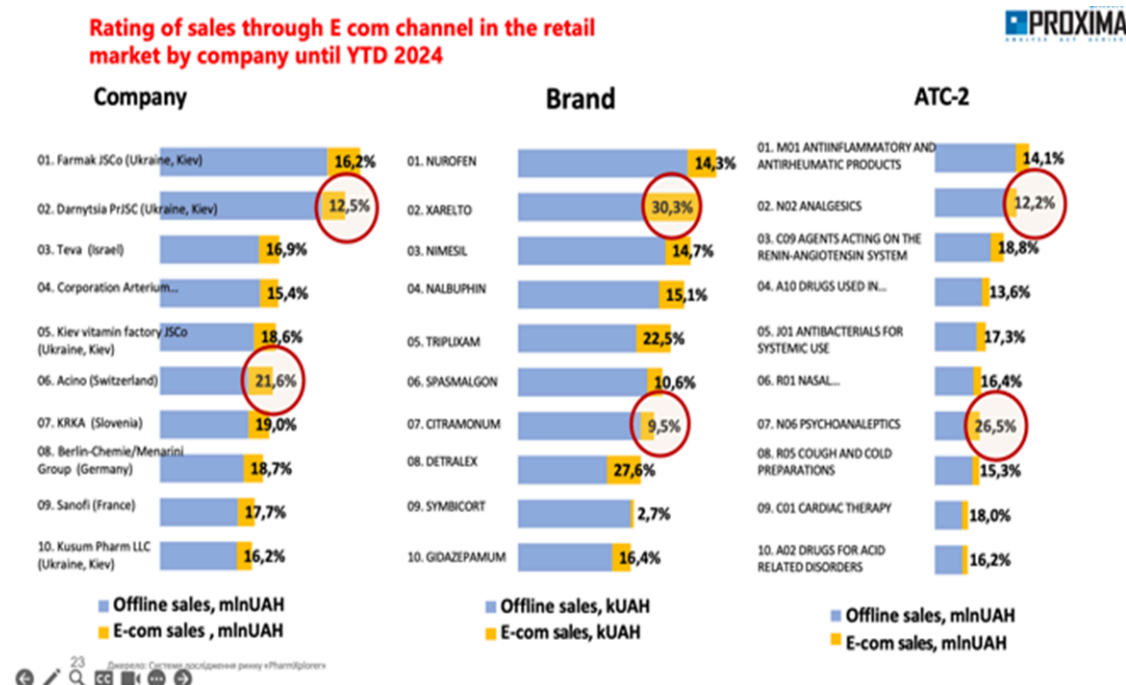
Table 9

Asfarma Ukraine – HCP & Pharmacy Engagement KPI Dashboard

KPI Area	KPI Metric	Target	Current Status (Estimate)
HCP Engagement	Doctor Email Open Rate	>40%	~22–25%
	Webinar Attendance Rate	>30%	~20 %
	HCP Feedback Score	>4.0	~3.2
Pharmacy Engagement	Pharmacy Campaign Participation	>60%	~45%
	POS Promotion Activation	>40%	~30%
	Online Pharmacy Training Participation	10 top chains involved	6 chains involved
	Patient Activation Pharmacy Sell-Out Growth	+10–20% YoY	~4–7% YoY
	E-Prescription / Recommendation Growth	+15%	Not tracked consistently
Conversion Metrics	Doctor-to-Pharmacy Conversion (Majezik)	>70%	~45%
	Doctor-to-Pharmacy Conversion (Pasivalem)	>40%	~25%
	Cost per Doctor Acquisition (CPDA)	< \$25	~\$40

Figure 13

Rating of sales through E commerce by company



Product Planning & Promotional Strategy (2025–2028)

In the first year, Asfarma plans to operate with 14 products using the current medical representative (MR) team. In 2027, the team will expand to 28 MRs along with the launch of 12 additional products, followed by 4 more products and a team of 33 MRs in 2028.

The core operating model will continue to focus on pharmacy chains and medical doctors. Digital marketing activities will not target direct-to-consumer (DTC) e-commerce sales but rather will utilize digital marketing tools to increase brand visibility and support sell-out through pharmacies.

The goal of these digital activities is to raise brand awareness and positively influence purchase decisions at the pharmacy level, where most sales take place.

Strategic Focus:

Over the next three years, Asfarma will implement a combination of the following growth strategies in accordance with the Ansoff Matrix:

1. Market Penetration – Expand sales of existing products in current regions by increasing pharmacy chain partnerships and physician engagement. 70% presence in pharmacies by the year 2027. Our target is to work 100% with top 10 pharmacy chains.

2. Product Development – Launch new dietary supplements tailored to emerging needs in mental wellness, immunity, and musculoskeletal support. In 3 years, registration of new 30 products.

3. Market Development – Reach new customer segments (e.g., rural regions, e-health users) and expand into underpenetrated geographic areas via digital tools and regional medical representatives. We will try to cover regions where we are not existing currently including Odesa, Ternopol, Chervetsti, Ujgorad ,

We will use especially Market Penetration – Product Development and Market Development strategy for the next 3 years. See the Ansoff Matrix at Appendix

See the current and target products figure at appendix

We will have strategic shifts with our marketing approaches as shown below.

Table 10*Strategic Shift in Marketing Approaches*

Key Marketing Dimensions	Current Status (2025)	Target Strategic Status (by 2027)
Market Segmentation	Basic demographic split; no deep behavioral data	Behavioral + psychographic segmentation; cluster-targeting in CRM
Pricing Strategy	Tiered structure in place, but limited elasticity analysis	Elasticity-tested, segmented, dynamic pricing by channel
Digital Promotion	Video-based & influencer tools exist; usage inconsistent	Fully structured content plan, regular campaigns & SEO/PPC
Field Force Efficiency	Team deployed but regional productivity varies	Territory-level KPIs, regular coaching, CRM-driven targeting
CRM Utilization	CRM used, but data quality and reporting are weak	AI-based CRM tracking, performance dashboards, segmentation
KOL Engagement	Few relationships, not formalized or tracked	Strategic partnerships, tracked speaker engagement, MSL input, Regional KOL will be engaged.
E-commerce Strategy	Listed on 1 platform; no internal marketplace or ad support	Targeted offers via digital marketplaces, more platform like Liki24 Tabletki UA and pharmacy chain sites

See the Comparison of Previous and Updated Business Model Canvas for Asfarma

Ukraine at appendix.

Chapter 5: Organization Strategy

Asfarma Ukraine

Asfarma Ukraine currently operates under a hybrid organizational structure that blends traditional hierarchy with collaborative, cross-functional decision-making. While formal reporting lines are centralized under the Country Manager, many strategic and operational decisions are reached collectively by key stakeholders across departments. This structure, aligned with the firm's Clan Culture, reinforces trust, interpersonal bonds, and inclusivity. However, it also introduces delays in execution, particularly in time-sensitive functions such as marketing campaigns, sales activations, and regulatory compliance submissions.

Table 11

Asfarma Ukraine – Functions for Strategic Growth Team Key

Position	Terms of Cooperation	Function
General Manager	Full-time Employment	<ul style="list-style-type: none"> • Define and oversee the overall company strategy • Lead cross-functional coordination across departments • Ensure alignment of business goals with regulatory and market needs • Build performance and innovation-driven company culture
Head of Regulatory Affairs	Full-time Employment	<ul style="list-style-type: none"> • Ensure product compliance with local and international regulations • Handle registration and labeling processes • Liaise with regulatory authorities • Track legislation updates
Head of Marketing	Full-time Employment	<ul style="list-style-type: none"> • Develop and execute marketing & sales strategies • Oversee branding, campaigns, and promotional initiatives • Manage marketing budget and team KPIs

FFM (Field Force Manager)	Full-time Employment	<ul style="list-style-type: none"> • Implement training and coaching programs • Supervise field reps and optimize field activities • Monitor KPIs, visit planning, and customer coverage • Align territory strategies with business goals
Regional Manager	Full-time Employment	<ul style="list-style-type: none"> • Lead field activities in assigned regions • Support sales team with execution plans and feedback • Analyze territory-specific performance metrics • Ensure alignment with central strategy
KAM (Key Account Manager)	Full-time Employment	<ul style="list-style-type: none"> • Manage relationships with strategic clients (chains, distributors) • Negotiate contracts and promotional activities • Monitor sales-in/sales-out and ensure execution at POS • Coordinate with internal teams for supply and marketing
Product Manager	Full Time Employment	<ul style="list-style-type: none"> • Ensure scientific credibility of marketing and product content • Communicate with healthcare professionals and KOLs • Participate in product positioning and claim development
Medical -Sales Representatives (Field)	Full-time / Employment	<ul style="list-style-type: none"> • Promote products to pharmacies, doctors, and distributors • Report regional trends and competitor activities • Build client relationships and manage visit cycles
Financial Manager	Full-time Employment	<ul style="list-style-type: none"> • Oversee budgeting, forecasting, and cost control • Analyze profitability by product and region • Support strategic investment decisions
Digital Marketing Agency	Outsourcing	<ul style="list-style-type: none"> • Manage digital channels (social, SEO, ads) • Execute targeted campaigns • Monitor digital KPIs and ROI
Office Manager	Full time Employment	<ul style="list-style-type: none"> • Handle office operations, procurement, and internal coordination • Manage scheduling, supplies, and basic HR processes • Support team logistics and documentation
Graphic Designer	Freelancing / Project-based	<ul style="list-style-type: none"> • Design visuals for marketing and packaging • Ensure brand identity consistency • Support social and web campaigns
Website & CRM Developer	Freelancing / Part-time	<ul style="list-style-type: none"> • Maintain and enhance Asfarma's website • Implement and manage CRM tools • Ensure smooth e-commerce and data protection

Legal Advisor	Outsourcing	<ul style="list-style-type: none"> • Provide legal review for contracts and agreements • Manage compliance and IP issues • Represent company in legal processes if needed
Accountant	Full-time Employment	<ul style="list-style-type: none"> • Manage accounts and financial records • Ensure compliance with local tax laws • Prepare monthly reports and cash flow statements

Organizational Analysis Using McKinsey’s 7S Framework – Asfarma Ukraine

To support Asfarma Ukraine’s strategic ambitions—especially in scaling its dietary supplement business and expanding digital capabilities—it is essential to understand how internal elements align with its goals. The McKinsey 7S framework offers a holistic approach for assessing organizational effectiveness by examining seven interdependent factors. This diagnostic indicates that Asfarma has a strong foundation of people, culture, and regulatory expertise.

Strategy

Asfarma Ukraine’s Strategy: Its core strategy centers on expanding the availability of high-quality medicines and health products in Ukraine, thereby contributing to improved healthcare outcomes. Key facets of the strategy include:

- **Market Expansion:** Despite the challenging post-war environment, Asfarma Ukraine plans a phased expansion of its field presence.
- **Portfolio and Partnerships:** Asfarma Ukraine will continue to register new products and form partnerships with local healthcare stakeholders.
- **Alignment with Mission and Values:** Strategy at Asfarma Ukraine is reinforced by the company’s core values.

- Adaptation to Environment: Operating in Ukraine's volatile environment requires a resilient and adaptable strategy.

Structure:

Asfarma Ukraine currently employs a functional organizational structure with clear reporting lines, complemented by a regional subdivision for its field sales operations. Key positions and headcount include:

- General Manager → Field Force Manager → 3 Regional Managers → 21 Medical Sales Reps
- Product Manager and Key Account Manager (KAM) under the marketing and commercial umbrella
- Regulatory and Finance report directly to GM
- Legal and digital marketing functions are outsourced but strategically integrated
- A new Head of Marketing will be added in 2026
- Office Manager and accounting report to FM.

Structural Characteristics: The current structure is largely functional – divided by business function (Sales, Marketing/Product, Regulatory, Finance/Administration) – which is typical for a small-medium organization.

Outsourced Functions: Notably, Asfarma Ukraine outsources certain specialized services – Legal consultancy and Digital Marketing – instead of housing them in the internal structure.

Systems

- Key Organizational Systems at Asfarma Ukraine: Despite its relatively small size, Asfarma Ukraine relies on a few systems to ensure efficiency, compliance, and high performance:

- **Performance Management System:** The company has a structured process for setting targets and evaluating employee performance. For example, Medical Sales Reps report activities through call reports or a CRM (Customer Relationship Management) system.
- **Financial and Accounting Systems:** Under the Financial Manager, Asfarma Ukraine follows standardized accounting procedures and budgeting processes.
- **Regulatory Compliance System:** Given the strict nature of pharma regulations, the RA Manager operates systems for regulatory tracking – e.g., maintaining dossiers for each product.
- **Training and Development System:** Asfarma Ukraine follows a systematized approach to employee development. Annual training plans are created to foster collaboration of the teams and their professional skills.
- **Shared Values of Asfarma**
- **People-Oriented:** “Priority to people” – Asfarma values its customers, employees, suppliers, and all stakeholders, putting people at the center of its decisions.
- **Continuous Improvement:** The company commits to continuous self-improvement to enhance the quality of life for both employees and customers.
- **Quality Service:** “Service quality at every stage” – Asfarma prides itself on high service standards in marketing, promotion, and sales,
- **Trust and Transparency:** Asfarma’s culture is built on mutual openness, trust, and collaboration.

- Commitment: In Ukraine, such mutual commitment has been crucial through the adversity of war – many employees likely remained with the company or quickly re-engaged despite difficulties, due to a strong sense of belonging.
- Business Ethics: “No compromise on ethical principles” in dealings with internal and external stakeholders.

Style

Leadership and Management Style at Asfarma Ukraine: The leadership style in Asfarma Ukraine is strongly influenced by the company’s core values of trust and people-orientation. The General Manager and leadership team practice a participative and coaching-oriented style rather than a command-and-control approach.

Staff

21 Medical Sales Reps: Majority are young, science-trained professionals needing continuous training

- 3 Regional Managers: Experienced, promoted from within company.
- 1 Product Manager: Experienced and skills of digital marketing.
- KAM: Experienced KAM, wide networked
- FFM: Experienced and wide networked
- Regulatory manager: Experienced and high equipped with knowledge.
- 2026: A new external Head of Marketing will be recruited with strategic and digital skills
- Culture: Currently Clan-oriented (team-driven), moving towards a more performance-oriented mix

- Training, CRM proficiency, and KPI literacy are areas of focus
- Retention is good, but upskilling is required to support rapid scaling

Skills

We can examine the current skills and then required skills for the company.

Table 12

Current Core Skills at Asfarma Ukraine

<i>Skill Domain</i>	<i>Description</i>
Scientific Sales Capability	Strong understanding of medical products and conditions, enabling reps to engage effectively with healthcare professionals
Territory Management	Regional Managers and the FFM are proficient in overseeing field activities, setting visit cycles.
Regulatory Expertise	Regulatory Manager ensures local and EU-aligned compliance, managing documentation and MOH relationships
Financial Control & Budgeting	Financial team accurately tracks expenses, profit margins, and territory-specific costs
Digital Awareness (External)	Collaboration with outsourced digital agencies. Collaborations with pharmacy sites.
Key Account Management (B2B)	The KAM is skilled in managing relationships with large pharmacy chains and aligning procurement deals with marketing campaigns
Product & Market Insight	The Product Manager supports data-based portfolio planning and message development based on HCP feedback and market gaps

Table 13*Emerging Skill Requirements (2025–2028)*

<i>Required Skill</i>	<i>Rationale</i>
CRM and Data Analytics	Field force and management need improved ability to interpret dashboards, KPIs, and digital field reports
Cross-Functional Project Leadership	As marketing and medical teams grow, collaboration on launches and campaigns will require shared accountability and project flow
Strategic Marketing (Omnichannel)	Planned Head of Marketing will need strong digital, segmentation, pricing, and campaign development capabilities
E-commerce Sales Logic	Asfarma’s partnerships with platforms like Rozetka and Liki24 require internal understanding of pricing structures and digital shelf strategy, using Influencers for doctors and pharmacists
Adaptability and Resilience	Post-war volatility requires emotional intelligence, agility in role-switching, and comfort with remote collaboration tools

Skill Development Strategy:

- Internal Training Programs
- External Upskilling (via partnerships)
- Knowledge Sharing Practices

We have examined each component of the McKinsey 7S Framework in detail and demonstrated their practical application at Asfarma Ukraine, enriched with Herzberg's motivation theory and context-specific strategies.

Asfarma Ukraine stands robust in the face of a challenging post-war market, exemplifying how a strategic alignment of all "7-S" elements – combined with a committed, motivated workforce can lead to sustainable success even in the most demanding of environments.

See the 7S McKinsey framework FIGURE at appendix

Employee Motivation at Asfarma Ukraine – Based on Herzberg's Two-Factor Theory

To sustain long-term engagement and productivity, Asfarma Ukraine applies a dual-focus approach to motivation, reflecting Herzberg's Two-Factor Theory, which divides employee satisfaction drivers into Hygiene Factors and Motivators.

1. Hygiene Factors (Preventing Dissatisfaction)

- **Competitive Compensation:** Salary levels are gradually aligned with market benchmarks in Ukraine, considering inflationary pressure and post-war labor market shifts.
- **Transparent Policies:** Internal policies around working hours, leave, and team responsibilities are clearly communicated, fostering fairness and clarity.
- **Positive Work Environment:** A supportive workplace culture, open communication, and flexible interaction with management enhance daily comfort and emotional security.

2. Motivators (Driving Satisfaction and Performance)

- **Growth & Learning:** Staff benefit from ongoing sales training, participation in conferences, and mentorship by senior team members. However, increased investment in structured development programs is a current priority.
- **Performance-Linked Incentives:** Bonus structures and sales commissions are being aligned with KPIs to reinforce accountability and reward results.

Table 14

Key Optimization Initiatives for 2026--2028

Area	Initiative
Compensation	Gradual salary adjustments based on industry benchmarks and inflation indexes
Incentives	Design structured bonus and commission systems linked to individual and team KPIs
Recognition	Introduce formal recognition programs to increase intrinsic motivation
Development	Launch career mapping tools, increase access to external certifications.

Asfarma Ukraine – Organizational Culture Analysis

Current Cultural Profile

Asfarma Ukraine's organizational culture is deeply rooted in Clan Culture dynamics. The company emphasizes interpersonal connection, collective decision-making, and a strong sense of

belonging. This cultural structure has helped maintain internal cohesion during uncertain times in Ukraine and creates a supportive foundation for sustainable growth.

Analysis Using Edgar Schein's Model

Edgar Schein's three-level model—Artifacts, Espoused Values, and Basic Underlying Assumptions—provides a comprehensive framework to understand the deeper layers of Asfarma's current culture.

1. Artifacts (Visible Cultural Expressions)

- Collaborative Environment: Teams operate in open, cooperative formats. Regular team meetings, joint planning sessions, and group-based initiatives are part of daily operations.
- Transparent Communication: The leadership maintains an approachable style, encouraging direct feedback and rapid communication through informal and formal channels.
- Supportive Atmosphere: Events like internal workshops and team-building days reinforce connection across departments.

2. Espoused Values (Declared Norms and Principles)

- Teamwork, transparency, and collaboration are explicitly encouraged across functions.
- Organizational focus on well-being and psychological safety is evident.

3. Basic Underlying Assumptions (Deeply Ingrained Beliefs)

- Employee satisfaction and trust are seen as key drivers of long-term organizational effectiveness—particularly vital in Ukraine's post-conflict environment.
- Flexibility and adaptation are not seen as short-term tools, but as embedded survival strategies.

Secondary Cultural Layer: Adhocracy Elements

Although Clan Culture dominates, Asfarma also exhibits clear traits of Adhocracy Culture, particularly in market-facing functions like Sales, Marketing, and Product Development.

Key Observations:

- **Adaptability:** The organization has adapted rapidly to the post-war business environment, including regulatory shifts and healthcare demand patterns.
- **Forward Thinking:** Strategic planning consistently integrates future healthcare trends (e.g., mental health, immune support, personalized supplements).

Conclusion

The cultural blend at Asfarma—primarily Clan, supported by Adhocracy—creates a unique environment that balances stability with innovation. Strategic decisions, including hiring, capability building, and digital transformation, must continue to align with and be informed by this cultural foundation. We are targeting a mix culture

Target Cultural Profile by 2028

A balanced mix that maintains agility and collaboration, but introduces performance rigor, clear hierarchy, and operational control:

Table 15

Current and Targeted Culture Type

Culture Type	Current (%)	Target (%)
Clan	60	40
Adhocracy	25	20

Market (Compete)	10	20
Hierarchy	5	20

Strategic Actions for Culture Shift

1. Foster a Performance-Oriented Culture (Compete Focus)

- Introduce clear KPIs and quarterly performance reviews for all roles
- Expand incentive programs: not just individual, but team-based

2. Implement Operational Discipline (Hierarchy Focus)

- Develop Standard Operating Procedures (SOPs) across all departments
- Automate compliance, reporting, and approval processes
- Strengthen internal audit and performance tracking systems (e.g., CRM dashboards, field force metrics)

3. Develop Goal-Oriented Leadership

- Train Regional Managers and Field Managers in coaching for results
- Set quarterly goal alignment meetings for the teams.
- Introduce 360-degree performance feedback for middle management

4. Embed Feedback and Cultural Monitoring Systems

- Biannual anonymous organizational climate surveys
- Conduct pulse checks on cultural alignment with business priorities
- Create a simple “Cultural Health Scorecard” to monitor /Clan vs. Compete balance

Cultural Shift Implications

What must be protected:

- Trust, collaboration, and ethical standards
- Open communication and leadership accessibility

Table 16

Implications for Change

Action Area	Cultural Outcome Expected
KPI implementation	↑ Hierarchy + Market
Performance-based rewards	↑ Market culture
Internal control mechanisms	↑ Hierarchy structure
Team coaching & role clarity	↓ Clan dominance, ↑ professional accountability
Innovation through structure	↓ informal adhocracy, ↑ productive innovation

Strategies to Source Critical Capabilities: Human Capital, Artificial Intelligence, and

Technology

For Asfarma Ukraine to secure long-term competitiveness and sustainable growth, it must source and strengthen critical capabilities in strategic areas: Human Capital, Artificial

Intelligence (AI), and Technology. Advancing in these dimensions will improve scalability, operational efficiency, and market differentiation

1. Human Capital Strategy

Asfarma's ability to grow relies directly on the strength and adaptability of its workforce. While the current teams are well-established in field sales and regulatory affairs, there is a need of improvement and there are evident gaps in digital marketing, data analytics. Some actions planned:

- Trainings about digital marketing, University partnerships for new employees, internal talent pipeline, leadership training.
- Regular trainings for the teams.

2. Artificial Intelligence (AI) Integration

Asfarma currently operates with basic digital tools like CRM and Excel-based reporting. However, there is significant potential to use AI-driven solutions to transform key operational areas. As a fact of industry working conditions Asfarma can have AI driven information from some outsourcing companies such as Proxima Research and Morion to have more information and feedback about the marketing and sales activities.

Implementation: Human Resources and Organizational Behavior Foundations

Effective implementation of Asfarma Ukraine's strategic initiatives depends not only on the operational structure, but also on the people involved—their skills, attitudes, networks, and how they interact.

The implementation team design will be guided by three foundational OB concepts:

1. Belbin's Team Roles Theory (Belbin, 2010): Effective teams are composed of members who bring a balance of functional roles (e.g., Implementer, Coordinator, Plant, Monitor Evaluator), ensuring both execution and strategic thinking.

2. Tuckman's Group Development Model (Tuckman, 1965): Team performance improves over time through the stages of Forming, Storming, Norming, and Performing. The right team structure and leadership accelerate this process.

Conclusion and takeaways

Asfarma Ukraine faces organizational challenges typical of companies operating in turbulent environments. Addressing these through structured interventions focused on culture, competencies, motivation, and technological upgrades will strengthen organizational resilience and enhance overall operational effectiveness. Integrating frameworks (e.g., VRIO, Herzberg's Theory, Leadership empowerment strategies) ensures alignment with the strategic vision, enabling the organization to maintain competitive advantage and grow sustainably in Ukraine's rapidly evolving healthcare market. Asfarma Ukraine should proactively refine its organizational design by enhancing agility, cross-functional collaboration, and explicit alignment of reward systems. Addressing these elements cohesively ensures Asfarma Ukraine remains resilient, responsive, and competitive in Ukraine's evolving pharmaceutical market.

Asfarma Ukraine is now entering a growth-through-performance phase. Shifting from a purely Clan-driven culture to a balanced mix of Clan, Market, Adhocracy and Hierarchy will ensure:

- Strategic agility

- Employee engagement
- Operational excellence
- Long-term sustainability

This transformation will not replace the human-centered culture Asfarma has nurtured—it will evolve it into a high-performing, scalable, and resilient organization. By respecting the collaborative spirit, new systems and structures should be introduced with the team, not imposed top-down.

Chapter 6: Financials

Financial Planning

Developing the financial model for this project shifted my perspective as a manager. First, we implemented a new reporting format, which greatly improved our analytical capabilities. This adjustment allowed us to identify trends and issues more effectively, enabling more informed decision-making.

Second, we transitioned from a traditional, individual-focused planning approach to one that considers regional potential and competency levels. By evaluating each region's potential on a scale of 0.8 to 1.4, we gained a more accurate understanding of market opportunities, which in turn allowed us to set more realistic and achievable sales targets per representative.

Moreover, we introduced a framework that ties individual sales plans to the level of professionalism demonstrated by each team member. This approach ensures that the targets set for each individual align with their skills, experience, and performance capacity. Ultimately, these changes not only improved our operational planning but also enhanced our ability to control and optimize the sales plan at both the regional and individual levels.

To evaluate and compare the different options, we first aligned our existing plan to the new reporting format. This step ensured consistency in how results were analyzed and allowed for more accurate comparisons across scenarios. Following this, we conducted a sensitivity analysis on the existing model, as well as on the two proposed strategies: expanding the product portfolio alone and expanding the product portfolio in conjunction with increasing the number of medical representatives.

By applying the same standardized metrics, we could directly assess how each approach performed under various market conditions. This process enabled us to clearly identify the potential risks and rewards associated with each option. Through this structured comparison, we gained valuable insights into which strategy would most effectively enhance profitability, improve market share, and support long-term growth.

Key assumptions underlying the financial model are as follows:

- Given the company's status as a permanent establishment in Ukraine and the prevailing market conditions, all financial calculations are presented in USD to ensure consistency and comparability.
- No changes have been made to the sales or purchase prices of medicines. This decision reflects the stability of the Turkish company's existing selling strategy and maintains a clear baseline for assessing other financial impacts.
- Adjustments have been applied exclusively to expense categories—such as salaries, rent, utilities, and similar operational costs—to account for potential fluctuations in the Ukrainian market. By isolating these variables, the model aims to provide a realistic and forward-looking projection of how changes in market conditions may affect the company's overall financial performance.
- The formula for the Weighted Average Cost of Capital (WACC), which serves as the discount rate when calculating Net Present Value (NPV), typically looks like this: discounting rate = 14.5%

$$WACC = E/V \cdot Re + D/V \cdot Rd \cdot (1 - Tc)$$

$$Re = Rf + \beta \cdot (Rm - Rf)$$

Where:

- E = equity (100%)
- D = debt (0%)
- V = Total value of capital (E + D)
- Re = Cost of equity
- Rd = Cost of debt
- Tc = Corporate tax rate

Where:

- Re = Cost of equity
- Rf = Risk-free rate
- β = Equity beta, which measures the stock's volatility relative to the market as a whole
- Rm = Expected return of the market portfolio
- Rm - Rf = Equity market risk premium (EMRP) (4.12%)

This formula effectively weights the cost of equity and the after-tax cost of debt according to their proportions in the company's capital structure. The resulting WACC serves as a single, blended discount rate for evaluating the company's projects and determining NPV.

Financial model existing

The existing business model involves selling medical pills and food supplements in pharmacies (Mostly Podorojnik), on e-commerce platforms (Tabletki UA, Liki 24, Online Sites of Pharmacies') with promotions conducted through medical representatives who engage doctors directly. Currently, the business operates with: 21 medical representatives, 16 pharmaceutical products (medical pills and food supplements, including creams), annual market growth: 10%, projected salary and fixed expenses growth: 10% annually.

Based on the outlined business parameters, the financial projections (Appendix) assuming no significant operational or strategic changes are as follows:

- Year 1: The business expects to generate approximately only 9 730 USD net income.
- Year 2: With consistent market and salary growth of 10%, the expected net income is projected to increase to approximately 15 654 USD.
- Year 3: Following the same assumptions, the expected net income would reach approximately 75 715 USD.

The projected revenue distribution by region is anticipated to be as follows:

- Center region: 44%
- East region: 30%
- West region: 22%
- South region: 4%

A comprehensive sensitivity analysis demonstrates that the financial health of this business model is significantly dependent on achieving the sales plan targets. Specifically, executing less than 95% of the planned sales targets would result in a negative financial outcome, estimated at *minus 123 687 USD*. Additionally, if market growth decreases to 5% instead of the expected 10%, even full execution of the sales plan will result in a negative financial outcome estimated at approximately *75,102 USD*.

Figure 14

Sensitivity Analyses

		Average market growth						
		20%	15%	10%	5%	0%	-5%	-10%
Average sales plan execution	101,099							
	130%	1,904,009	1,664,492	1,429,419	1,204,542	973,366	768,825	563,765
	120%	1,428,452	1,208,659	989,375	778,498	566,182	381,374	188,871
	110%	947,699	741,727	544,717	349,848	156,067	(16,276)	(194,222)
	105%	706,582	513,440	319,737	138,483	(49,602)	(222,693)	(376,664)
	100%	464,570	281,667	101,099	(75,102)	(263,041)	(406,224)	(569,193)
	95%	226,020	49,689	(123,687)	(299,401)	(459,725)	(600,988)	(757,024)
	90%	(14,820)	(182,640)	(347,468)	(501,534)	(666,050)	(801,670)	(944,191)
	85%	(250,661)	(411,694)	(566,635)	(714,931)	(868,236)	(992,945)	(1,132,546)
	80%	(497,954)	(642,905)	(785,510)	(929,494)	(1,079,838)	(1,191,559)	(1,324,133)
	75%	(740,299)	(877,114)	(1,010,170)	(1,142,083)	(1,280,212)	(1,390,139)	(1,511,266)

Moreover, supply chain disruptions can have a severe impact on the company. Any disruption resulting in less than 100% availability of pharmaceutical products could negatively influence the entire business model, potentially generating significant financial losses.

Figure 15

Sensitivity Analyses

		Average market growth						
		20%	15%	10%	5%	0%	-5%	-10%
Average supply chain execution	101,099							
	100%	464,570.25	281,666.90	101,099.33	(75,102.50)	(263,040.87)	(406,223.56)	(569,193.20)
	95%	226,019.57	49,689.40	(123,686.68)	(299,400.95)	(459,725.00)	(600,988.41)	(757,024.18)
	90%	(14,819.59)	(182,639.75)	(347,467.87)	(501,534.44)	(666,050.07)	(801,669.87)	(944,190.79)
	85%	(250,661.48)	(411,694.04)	(566,635.09)	(714,931.14)	(868,235.54)	(992,944.51)	(1,132,546.02)
	80%	(497,953.51)	(642,904.75)	(785,509.87)	(929,494.16)	(1,079,838.08)	(1,191,558.84)	(1,324,132.53)
	75%	(740,299.36)	(877,114.29)	(1,010,169.96)	(1,142,083.15)	(1,280,212.27)	(1,390,138.65)	(1,511,265.83)
	70%	(976,268.70)	(1,098,731.18)	(1,229,518.30)	(1,353,229.17)	(1,482,615.26)	(1,590,120.16)	(1,700,534.38)
	65%	(1,217,879.93)	(1,338,344.65)	(1,453,336.44)	(1,570,005.91)	(1,686,162.79)	(1,782,964.13)	(1,891,833.82)
	60%	(1,457,541.67)	(1,564,842.43)	(1,675,950.74)	(1,782,838.71)	(1,895,968.15)	(1,977,326.49)	(2,076,827.15)
	55%	(1,696,996.70)	(1,799,832.24)	(1,898,560.37)	(1,992,966.63)	(2,096,739.30)	(2,177,223.36)	(2,266,926.13)
	50%	(1,944,232.01)	(2,026,313.63)	(2,121,700.69)	(2,206,869.51)	(2,307,175.46)	(2,375,074.88)	(2,456,095.39)
	45%	(2,178,931.56)	(2,259,512.01)	(2,344,525.20)	(2,418,367.48)	(2,507,650.49)	(2,574,832.04)	(2,639,893.61)
40%	(2,419,585.75)	(2,489,093.98)	(2,563,705.11)	(2,633,517.12)	(2,714,704.68)	(2,766,419.58)	(2,833,487.84)	
35%	(2,656,774.18)	(2,716,651.25)	(2,790,186.70)	(2,845,434.96)	(2,916,647.34)	(2,969,305.79)	(3,019,232.35)	

Furthermore, licensing issues (Existen and Debitum-sanovel) can significantly affect the operational capabilities of the business, potentially leading to severe disruptions and considerable financial losses across the entire system.

Figure 16*Sensitivity Analyses*

problem with licenses

	101,099	problem with licenses		
		without problem	EXISTEN 15 mg 30 tb	Debitum-sanovel 50 mg tb
Average sales plan execution		0	1	2
130%		1,429,419	995,867	1,191,057
120%		989,375	589,371	768,928
110%		544,717	178,006	340,548
105%		319,737	(29,634)	126,656
100%		101,099	(232,716)	(82,505)
95%		(123,687)	(440,304)	(299,312)
90%		(347,468)	(648,495)	(512,179)
85%		(566,635)	(849,632)	(723,320)
80%		(785,510)	(1,052,279)	(933,038)
75%		(1,010,170)	(1,260,105)	(1,148,201)

After conducting a sensitivity analysis of the existing financial model, it was determined that the model lacks stability and fails to ensure profitability or sustainable growth. Moreover, even minor adjustments to the execution plan, licensing issues, or challenges with a single product could result in significant financial losses for the company. Furthermore, licensing issues (Existen and Debitum-sanovel) can significantly affect the operational capabilities of the business, potentially leading to severe disruptions and considerable financial losses across the entire system.

See Option 1 at appendix

Recommended Option: increase in product portfolio and number of employees

To accelerate growth and enhance client recognition, the company plans to increase the number of medical representatives to 28 in Year 2 and 33 in Year 3. This approach leverages the same expense assumptions and sales targets per representative as in the original model. By

expanding the team while maintaining consistent productivity expectations, the company aims to capture greater market share, strengthen influencers relationships, and support a sustained increase in revenue.

Under this model, revenue is projected to grow to \$5,519,652 in Year 2 and further to \$7,278,157 in Year 3. The contribution margin, while slightly lower than in Option 1, remains relatively steady, averaging 31% compared to the 32% average in Option 1. This indicates that while the revenue trajectory is robust, the model maintains a consistent level of profitability, providing a stable foundation for sustainable growth.

Figure 17

Cash Flow-NPV- IRR Calculation

	Y0	Y1	Y2	Y3	Total
Net income before taxes		152,410	745,174	1,077,824	1,975,408
FCF calculation					
model without project	-172,416.7	100,416	(88,305)	11,275	23,386
model with project	(392,087)	113,917	154,376	832,891	1,101,184
CF generated by project	(219,670)	13,501	242,681	821,616	1,077,798
discount rate		14.50%			
NPV		\$524,562.53			
IRR		81%			
ROI		404%			
PP		2 years 4 month			
DPP		3 years			

The financial performance of this option is reflected in a net present value (NPV) of \$524,562.53, demonstrating substantial value creation over the evaluation period. The internal

rate of return (IRR) for this scenario is an impressive 81%, indicating that the project significantly exceeds the company's required rate of return. These figures illustrate that this approach offers strong potential returns, justifying the investment in increased representation and expanded market reach.

When considered alongside a payback period of just 2 years and 4 months, these indicators—*NPV of \$524,562.53 and an IRR of 81%*—underscore the project's strong investment appeal. The combination of rapid payback, high returns, and significant value creation makes this project a highly attractive proposition for investors seeking both stability and profitability.

With a return on investment (*ROI of 40%*), the project demonstrates exceptional profitability. This figure means that for every dollar invested, the company expects to generate more than four dollars in profit, solidifying the case for prioritizing this initiative. Such a strong ROI highlights the project's ability to deliver significant returns well above the initial outlay, further increasing its attractiveness to stakeholders.

Figure 18

Sensitivity Analyses

		Average market growth						
		20%	15%	10%	5%	0%	-5%	-10%
Average sales plan execution	1,975,408							
	130%	5,233,731	4,781,132	4,352,584	3,932,690	3,479,125	3,123,242	2,728,547
	120%	4,379,375	3,973,599	3,567,224	3,166,695	2,744,187	2,436,690	2,065,973
	110%	3,520,478	3,125,010	2,790,367	2,411,513	2,022,855	1,722,468	1,377,846
	105%	3,082,315	2,746,898	2,375,461	2,046,413	1,665,661	1,343,371	1,068,087
	100%	2,638,906	2,319,116	1,975,408	1,654,004	1,289,513	1,043,261	722,313
	95%	2,236,150	1,894,868	1,581,518	1,234,568	945,874	702,753	394,970
	90%	1,800,288	1,491,363	1,167,098	897,690	564,384	331,655	80,834
	85%	1,392,176	1,080,848	799,991	506,489	212,274	9,494	(271,162)
	80%	933,808	670,186	400,030	135,014	(176,135)	(359,901)	(603,877)
75%	484,077	240,426	8,174	(257,840)	(510,638)	(706,857)	(936,040)	

The sensitivity analysis reveals that with an annual market growth rate of 10%, the company can achieve profitability even if average sales execution drops to 75%. This demonstrates the robustness of the financial model under positive market conditions, indicating that moderate execution levels are sufficient to maintain profitability when the market is expanding at this pace.

Even in the scenario where the market declines by 10% annually, the analysis shows that maintaining a sales execution rate of 90% would still enable the company to remain profitable. This resilience highlights the financial model's capacity to withstand market contractions, provided the sales team sustains a high level of performance.

Figure 19

Sensitivity Analyses

		Average market growth							
		20%	15%	10%	5%	0%	-5%	-10%	
Average supply chain execution	100%	1,975,408	2,638,905.73	2,319,116.34	1,975,407.78	1,654,003.92	1,289,512.98	1,043,260.82	722,313.20
	95%		2,236,149.84	1,894,868.01	1,581,517.59	1,234,568.41	945,874.38	702,752.54	394,969.54
	90%		1,800,288.19	1,491,362.84	1,167,098.49	897,690.12	564,383.73	331,655.37	80,834.33
	85%		1,392,175.55	1,080,848.11	799,990.70	506,488.60	212,274.01	9,494.16	(271,161.97)
	80%		933,808.37	670,185.93	400,029.72	135,014.13	(176,134.92)	(359,900.74)	(603,876.79)
	75%		484,076.98	240,425.93	8,173.50	(257,839.86)	(510,637.81)	(706,857.20)	(936,039.85)
	70%		76,803.37	(125,672.95)	(391,718.61)	(609,097.95)	(887,935.52)	(1,068,292.12)	(1,272,098.86)
	65%		(356,932.44)	(573,686.10)	(789,156.09)	(1,007,637.74)	(1,235,650.25)	(1,395,099.12)	(1,620,982.75)
	60%		(779,507.12)	(981,492.70)	(1,192,558.26)	(1,385,092.02)	(1,628,918.02)	(1,750,601.27)	(1,930,489.91)
	55%		(1,213,133.89)	(1,399,360.40)	(1,561,562.79)	(1,763,343.05)	(1,964,357.42)	(2,105,487.65)	(2,279,982.98)
	50%		(1,674,654.52)	(1,808,689.47)	(1,981,794.53)	(2,140,316.44)	(2,342,803.23)	(2,448,334.06)	(2,611,145.04)
	45%		(2,065,604.55)	(2,223,463.10)	(2,389,473.20)	(2,510,731.42)	(2,698,902.86)	(2,810,237.63)	(2,911,754.07)
40%		(2,505,230.54)	(2,635,476.43)	(2,773,780.11)	(2,890,028.62)	(3,085,931.05)	(3,160,778.60)	(3,279,755.79)	
35%		(2,922,316.26)	(3,014,555.57)	(3,185,623.16)	(3,270,076.02)	(3,426,219.17)	(3,519,159.20)	(3,603,286.68)	

The analysis further indicates that even with a 25% average disruption in the supply chain, the company would still manage to generate a modest profit. This finding suggests that while supply chain stability remains crucial, the financial model has some built-in flexibility to absorb such challenges without tipping into losses.

Figure 20

Sensitivity Analyses

		problem with licenses												
		without problem	EXISTEN 15 mg 30 tb	Debitum-sanovel 50 mg tb	FEXOFEN 120 mg 20 tb	FEXOFEN 180 mg 20 tb	Debitum-sanovel 100 mg tb	Aldegin amp	Cotilaks inj	Miocest inj	Mental health medication No1	Mental health medication No2	Gynaecological medication No1	Gynaecological medication No2
		0	1	2	3	4	5	6	7	8	9	10	11	12
Average sales after execution	1,975,406													
	130%	4,352,584	3,820,354	4,059,963	4,316,696	4,235,986	4,195,015	4,155,707	4,080,622	4,177,252	4,261,256	4,235,927	4,291,777	4,274,010
	120%	3,567,224	3,076,177	3,296,592	3,534,318	3,459,799	3,420,786	3,385,163	3,315,973	3,405,139	3,482,830	3,459,095	3,511,049	3,494,487
	110%	2,790,367	2,340,200	2,539,520	2,759,656	2,690,798	2,653,497	2,623,690	2,560,331	2,641,996	2,712,499	2,690,733	2,739,025	2,724,011
	105%	2,375,461	1,946,634	2,138,330	2,346,516	2,281,055	2,249,846	2,216,334	2,155,266	2,235,624	2,302,090	2,280,765	2,326,576	2,312,236
	100%	1,975,408	1,565,700	1,750,203	1,940,192	1,885,766	1,854,872	1,824,167	1,766,717	1,846,576	1,905,772	1,885,718	1,928,210	1,914,644
	95%	1,581,518	1,192,826	1,365,729	1,555,370	1,495,476	1,464,813	1,437,521	1,383,320	1,453,252	1,515,515	1,496,485	1,537,370	1,524,464
	90%	1,167,098	797,511	964,920	1,143,044	1,086,627	1,062,192	1,030,212	978,189	1,045,405	1,104,767	1,086,248	1,125,221	1,112,903
	85%	799,991	452,574	607,608	776,281	722,651	696,438	671,070	622,110	685,159	739,291	723,198	760,522	749,022
	80%	400,030	72,521	218,794	378,045	327,401	305,092	278,961	232,790	292,236	344,150	328,069	362,770	351,685
	75%	8,174	(298,626)	(161,403)	(12,895)	(59,587)	(85,439)	(105,524)	(148,699)	(93,151)	(44,777)	(59,290)	(26,749)	(56,602)

The sensitivity analysis reveals that if licensing issues arise with one medical product, the company will incur losses only if sales execution falls to 75%. This indicates that there is sufficient time and flexibility to either replace the affected product with an alternative or adapt the sales strategy accordingly. This buffer allows the company to address licensing challenges without immediately jeopardizing overall profitability.

This option significantly outperforms the alternative scenario, delivering superior profitability metrics and driving substantial gains in market share. By leveraging an expanded product portfolio and a more robust operational strategy, this approach positions the company for sustainable growth in a competitive environment. The ability to generate consistently higher profits, coupled with an increased share of the market, underscores the strategic advantages of this option and its alignment with long-term corporate objectives.

Conclusion

Comparing the existing situation to the two proposed options, it becomes clear that the latter present significant advantages in terms of stability, profitability, and resilience to market fluctuations. The current model, while functional, is more vulnerable to changes in market

conditions and is less robust in sustaining long-term growth. Its limited ability to absorb shifts in execution or external disruptions makes it less stable over time.

By contrast, both proposed options extending the product portfolio and combining that expansion with an increase in the number of medical representatives—show greater potential for sustained growth. These strategies not only improve the company’s ability to generate consistent profit but also provide a more stable foundation for responding to unforeseen market changes. Their enhanced flexibility and built-in margin of safety allow management the time and resources to adapt if challenges arise, ensuring continued progress toward the company’s financial and strategic objectives.

Chapter 7: Implementation Plan Including Risk Assessment

Following a comprehensive diagnostic analysis of Asfarma Ukraine’s current operations, this section outlines the transition plan toward a more competitive, scalable, and resilient organization. The table below presents a side-by-side comparison of the current (2025) and target (2028) states across critical strategic dimensions. These benchmarks serve as the foundation for Asfarma’s implementation roadmap, guiding investments in talent, portfolio, systems, and organizational development. The goal is to transform Asfarma into a high-performance company that can respond to post-war healthcare demands with agility, innovation, and operational excellence.

Dimension	Current State (2025)	Target State (2028)
Field Force Size	21 Medical Sales Reps	33 Medical Sales Reps
Field Force Productivity	Avg. 12 visits/day	18-20 visits/day
Product Portfolio	1–2 strong SKUs	5–6 dominant SKUs
Market Awareness	Moderate recognition	High national recognition
Digital CRM Adoption	Low (~70%)	High (>85%)
Key Account Management	Ad-hoc partnerships	Structured KAM model
Stock Availability	Frequent stockouts (~15%)	Stockout rate <5%
Revenue Growth Rate	~5 % per year	>10 % per year
Regulatory Readiness	Approval 120 days for FS – 24 months for Medicines	Approval <90 days for FS- < 18 months for Medicines
Employee Development	Reactive training	Structured leadership programs
Organizational Culture	Clan-driven – Adhocracy secondary	Clan + Adhocracy +Market hybrid

To successfully execute Asfarma Ukraine’s strategic growth plan, a comprehensive implementation framework has been developed, anchored in world-class strategic management and project execution standards (PMI, ISO, HPO). This chapter outlines the necessary human,

organizational, informational, financial, and legal resources critical for operationalizing the strategy. It also presents a structured risk management framework, cross-functional control activities, and prioritized strategic initiatives aligned with measurable KPIs.

Resources Required for Project Implementation Including Team

Personal Attributes & Networks

A company's success heavily relies on the competencies, motivation, and networking capabilities of its employees. In the pharmaceutical industry, strong relationship management with key stakeholders such as pharmacies, doctors, regulators, and distributors play a vital role.

Educational and Experiential Requirements

- **Backgrounds:** Candidates ideally hold degrees in pharmacy, medicine, business, or health sciences. Certifications in project management, digital marketing, or regulatory affairs are considered strong assets.
- **Experience:** Preference for individuals with prior exposure to healthcare or FMCG industries, product launches, team leadership, or market entry projects, and familiarity with the Ukrainian regulatory landscape.

Key Human Resource Strategies for Implementation

- **Industry Networking:** Build strong relationships with healthcare professionals, pharmacy chains, and regulators (Kotler et al., 2019).
- **Trust and Relationship Building:** Establish long-term B2B success by maintaining ties with distributors and health institutions (Barney, 1991).
- **Mentoring Systems:** Utilize structured mentoring where senior reps guide junior hires.

Employee Expertise and Professional Development

- Specialized Training: Employees must receive regular training in regulations, compliance, digital marketing, and omnichannel sales (Ulrich & Brockbank, 2005).
- Retention Strategy: Combine competitive compensation with transparent career pathways (Herzberg, 1959).

Organizational Resources

The success of Asfarma Ukraine's strategic implementation depends not only on human capital but also on

- internal systems, routines, culture, brand, and structure.
- Organizational Routines & Processes
- Brand and Market Reputation
- Strategic Fit of Resources

Organizational resources are not passive; they must be strategically aligned with execution. For Asfarma, embedding OB and HPO principles into its structure, culture, and processes will unlock long-term growth and operational resilience.

Physical -Financial Resources

For Asfarma Ukraine to successfully implement its growth strategy—especially in the dietary supplement and pharmaceutical sectors—it must strategically mobilize both its physical and financial resources. Using a Financial Management and Analysis (FMA) lens, this section evaluates the readiness and optimization potential of Asfarma's tangible assets and funding structure.

1. Physical Resources.

Current State at Asfarma Ukraine:

- Office & Warehousing: Operations are centrally coordinated from the distributors 'companies' facilities in Kyiv, supported by regional distributor networks. Real estate ownership is not a current asset.
- Machinery & Equipment: Asfarma does not engage in manufacturing. Therefore, production machinery is not owned but outsourced through partnerships.
- IT Infrastructure: Basic IT systems and CRM tools are in use, though integration across platforms is limited.
- Leasing automobile.
- Employees

Recommendations:

- Upgrade digital infrastructure (CRM, analytics, automation tools) as digital capability is a physical productivity driver.

2. Financial Resources

Current State:

- Internal Funding: The company is receiving money from headquarters for operational expenses including salaries, and medicines are provided from Asfarma Türkiye. Cash flow is stable but limited.
- Government / EU Support: No structured programs accessed yet, though post-war recovery frameworks may present opportunities.

FMA Evaluation:

- Financial sustainability is currently sound, but growth ambitions will require capital injections. Especially investment for the field force team will be needed.
- Implement financial KPIs to track ROI on strategic initiatives (e.g. CAC vs. LTV for new customers) Investment for marketing and for new products must be provided continuously.

In line with FMA best practices, Asfarma's asset-light approach supports operational agility, but long-term scalability will depend on strengthening financial reserves and selectively investing in critical physical enablers—particularly IT, logistics, and brand visibility. The implementation plan must include both capital efficiency and targeted funding mechanisms to ensure momentum and resilience.

1-Intellectual Property Assets

Asfarma Ukraine currently does not engage in proprietary R&D but collaborates with partner manufacturers to distribute dietary supplements and unique pharmaceutical formulations.

- Trademarks: The company holds local trademarks for key product names and brand identifiers, ensuring visibility and protection in the Ukrainian market.
- Agreements on exclusivity: Asfarma has secured exclusive distribution rights for selected SKUs, which function as strategic quasi-IP assets, even in the absence of patents.
- Legal Note: These exclusive agreements act as contractual intangible assets and require strong enforcement clauses to protect against parallel imports or brand misuse.

2. Licensing and Regulatory Approvals

All products distributed by Asfarma are subject to licensing and registration under Ukrainian health and safety laws. The firm works closely with the Ministry of Health (MoH) and regulatory consultants to manage:

- Licensing of import and distribution rights
- Product registration certificates
- Labeling approvals and documentation in compliance with local standards

3. Key Legal Agreements

Asfarma's operations are also governed by a network of strategic legal contracts, including:

- Distributor and supply chain agreements (with local logistics and wholesale partners)
- Marketing and co-branding arrangements for local campaigns and trade partnerships
- Employment contracts and confidentiality clauses safeguarding internal know-how

Maintaining an up-to-date contract management system is crucial to avoiding operational delays or disputes.

What Are Informational Resources — and Why Are They Critical for Asfarma Ukraine?

Informational resources refer to all the data, insights, and knowledge that an organization uses to make decisions and compete effectively. These include:

- Industry information: competitor activities, new product trends, regulatory updates
- Customer information: needs, feedback, preferences, and behavior patterns
- Supplier information: reliability, pricing trends, supply chain risks

- Internal company data: sales figures, performance metrics, territory insights
- Product information: ingredients, clinical value, differentiation points

Informational Resources and Strategic Advantage for Asfarma Ukraine

In today's knowledge economy, information is not merely a support tool—it is a strategic resource. Organizations that effectively collect, process, and apply insights from internal and external environments can outperform those who rely solely on operational efficiency (Barney, 1991; Grant, 1996). For Asfarma Ukraine, informational resources—when systematically managed—can serve as a major competitive differentiator in a volatile pharmaceutical market.

Conclusion

In the Ukrainian healthcare landscape, strategic information is currency. For Asfarma, investing in structured informational resource management—via systems, culture, and processes—can unlock agility, innovation, and stronger market fit. With RBV, KBV, and Strategic Intelligence principles as guiding frameworks, Asfarma can elevate its data into a strategic capability that boosts decision-making across sales, regulatory, product, and marketing functions.

Relational Resources

In strategic management, relational resources refer to all the relationships that a firm builds and maintains — both externally (with customers, suppliers, regulators, partners, and even competitors) and internally (between employees, teams, and leadership). These relationships function not just as operational enablers but as strategic assets that contribute to long-term performance (Barney, 1991; Teece, Pisano, & Shuen, 1997).

See the table Strategic Management Frameworks Applied, table Key Relational Resource Categories at Asfarma and table Recommendations for Strengthening Relational Resources at appendix

Implementation Plan Including Risk Assessment

Why Is Risk Assessment Essential in Strategic Implementation?

Strategic implementation does not operate in isolation. Even the most robust plans can fail if unforeseen risks are not proactively identified and managed. This makes structured risk assessment a fundamental aspect of project execution. For Asfarma Ukraine, risk management ensures business continuity, financial stability, and operational resilience.

Approach to Risk Identification at Asfarma Ukraine

To proactively manage uncertainty, the following methodologies were adopted:

- Cross-functional brainstorming sessions involving marketing, regulatory, and logistics departments to identify high-impact vulnerabilities.
- Expert interviews with external consultants, industry advisors, and Key Opinion Leaders (KOLs) to uncover latent risks.
- SWOT analysis to map strengths, weaknesses, opportunities, and threats in both domestic and cross-border operations.

Frameworks Applied in Risk Management

1. PMI's Risk Management Framework (PMBOK Guide)

According to the Project Management Institute (2021), risk is defined as “an uncertain event or condition that, if it occurs, has a positive or negative effect on project objectives” (PMI,

2021). The PMBOK Guide recommends the use of Risk Breakdown Structures (RBS) combined with an Impact–Probability Matrix to categorize and prioritize risks effectively. In Asfarma’s case, these tools were applied to assess:

- Regulatory delays
- Supply chain disruptions
- Commercial risks
- Reputational risks

2. ISO 31000: Risk Management – Guidelines

The ISO 31000 standard emphasizes that risk management should:

- Be integrated into all levels of the business
- Remain dynamic
- Assign clear roles and responsibilities

Aligned with this, Asfarma Ukraine appointed Risk Owners for each category, implemented monthly review protocols, and embedded escalation processes in team reporting systems (International Organization for Standardization [ISO], 2018).

3. Kerzner’s Systems-Based Contingency Planning

Kerzner (2017) advocates for risk segmentation in strategic planning, insisting that high-risk items must be paired with detailed contingency or fallback plans. In line with this:

- High-Impact/High-Probability Risks receive full mitigation plans.
- Medium-Impact Risks are monitored using early-warning dashboards.

Strategic Value of Risk Management for Asfarma

Risk management extends beyond operational safeguarding. It also:

- Enhances decision-making quality
- Improves resource allocation
- Builds stakeholder trust
- Increases organizational resilience (Hillson, 2009)

Table 17

Risk Management Summary Table – Strategic Relevance for Asfarma Ukraine

Element	Why It Matters
Risk segmentation	Identifies and categorizes key risks
Mitigation plans	Prevents high-impact failures
Screening tools	Detects early warning signs
Governance roles	Ensures accountability and responsiveness
Alignment with frameworks	Enhances execution discipline and international credibility

By leveraging internationally recognized frameworks—PMBOK (PMI, 2021), ISO 31000 (ISO, 2018), and Kerzner’s systems-based approach (Kerzner, 2017)—Asfarma Ukraine has embedded a proactive risk culture into its strategic execution.

Performing Risk Analysis

1. Qualitative Risk Analysis

- Probability & Impact Assessment: Rate risks using a predefined scale.
- Risk Categorization: Group risks (e.g., regulatory, financial).
- Urgency Assessment: Time sensitivity for response.

2. Quantitative Risk Analysis

- Sensitivity Analysis: Identifies high-impact variables.
- Expected Monetary Value (EMV): Quantifies financial consequences.

3- Plan Risk Responses

- Strategies:
- Avoid: Change the plan to eliminate risk.
- Transfer: Outsource risk or use insurance.
- Mitigate: Reduce probability/impact.
- Accept: Acknowledge risk and prepare response.
- Contingency Planning: Detailed fallback actions for major risks.

4. Implement Risk Responses

- Assign Risk Owners for accountability.
- Allocate Resources to execute the planned responses.

5. Monitor Risks

- Risk Reviews: Monthly status reviews.
- Risk Audits: Ensure policy adherence.
- Trend Analysis: Evaluate new risks via project data.

Strategic Relevance of Risk Management

For Asfarma Ukraine, effective risk planning enhances agility, trust with regulators and partners, and protects new product rollouts in a volatile healthcare environment.

Risk Appetite Identification for Asfarma Ukraine

Before implementation, Asfarma must define its risk appetite—the acceptable level of exposure to uncertainty.

See the Risk Appetite table at Appendices.

After defining the risk appetite, we define the main risks and opportunities for Asfarma

Table 18

Main Risks and Opportunities

Risk/ Opp ID	Description	Probability (1-5)	Impact (1-5)	Priority	Risk owner	Management strategy
R - 1	Regulatory non-compliance	4	5	20	Regulatory Affairs Team	MITIGATE
R - 2	Supply chain disruptions	4	4	16	Operations Team	MITIGATE-TRANSFER
R - 3	Talent shortages	4	4	16	HR Team	MITIGATE-ACCEPT
O - 1	Market expansion	4	5	20	Marketing-Medical Team	EXPLOIT
O - 2	Changing consumer preferences	4	4	16	Marketing-Medical Team	EXPLOIT
O - 3	Increased e-commerce potential	4	4	16	Marketing Team	MITIGATE-EXPLOIT

Table 19*Risk Mitigation Plan*

Action	Responsible Person	Deadline	Risk Description
1-Engage local legal consultants. 2-Conduct regular audits. 3-Trainings for regulation manager/team. 4-Stay updated on regulatory changes. 5-Third party validation. 6-Collaboraion with regulatory authorities.	Regulatory Manager	15 th October	Regulatory -Compliance
1-Develop alternate supply routes and local partnerships. 2-Buffer Stock: Maintain safety stock of critical materials to minimize the impact of delays. 3-Deals with insurance comp. 4-Leverage Technology	Operations Team-Country Manager	31 st August 2025	R - 2: Supply Chain Disruptions-W ar and Logistic problems
1-Launch training programs. 2-Expand recruitment efforts 3-Planning compensation and salary actions. 4-Develop strong employee branding. 5-Provide career growth opportunities through internal promotions.	HR Team-Country manager -FFM	15 th October2025	R - 3: Talent Shortages because of war time and specificity of industry
1-Conduct demographic studies. 2- Initiate localized campaigns 3- Blue Ocean strategy- new formulas. 4- Launch targeted marketing campaigns.	Marketing -Medical Team	31 st November 2025	O - 1: Market Expansion
1-Run consumer surveys 2-Develop new product lines focusing on organic, natural, and functional ingredients. 3- Education of customers. 4-Customer Feedback Mechanisms	Marketing Team-Medical Team	31 st August 2025	O - 2: Changing Consumer Preferences
1-Enhance UX; 2-Run targeted advert. campaigns. 3-Collabarate with influencers and OL. 4-Integrate with Pharmacy Websites. 6-Optimize Search Engine Marketing (SEM) and SEO	Marketing Team -IT Team	31 st August 2025	O - 3: Increased E-Commerce Potential

See the Internal Control Activates table at appendix

Key Interdependencies

In any cross-functional rollout, certain tasks cannot begin until others are completed.

Recognizing interdependencies ensures smoother coordination and avoids delays.

Table 20

Key Interdependencies

Dependency	Why It Matters
Field force training → must follow → finalized product specs	Sales team must know what they're promoting
Marketing activation → must follow → regulatory clearance	Campaigns must comply with approved labeling
Distribution → must follow → packaging & logistics readiness	Avoid stock gaps at pharmacy level

These reflect Critical Path Method (CPM) logic—delays in one area can shift the entire timeline unless actively managed (Turner, 2016).

Control Activities – Monitoring & Review

To track progress and course-correct in real time, the following control systems will be applied:

Table 21*Control Activities – Monitoring & Review*

Control Activity	Frequency	Owner	Purpose
Weekly Project Huddles	Every Monday	Regional Manager	Align on progress, update blockers
KPI Dashboard Review	Bi-weekly	Functional Heads	Review field activity, product uptake
Cross-Functional Review	Monthly	Country Manager	Strategic alignment and pacing
Risk Reassessment	Monthly (or ad-hoc)	Risk Owners	Adjust mitigation plans if needed

These controls are aligned with Earned Value Management (EVM) and Agile check-in principles, supporting both predictability and responsiveness (PMI, 2021; Kerzner, 2017).

This structured Project Implementation Plan aligns with Asfarma Ukraine’s strategic goals, ensuring systematic execution, market compliance, and operational efficiency. By integrating Gantt Chart methodology, Agile Framework, and PMBOK principles, this approach facilitates structured monitoring, risk assessment, and continuous improvements.

See the Road Map at Appendix

Chapter 8: Conclusions

Effective implementation of strategic initiatives requires a structured plan that answers three essential questions: What needs to be done? When should it be done? And who is responsible?

The implementation of Asfarma Ukraine's strategic growth plan is structured around the principles of Organizational Project Management (OPM), ensuring that each initiative directly contributes to the company's long-term objectives.

Short-Term Phase (Q3 2025 – Q1 2026)

The Short-Term Phase focuses on foundational assessments, research, and initial strategy development. All short-term initiatives take place between July 2025 and March 2026, with many tasks running in parallel to rapidly build the groundwork. Below are the key short-term initiatives and their timelines:

- **Product Portfolio Evaluation (Q3 – Q4 2025):** Conduct a comprehensive review of the product portfolio in Q3 2025, concluding by late Q4 2025.
- **Market Research & Segmentation (Q3 – Q4 2025):** Perform in-depth market research starting in Q3 2025 (alongside the portfolio evaluation) and identify customer segments by November 2025.
- **Digital Strategy Design (Q4 2025 – Q1 2026):** Develop a comprehensive digital strategy beginning in October 2025 (once initial market insights and portfolio data are available).
- **Compliance Audit (Q3 – Q4 2025):** Undertake an internal compliance audit from August 2025 through December 2025.

- Supply Chain Diagnostics (Q3 – Q4 2025): Analyze the supply chain starting in September 2025, concluding by December 2025. This diagnostic overlaps with the compliance audit and its findings will guide the subsequent Mid-Term supply chain system upgrades (scheduled to kick off in Q2 2026).
- Human Capital Assessment (Q3 – Q4 2025): Assess human resources and organizational capacity from August 2025 to November 2025.
- Stakeholder Engagement Plan (Q4 2025 – Q1 2026): Formulate a stakeholder engagement strategy beginning in November 2025 and continuing into Q1 2026. This plan is developed after initial research and assessments are underway, ensuring that by March 2026 a clear approach to stakeholder communication and involvement is ready for execution.
- Ethics & Compliance Training (Q1 2026): Implement ethics and compliance training for staff in Q1 2026 (January through March 2026). This training is scheduled after the compliance audit, addressing any identified ethical or regulatory gaps

Overlap & Dependency Highlights (Short-Term): Most of the above initiatives are pursued simultaneously in Q3–Q4 2025. For instance, the Product Portfolio Evaluation and Market Research start together in July 2025, providing critical inputs by late 2025 for the Digital Strategy Design that starts in October 2025.

Mid-Term Phase (Q2 2026 – Q4 2026)

The Mid-Term Phase emphasizes execution of new initiatives (product launches, digital marketing, system upgrades) and the establishment of frameworks and processes to support

growth. This phase spans April 2026 through December 2026, with some initiatives extending into early 2027 as noted. Key mid-term initiatives include:

- New Product Launches (Q1 2026, Q1 2027, Q1 2028): Begin rollout of new products with the first launch planned by Q1 2026. Subsequent product launches are scheduled for Q1 2027 and Q1 2028, marking major milestones in the plan. (The first 14 products in the first year.)
- Digital Marketing Rollout (Q2 – Q4 2026): Execute the digital marketing strategy starting in April 2026, immediately after the digital strategy design is finalized.
- Supply Chain System Upgrades (Q2 – Q4 2026): Implement major upgrades to supply chain systems from Q2 2026 through Q4 2026. Kicking off in April 2026 (informed by the diagnostics completed in 2025), this effort modernizes logistics and inventory systems by year-end 2026.
- Training & Development Programs (recurring Q4 2025 – Q4 2028): Launch a series of employee training and development initiatives on a recurring, semi-annual schedule. As indicated, sessions occur in Q4 2025, Q2 2026, Q4 2026, Q2 2027, Q4 2027, Q2 2028, and Q4 2028. Each session (lasting roughly a quarter) targets skill development aligned with ongoing changes (e.g., new digital tools or processes).
- Regulatory Process Streamlining (Q2–Q4 2026, 2027, 2028): Continuously improve and streamline regulatory compliance processes in iterative cycles each year. The first cycle runs from Q2 to Q4 2026, with follow-up cycles in Q2–Q4 2027 and Q2–Q4 2028.

- Strategic Recruitment (Q4 2026, Q4 2027): Conduct targeted recruitment drives in late 2026 and late 2027 to acquire key talent for expansion. These hiring initiatives are scheduled in Q4 2026 and Q4 2027, aligning with the timeline when new systems and product lines are in place and new skills are needed..
- KPI Framework Setup (Q2 – Q3 2026): Develop and implement a Key Performance Indicator (KPI) framework from April 2026 through June 2026.

Overlap & Milestones (Mid-Term): Many mid-term activities launch in Q2 2026 immediately after the short-term phase completion. For example, Digital Marketing Rollout, Supply Chain Upgrades, and KPI Framework Setup all start in April 2026, reflecting a concerted push to build infrastructure and capabilities concurrently. The Training & Development program continues during this phase (with sessions in Q2 and Q4 2026) to support employees through these changes. Additionally, Strategic Recruitment in Q4 2026 ensures the team is strengthened in time for the long-term initiatives beginning 2027.

Long-Term Phase (Q1 2027 – Q4 2028)

The Long-Term Phase covers January 2027 to December 2028 and focuses on expansion, advanced infrastructure deployment, and sustained improvements. Initiatives in this phase often span multiple years, reflecting ongoing efforts to solidify Asfarma's market position and internal capabilities. Key long-term initiatives include:

- Market Expansion Initiatives (Q1 2027 – Q4 2028): Pursue growth in new markets starting in Q1 2027 and continuing through end of 2028. This broad initiative may

involve entering new regional markets or segments and is depicted as a continuous orange bar across the entire long-term phase.

- AI-Based Digital Infrastructure Deployment (Q1 2027 – Q2 2028): Implement advanced AI-driven digital systems from early 2027 through mid-2028.
- Supply Chain Optimization (Q1 2027 – Q4 2028): Continuously refine and optimize the supply chain over 2027–2028.
- Leadership Development & Succession (Q1 2027 – Q4 2028): Develop leadership talent and plan for succession throughout the long-term phase. Starting in Q1 2027, formal programs (e.g. mentoring, coaching, succession planning) run continuously to ensure a pipeline of capable leaders by 2028.
- Enhanced Stakeholder Governance (Q1 2027 – Q4 2028): Strengthen stakeholder governance structures (e.g., transparency, reporting, stakeholder communications) across 2027–2028.
- Ongoing Compliance & Quality Monitoring (Q1 2027 – Q4 2028): Establish a continuous monitoring system for compliance and quality from 2027 onward.

Long-Term Highlights: All long-term initiatives start around Q1 2027, marking a transition from setup to expansion and continuous improvement. Notably, New Product Launches continue into this phase, with scheduled launches in Q1 2027 and Q1 2028 (as shown in the mid-term section of the chart), serving as major milestones that kick off each year. The Training & Development Programs and Regulatory Streamlining efforts also persist into this phase (with green bars in 2027 and 2028 on their respective rows), indicating that employee development

and process simplification are revisited regularly to support the long-term objectives. By the end of Q4 2028, Asfarma Ukraine should have achieved significant market growth, a robust digital and AI-driven infrastructure, a lean supply chain, and strong leadership and governance frameworks, all while maintaining high standards of compliance and quality.

See The Gantt Chart Short – Mid – Long term at Appendix

Summary, Conclusions and Recommendations

Summary

This Capstone project presents a comprehensive strategic growth plan for Asfarma Ukraine, a company operating in the dietary supplement and pharmaceutical sector. Amidst the post-war reconstruction of Ukraine's healthcare system, Asfarma seeks to establish itself as a trusted provider of high-quality, clinically validated products that address emerging psychological and physical health needs.

Guided by well-established strategic frameworks such as the Resource-Based View (RBV), Ansoff Matrix, McKinsey 7S Model, and Operational Project Management (OPM), this project outlines a multi-phase implementation roadmap: short-term (Q3 2025 – Q1 2026), mid-term (Q2 2026 – Q4 2026), and long-term (2027–2028). The feasibility of each initiative has been evaluated through internal diagnostics, market research, and financial modeling, ensuring full alignment with the company's long-term goals.

Conclusions

Key market trends indicate increasing demand for dietary supplements targeting mental wellness, immune health, and musculoskeletal support—particularly due to war-related trauma and public health disruptions. At the same time, the regulatory environment is evolving toward EU alignment, posing both compliance challenges and strategic opportunities. Through scenario-based planning and Go-To-Market (GTM) phasing, this project outlines how Asfarma will position itself for sustainable growth under various macroeconomic outcomes.

The strategy focuses on three core pillars:

1.Product Portfolio Optimization: Launch of 30 products over three years, with emphasis on exclusive, evidence-based formulations for post-trauma psychological care and joint/muscle recovery.

2.Market Penetration & Market Development: Asfarma's market development strategy will focus primarily on building strong face-to-face relationships through an expanded and professionally trained medical representative team. Engagement with physicians, pharmacists, and key pharmacy chains will be supported by traditional marketing tools such as congress sponsorships, printed materials, roundtable events, and regional KOL activation. Rather than relying heavily on digital campaigns, the emphasis will be placed on direct presence in the field to drive trust, visibility, and product uptake. Estimated pharmacy penetration: 70% by Year 2.

3.Organizational Excellence: Expansion of the Medical Representative team from 21 to 33; implementation of performance-based culture and continuous training programs. Compliance and regulatory functions will be strengthened to align with evolving EU norms.

Financial targets include sales volume of 7.2 million \$ by Year 3 with a minimum \$ 1 million profitability through margin optimization and operational efficiencies.

This strategic roadmap positions Asfarma Ukraine not only to survive the challenges of a volatile environment but to thrive by aligning product, people, and process strategies with the emerging health needs of a recovering population.

To accelerate growth and enhance client recognition, the company plans to increase the number of medical representatives to 28 in Year 2 and 33 in Year 3 and number of products from 16 to 46 products by the year 2028. By expanding the team while maintaining consistent

productivity expectations, the company aims to capture greater market share, strengthen influencers relationships, and support a sustained increase in revenue.

Under this model, revenue is projected to grow to \$5,519,652 in Year 2 and further to \$7,278,157 in Year 3. This indicates that while the revenue trajectory is robust, the model maintains a consistent level of profitability, providing a stable foundation for sustainable growth.

Recommendations

- Initiate Phase 1 in Q3 2025: Core actions such as product portfolio review, regulatory audit, human resource evaluation, and stakeholder engagement should be prioritized in the early stage to lay a solid foundation for growth.
- Invest in Digital Capabilities: Establishing CRM systems, e-commerce integration, AI-powered analytics, and multichannel digital marketing will boost Asfarma's reach, brand positioning, and lead generation capacity.
- Enhance Talent and Leadership Development: From 2026 onwards, structured internal training programs should be introduced. Succession planning for key leadership roles and continuous learning for all staff are essential for sustaining organizational agility.
- Strengthen Supply Chain Resilience: Stronger partnerships with Turkish suppliers must be established, and current delivery inefficiencies should be addressed to secure timely and cost-effective distribution.
- Implement KPI and Monitoring Systems: Define clear, measurable performance indicators for all departments and initiate regular strategic reporting cycles to ensure accountability and alignment.

- **Plan for Local Production and Geographic Diversification:** If the current roadmap is successfully implemented over the first three years, efforts should be initiated to license innovative products from other regions and move toward localized production—a strategic milestone for long-term efficiency and growth.
- **Include Selective Medicinal Products:** In parallel with the growth of the dietary supplement business, Asfarma should expand into selected pharmaceutical segments—particularly those with no regulatory barriers in Europe—to further strengthen its product mix.

Reflection – Strategic Growth Plan for Asfarma Ukraine

Throughout the strategic development of Asfarma Ukraine’s Capstone project, a wide range of management frameworks and tools were applied to assess the internal and external environment, identify key challenges, and formulate a roadmap for sustainable growth. These tools were instrumental in structuring our decision-making, aligning resources, and reinforcing the strategic clarity of the project.

PESTEL Analysis

The PESTEL framework allowed us to critically evaluate Ukraine’s post-war macro-environment. With rising public health needs, shifting regulations, and external economic support, the model highlighted opportunities in mental health and musculoskeletal care—two areas with soaring demand. It also helped us anticipate regulatory trends and risks, such as EU harmonization.

Porter’s Five Forces

This tool provided a realistic view of the dietary supplement market's competitiveness. It showed that while patient loyalty is influenced by HCPs and pharmacists, pharmacy chains' private labels and intense pricing pressure posed major threats. This confirmed the need for a differentiated portfolio and stronger professional relations with both doctors and pharmacies.

SWOT Analysis

The SWOT framework synthesized our internal strengths and external challenges. It showed that our partnerships, team consistency, and semi-exclusive products were strategic strengths.

VRIO Framework

This model helped us evaluate whether our resources (exclusive supplier relationships, market trust, and regulatory agility) were rare and inimitable. While these advantages are valuable, their sustainability depends on continuous investment in capability-building, branding, and innovation. This led us to strengthen internal leadership development and product registration pipelines .

Business Model Canvas

The Canvas offered a clear, visual overview of Asfarma Ukraine's current structure. It helped identify missing elements (e.g., structured customer relationships and training, weak portfolio) and served as a planning blueprint for scaling our operations without losing organizational alignment.

McKinsey 7S Framework & Herzberg's Motivation Theory

These organizational models guided our internal restructuring and culture development efforts. They revealed the need to move from an informal, reactive team dynamic toward a structured, results-oriented, and collaborative culture. Clan culture was maintained, but Market and Adhocracy elements must be integrated to enhance innovation and accountability.

Ansoff Matrix

Asfarma's strategy evolved from market penetration to product development. Our plan to register 30 new products (14 in year one, 12 in year two, 4 in year three) was built upon Ansoff's growth logic—leveraging existing distribution for new therapeutic areas aligned with emerging needs in the Ukrainian market.

KPIs and Marketing Frameworks

KPIs were tied to specific marketing goals: physician engagement, sell-out rates, pharmacy activation, and CRM efficiency. We aligned them with the 7Ps of marketing, ensuring consistency across product, pricing, promotion, and people strategies. It will help us make culture shift including market culture.

Scenario Planning & Risk Matrix

Scenario planning added flexibility to our roadmap, accounting for war-related disruptions and population shifts. The Risk Matrix allowed proactive responses to geopolitical, regulatory, and supply chain threats. These insights shaped contingency plans and our phased growth structure.

Personal Takeaways

This Capstone reinforced the importance of using structured frameworks in strategic thinking. More than just academic models, these tools helped turn abstract problems into actionable, measurable solutions. It also taught me the value of scenario-based planning, stakeholder alignment, and cultural change management in emerging markets.

I had some difficulties . I shifted between analytical, creative, and emotional perspectives throughout the project. From Tuckman’s stages of group development, I experienced both “storming” and “performing” moments, especially in defining realistic KPI targets and shaping a vision for Asfarma’s future. I worked in the team by myself and it was sometimes difficult for me to make priorities of the subjects. But by the help of consultations with Prof.Khomenko, Prof.Gromyko and Prof.Kolesnik 2 times with each other,I could manage these difficulties.

Ultimately, this project not only allowed me to develop a practical growth strategy for Asfarma Ukraine, but also enhanced my ability to lead with clarity, navigate uncertainty, and balance strategic insight with operational execution. What started as a complex challenge evolved into a highly rewarding learning experience—both professionally and personally

Disclaimer of AI Usage

I used AI help when I needed to formulate the sentences in an academical order. The content and ideas are my own. Especially translations to English were done by the help of AI.

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Appendix

Appendix A Strategic Frameworks used

Table 22

Swot Analysis of Asfarma Ukraine

Strengths	Threats
Strong partnerships with top five pharmacy chains (60% market coverage).	Products not included in public reimbursement system.
Unique pharmaceutical and FS product portfolio with expansion plans.	Over-reliance on dietary supplements; lack of product diversity.
Well-trained, experienced medical representatives and management team.	Dependence on third-party manufacturers; no local production.
Flexible, diversified supply chain (12 Turkish + 4 international partners).	Fewer sales representatives compared to competitors.
	Limited digital presence; lack of e-commerce and advanced IT systems.
Opportunities	Threats
Implementation of health insurance and reimbursement systems.	Intensifying competition from local and private label brands.
Alignment with EU standards boosts demand for high-quality products.	Technology disruption and risk of digital lag.
E-commerce and digital health transformation opportunities.	Geopolitical instability, sanctions, and regulatory volatility.
Demographic shifts: aging population, mental health needs, post-war growth.	Currency fluctuations and economic risks (inflation, austerity).

Figure 21

Ansoff Matrix



Table 23*7S McKinsey Framework and recommendations for development*

7S Element	Current Status (Asfarma Ukraine)	Development Needs (2025-2028)		
Strategy	Clear vision, focused on product quality & expansion, but informal long-term planning	Institutionalize strategic planning cycles and scenario analysis for resilience		
Structure	Functional and centralized; decisions often consensus-based, leading to slow execution	Introduce semi-decentralized authority; clarify execution power in functions		
Systems	Strong in regulatory & finance, but partial standardization in sales & marketing processes	Standardize and automate key commercial processes (launches, CRM, campaigns)		
Shared Values	Clan-oriented values dominate; strong trust but weak performance/accountability culture	Balance clan culture with performance-oriented values (Compete, Hierarchy)		
Style	Participative and empathetic; effective in crisis, limited in KPI enforcement	Upskill middle managers in execution leadership and KPI-driven management		
Staff	Loyal sales team and field managers; lacks formal promotion paths and digital capacity	Build internal career pathways; recruit for digital, marketing & analytics roles		
Skills	Solid in scientific sales & compliance; gaps in CRM, strategic marketing, e-commerce	Train teams in CRM, cross-functional project work, omnichannel sales logic		

Figure 22

Business Model Canvas

BUSINESS MODEL CANVAS

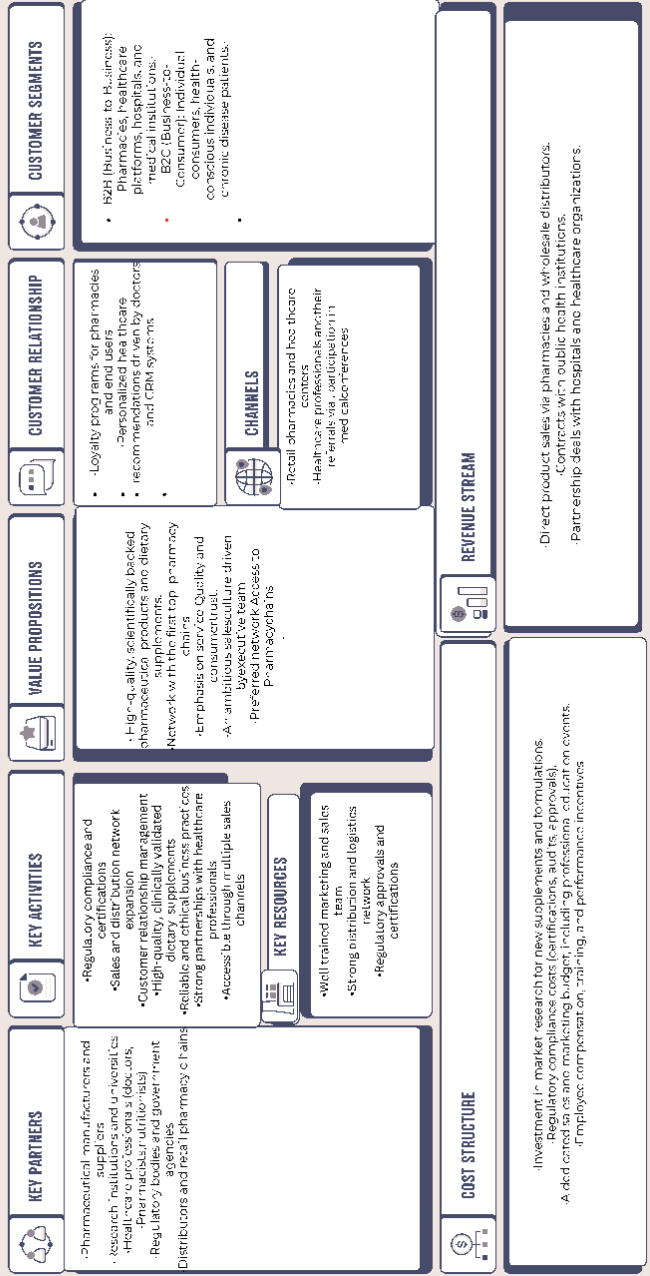
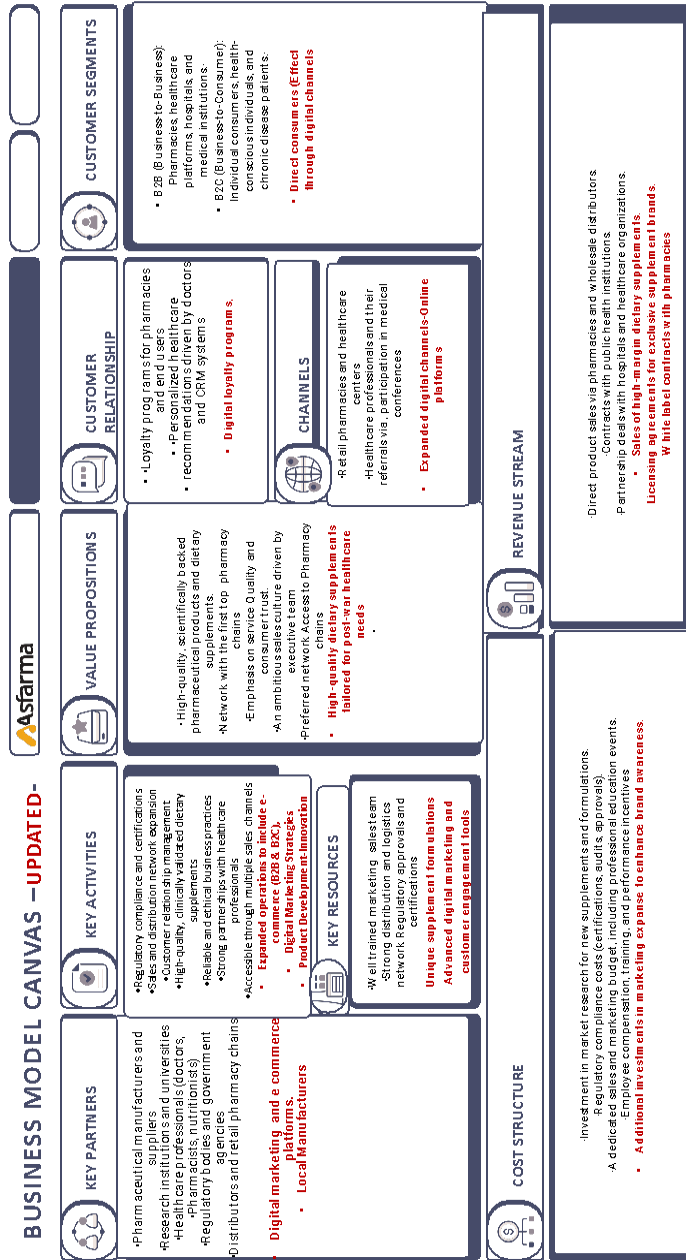


Figure 23

Business Model Canvas – updated I

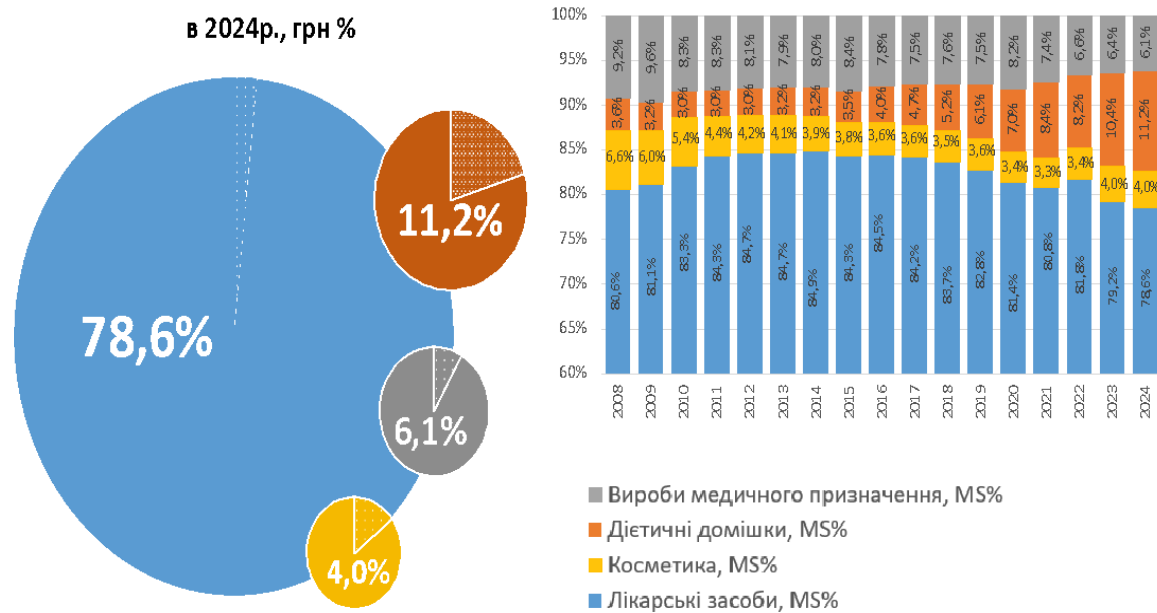


Appendix B – Market & Industry Data

Figure 24

Pharmacy basket

In the categories of the pharmacy basket, the share of dietary supplements increases significantly Share in monetary terms (and share of HTM*)



Джерело: Система дослідження ринку «PharmaProgen»
 *В категоріях пунктиром виділені сегменти ВТМ

Figure 25

Forecast For the development of the retail market of medicines

Forecast for the development of the retail market of medicines in Ukraine during the war for 2025

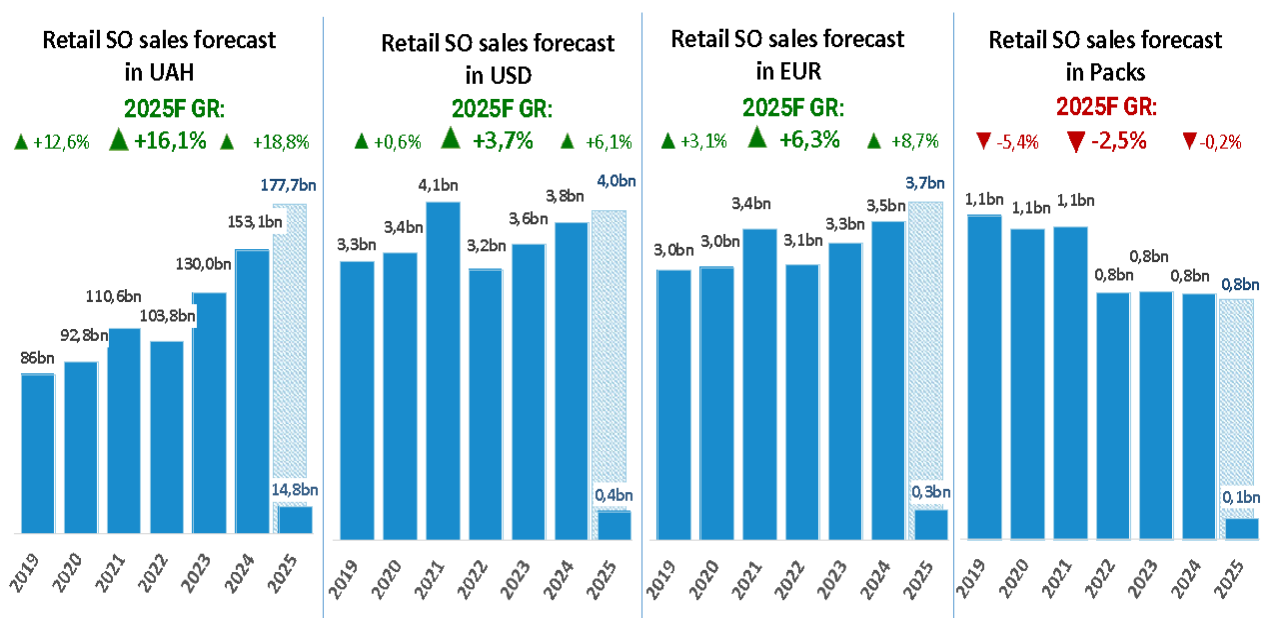


Figure 26

Top 20 of marketing organizations in terms of pharmacy sales of medicines and dietary supplements in monetary terms in 2024 indicating their position in the rating in 2022-2023, as well as the rate of increase/decrease in sales volumes, Evolution index and market share

The rating of marketing organizations in the retail market of Medicines and Dietary Supplements for 2024 is headed by Farmak



Figure 27

Market of Dietary Supplements by companies in pieces

by Marketer by Brand by SKU by Area MAT MTD QTD YTD MS all market, % MS select, %

2024 > Январь Февраль Март Апрель Май Июнь Июль Август Сентябрь Октябрь Ноябрь Декабрь

Marketer	Rang	Rating	кпс	GR, кпс	-	GR, %	MS, %	ЕІ
Представництво Баум Фарм ГмбХ ТаОВ (Україна)	1	0	423.57	21.65		5.4 %	12.6 %	95
Ананта Медікеар Україна ТОВ (Україна)	2	▲ 1	369.86	35.50		10.6 %	11.0 %	100
Магнолія ФК ТОВ (Україна)	3	▲ 1	361.86	63.21		21.2 %	10.7 %	110
Біоділ Фармасьютикалс Приват Лім. (Індія)	4	▲ 2	222.44	38.96		21.2 %	6.6 %	110
Нутрімед ТОВ (Україна, Київ)	5	0	199.94	14.07		7.6 %	5.9 %	97
Дельта Медікел Промоушн АГ (Швейцарія)	6	▲ 1	186.56	3.81		2.1 %	5.5 %	92
Ілан Фарм ТОВ (Україна, Київ)	7	▼ -5	184.50	-195.72		-51.5 %	5.5 %	44
Здравофарм ТОВ (Україна, Сороківека)	8	0	163.55	42.07		34.6 %	4.8 %	122
ІнтерХім ТДВ (Україна, Одеса)	9	0	107.75	9.98		10.2 %	3.2 %	100
Фармак АТ (Україна, Київ)	10	▲ 42	87.95	84.54		2478.4 %	2.6 %	2335
Бовіос Фарм ТОВ (Україна)	11	▼ -1	70.94	15.08		27.0 %	2.1 %	115
Асіно Україна ТОВ (Україна, Київ)	12	▲ 12	66.71	42.99		181.3 %	2.0 %	255
Перрері Фармачеутічі (Італія)	13	▼ -2	64.68	10.23		18.8 %	1.9 %	108
Уорлд Медіцин ТОВ (Україна)	14	▼ -2	52.22	2.73		5.5 %	1.5 %	96
Базкід Фарм Груп ТОВ (Україна)	15	▲ 2	45.30	14.33		46.3 %	1.3 %	132
Нобел Фарма ТОВ (Україна)	16	▲ 13	40.64	21.88		116.6 %	1.2 %	196
Солошн Фарм ТОВ (Solution Pharm)	17	▲ 16	36.55	21.52		143.2 %	1.1 %	220
Фармберг ФК ТОВ (Україна)	18	▼ -2	34.47	2.19		6.8 %	1.0 %	97
Зандра Лайф Сайнсі Прі. Лтд. (Індія)	19	▲ 1	33.63	6.59		24.4 %	1.0 %	113
Сперко Україна СП ТОВ (Україна)	20	▼ -5	33.61	0.31		0.9 %	1.0 %	91
Дочірна компанія Бауер Медікал ГМБХ ТОВ (Україна)	21	▲ 56	33.04	33.04		-100.0 %	1.0 %	
Київський Вітамінний Завод АТ (Україна, Київ)	22	▲ 55	31.46	31.46		-100.0 %	0.9 %	
Ворвартс Фарма ТОВ (Україна)	23	▲ 4	30.90	10.99		55.2 %	0.9 %	141
Асфарма (Туреччина)	24	▼ -5	29.41	1.16		4.1 %	0.9 %	94
Здраво ТОВ (Україна, Київ)	25	0	28.94	5.49		23.4 %	0.9 %	112
Фармпартнер ЛТД ТОВ (Україна)	26	▼ -12	28.58	-8.49		-22.9 %	0.8 %	70
Фармаком ТОВ (Україна)	27	▼ -1	27.56	4.18		17.9 %	0.8 %	107
Омніфарма ТОВ (Україна)	28	▲ 2	23.70	5.06		27.1 %	0.7 %	115
Медхауз Свіс ГмбХ ТОВ (Україна, Дніпро)	29	▼ -16	23.57	-20.98		-47.1 %	0.7 %	48
Мегаком ТОВ (Україна, Харків)	30	▲ 2	19.88	4.22		27.0 %	0.6 %	115
Квайссер Фарма Україна ТОВ (Україна)	31	▼ -3	19.77	0.10		0.5 %	0.6 %	91
Всього			3 372.91	318.96	318.96	10.4 %	100.0 %	100

Фильтры и срезы, которые влияют на визуальный элемент

Index
является MS select, %

Index
является MS all market, %

Period
является MAT

Включено (1)
(07) Засоби, що діють на нервову систему (FS1)

Год
является 2024

Исключено (3)
(07) Засоби, що діють на нервову систему (FS1) + (07P) Засоби топік

Figure 28

Packaging, among the brands, Valeriana ranks first. (Sedatives FS)

meter	by Brand	by SKU	by Area	MAT	MTD	QTD	YTD	MS all market, %	MS select, %	
>	Январь	Февраль	Март	Апрель	Май	Июнь	Июль	Август	Сентябрь	Октябрь
Brand	Rang	Rating	kpcs	GR, kpcs	-	GR, %	MS, %	EI		
Валеріана	1	0	515,63	39,08		8,2 %	15,3 %	98		
Анантаваті	2	0	369,84	35,48		10,6 %	11,0 %	100		
Нормастрес	3	0	270,04	36,68		15,7 %	8,0 %	105		
Мелатонін	4	1	179,53	10,24		6,0 %	5,3 %	96		
Астресса	5	1	163,50	37,11		29,4 %	4,8 %	117		
Бестіа	6	1	130,04	4,91		3,9 %	3,9 %	94		
Нервонорм	7	-3	116,05	-99,03		-46,0 %	3,4 %	49		
Циклосон	8	1	107,75	9,98		10,2 %	3,2 %	100		
Сліп Велл	9	-1	105,62	0,15		0,1 %	3,1 %	91		
Анксиомедін	10	0	91,90	9,58		11,6 %	2,7 %	101		
Сонобарбовал	11	51	87,95	84,54		2478,4 %	2,6 %	2333		
Антистрес	12	-1	81,88	1,33		1,6 %	2,4 %	92		
Ізірел	13	0	70,94	15,08		27,0 %	2,1 %	115		
Сілента	14	0	64,68	10,23		18,8 %	1,9 %	107		
Гліцин	15	0	55,58	9,32		20,1 %	1,6 %	109		
Стреснол	16	5	45,30	14,33		46,3 %	1,3 %	132		
Централ-Б	17	0	42,28	2,16		5,4 %	1,3 %	95		
Біфрен	18	58	41,64	40,62		3989,7 %	1,2 %	3700		
Алора	19	13	40,64	21,88		116,6 %	1,2 %	196		
Герба Спокій	20	-8	36,78	-31,23		-45,9 %	1,1 %	49		
Цертамен	21	-2	34,47	2,19		6,8 %	1,0 %	97		
Магнікум	22	97	31,46	31,46		-100,0 %	0,9 %			
Фломма	23	7	30,90	10,99		55,2 %	0,9 %	140		
Собача кропива	24	9	30,53	12,70		71,2 %	0,9 %	155		
ПасіВалеМ	25	-2	29,41	1,16		4,1 %	0,9 %	94		
Сономедін	26	2	27,64	3,46		14,3 %	0,8 %	103		
Тріптан	27	-9	26,28	-7,67		-22,6 %	0,8 %	70		
Корвалтаб	28	1	25,07	2,37		10,5 %	0,7 %	100		
Седасен	29	-9	24,42	-7,77		-24,1 %	0,7 %	69		
Валеріановна	30	4	22,45	5,89		35,6 %	0,7 %	123		
Зест	31	-7	20,78	-6,07		-22,6 %	0,6 %	70		
Всього			3 372,91	321,44	321,44	10,5 %	100,0 %	100		

Figure 29

Top 30 dietary supplement brands

		by Brand	by SKU	by Area	by ATC	MAT	MTD	QTD	YTD	MS all market, %	MS select, %					
23 >		Январь	Февраль	Март	Апрель	Май	Июнь	Июль	Август	Сентябрь	Октябрь	Ноябрь				
Brand	Rang	Rating	kUSD	GR, USD	-	GR, %	MS, %	EI	Replacemant	Inflation	Elasticity	Innovation				
Меркана	1	0	3 390,80	423,78		14,3 %	18,6 %	94	14,9 %	-2,3 %	0,7 %	1,0 %				
Флексогіал	2	0	1 648,60	57,89		3,6 %	9,1 %	85	2,5 %	1,3 %	-0,1 %	-0,1 %				
Доппельгерц	3	0	1 049,13	103,51		10,9 %	5,8 %	91	-3,3 %	10,6 %	-0,9 %	4,5 %				
Хітарт	4	0	859,84	75,21		9,6 %	4,7 %	90	1,2 %	8,3 %	-0,4 %	0,5 %				
Вістабон	5	1	780,58	156,74		25,1 %	4,3 %	103	14,5 %	-7,4 %	-0,6 %	18,7 %				
Хондробам	6	2	731,10	257,49		54,4 %	4,0 %	127	48,8 %	10,5 %	-5,0 %	0,1 %				
Протекта	7	-2	710,15	-74,32		-9,5 %	3,9 %	74	-6,6 %	-3,3 %	0,4 %	0,0 %				
Профлекс	8	-1	659,28	99,33		17,7 %	3,6 %	97	11,7 %	5,3 %	0,4 %	0,3 %				
Артикон	9	0	599,55	174,25		41,0 %	3,3 %	116	40,7 %	-0,3 %	0,2 %	0,4 %				
Хондротин і Глюкозамін	10	99	532,46	532,46		-100,0 %	2,9 %									
Тенцісульфур	11	0	437,09	133,47		44,0 %	2,4 %	118	39,9 %	-2,5 %	-0,8 %	7,4 %				
Орцерин	12	-2	430,75	19,97		4,9 %	2,4 %	86	-6,8 %	11,8 %	-0,5 %	0,3 %				
Серралізін	13	11	428,09	241,85		129,9 %	2,4 %	188	90,8 %	14,8 %	16,6 %	7,7 %				
Рідексія	14	4	339,52	108,20		46,8 %	1,9 %	120	52,7 %	-5,0 %	-1,3 %	0,3 %				
Лібоксаза	15	50	333,93	328,80		6408,9 %	1,8 %	5337	1312,9 %	1,8 %	-1,4 %	5095,6 %				
Долгіт	17	11	309,66	177,07		133,6 %	1,7 %	192	-75,8 %	-9,7 %	7,4 %	211,7 %				
Серравітал	16	-2	308,59	60,11		24,2 %	1,7 %	102	22,7 %	7,2 %	-6,2 %	0,5 %				
Локоген	18	1	273,01	55,51		25,5 %	1,5 %	103	22,8 %	1,5 %	0,9 %	0,3 %				
Артроверон	19	-6	271,32	16,89		6,6 %	1,5 %	87	-6,0 %	4,2 %	1,0 %	7,4 %				
Хондроксид	20	3	270,86	77,89		40,4 %	1,5 %	115	42,0 %	3,0 %	0,9 %	-5,5 %				
Артросульфур С	21	0	266,42	55,38		26,2 %	1,5 %	104	31,3 %	-4,8 %	-2,1 %	1,8 %				
Бонні Хондро	22	-5	253,04	19,31		8,3 %	1,4 %	89	5,8 %	2,3 %	-0,4 %	0,5 %				
Прокарті	23	3	244,66	71,85		41,6 %	1,3 %	116	39,8 %	1,0 %	0,4 %	0,4 %				
Травмафлекс	24	-8	240,68	4,06		1,7 %	1,3 %	83	-4,8 %	6,7 %	-0,2 %	0,1 %				
Пемово	25	-5	217,59	2,01		0,9 %	1,2 %	83	-1,5 %	1,7 %	-0,0 %	0,8 %				
Вітамікс	26	-11	196,43	-41,12		-17,3 %	1,1 %	68	-20,1 %	-1,5 %	4,3 %	0,0 %				
Артімар	27	-5	178,41	-15,35		-7,9 %	1,0 %	76	-9,1 %	-4,2 %	3,3 %	2,0 %				
Вертебра	28	-1	167,56	11,52		7,4 %	0,9 %	88	6,5 %	0,1 %	0,1 %	0,7 %				
Островіт	29	65	163,69	163,45		67180,0 %	0,9 %	55171	323,7 %	-4,8 %	-26,2 %	5096,7 %				
Всього			18 193,39	3 274,55	3 274,55	21,9 %	100,0 %	100	8,6 %	1,3 %	0,1 %	12,0 %				

Appendix C – Organizational Charts and Culture Transition

Table 24

Star Model for Asfarma

STAR Model Point	Current Level of Alignment	Organizational Development (OD) Recommendations
Strategy	Clear strategic vision around product differentiation and market expansion. However, long-term planning processes are still partially informal.	Institutionalize strategic planning cycles. Increase use of data-driven forecasting and scenario-based growth planning.
Structure	Centralized structure with collaborative, consensus-based decision-making. This often slows down execution despite alignment.	Define execution authority for department leads. Adopt semi-decentralized model to improve agility while preserving teamwork.
Processes	Strong in compliance and documentation. Commercial and operational processes partially standardized.	Streamline core processes (sales, launch, marketing ops).
Rewards	Current rewards support basic performance but are not tightly linked to innovation, initiative, or cross-functional results.	Introduce performance-based incentives tied to strategic KPIs (e.g., new product launch success, territory growth). Formalize recognition mechanisms.
People	Talented and loyal team in core areas (sales, regulatory), but skill	Recruit selectively for strategic gaps. Establish continuous learning tracks with

gaps exist in areas like digital, analytics, and brand building.

internal/external programs in leadership, marketing, and digital.

Table 25

GAP Analysis Summary Table (Framework-based)

Organizational Aspect	Current Situation (Gaps)	Proposed Optimization (Solutions)	Framework & Course Linkage
Culture	Low employee motivation due to post-war stress; insufficient psychological support.	Psychological support initiatives, flexible work policies, frequent communication sessions.	Herzberg's Motivation Theory (Organizational Behavior)
Structure	Centralized decision-making causing delayed responses, inflexible reactions to market dynamics.	Shift towards flatter organization, clear role definitions, empowerment of local managers.	Organizational Development
Competencies	Insufficient expertise in digital marketing, AI, and data analytics.	Customized training programs, external expertise acquisition (consultants).	VRIO Framework (Strategic Management)
Sourcing/Motivation	Non-competitive compensation structure and inadequate career growth opportunities leading to higher turnover rates.	Competitive salary benchmarking, career development paths, structured recognition programs.	Herzberg's Two-Factor Theory (Organizational Behavior)

Leadership Development	Semi-centralized decision-making leading to inefficiencies;	Decentralization of decision-making, investment in local leadership training and empowerment.	Leadership and PM (Empowerment & Decentralization)
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Appendix D – Product portfolio

Figure 30

Current and Targeted Product Portfolio

Current year		1st year		2nd year		3rd year	
Product	CIP USD	Product	CIP USD	Product	CIP USD	Product	CIP USD
1. Pemovo	12.5	1. Arteasy pills 30tb	7.5	1. Miorest inj	3.8	1. Gyntima Intimate Lifting Cream 50 ml	8.5
2. Pemovo Plus	14.5	2. Pasivalem syrup	5	2. Aldeg'in amp	5	2. Gyntima Probiotica Forte supp.№10	8.5
3. Black-Guard	7.5	3. MDC Magnesium Complex	4	3. Cotrilaks inj	6.8	3. Gyntima Menopausa vaginal suppositories №10	8
4. Locogen	6.8	4. MDC Omega 3 Softgel #30	6.3	4. SAS Men Power	5.5	4. Gyntima stretch mark emulsion 100 ml	8
5. Asglucan	5.5	5. FEXOFEN 120 mg 20 tb	4	5. MDC Bromelain Matcha №60	5.5		
6. Asglucan Plus	6.8	6. FEXOFEN 180 mg 20 tb	5.7	6. ASURAK	5.5		
7. Pasivalem 5HTP	7.3	7. Debitum-sanovel 100 mg tb	14.5	7. PROSTONE	5.5		
8. MDC Vit C Çinko Vit D 20 Efr.Tab.	4.6	8. Syrup for Anxiety and Hyperactivity Syndrome (Passiflora, Valerian, Melissa, Kalium Phosphoricum).	6	8. Probeta	5.5		
9. NaturaHOT Defence	5	9. For Anxiety and Depression (Passiflora, Ashwagandha, St. John's Wort).	6	9. FS Gyno - Tdfer	8		
10. MAJEZIK 100 mg 30 tb	7.2	10. For Heart and Blood Vessels (Passiflora, Valerian, Hawthorn Tincture, Magnesium).	8	10. FS Gyno - Gyntima DEO supp.№10	8		
11. EXISTEN 15 mg 30 tb	8.5	11. For Memory Enhancement (N-Acetyl-L-Aspartic Acid, Ginkgo Biloba).	8	11. Duloxetine - Antidepressant.	11		
12. Debitum-sanovel 50 mg tb	8.5	12. Drugs acting on the nervous system (Citicoline, Ginkgo biloba L.)	10	12. Olanzapine - Antipsychotic.	8		
13. Pasivalem Melatonin 20 tab.	4.5	13. Joint Ligament No1 (Serratopeptidase; Nattokinase)	8				
14. Ialuna ovules	7.7	14. Joint Ligament No2 (Коллаген ; L-аргінін ; L-лізин)	17				
15. Asprotek	9.5						
16. Arteasy Cream	4.4						

Appendix E – Financial & Resource Tables

Table 26

Existing model Contribution format of Income statement

	<u>Y1</u>	<u>Y2</u>	<u>Y3</u>	<u>Total</u>
Revenue	<u>2,710,131</u>	<u>3,013,405</u>	<u>3,352,912</u>	<u>9,076,448</u>
<i>Pharmacy network sales</i>	<i>2,710,131</i>	<i>3,013,405</i>	<i>3,352,912</i>	<i>9,076,448</i>
Expenses				
<i>Variable expenses</i>	1,965,928	2,161,918	2,380,467	6,508,313
<i>Direct labor</i>	427,387	470,126	517,139	1,414,653
<i>Price of medical products</i>	722,023	803,258	894,375	2,419,656
<i>Auto leasing+ other expenses</i>	156,432	156,432	156,432	469,296
<i>Logistic expenses</i>	46,429	51,558	57,313	155,300
<i>Marketing</i>	613,656	680,544	755,208	2,049,409
Contribution margin (0)	<u>744,203</u>	<u>851,487</u>	<u>972,444</u>	<u>2,568,134</u>
Contribution margin (0)	<u>27%</u>	<u>28%</u>	<u>29%</u>	<u>28%</u>
<i>Traceable fixed costs</i>				
Management salary (region)	101,758	111,934	123,128	336,820
Other expenses	26,172	26,172	26,172	78,516
Contribution margin (1)	<u>616,273</u>	<u>713,381</u>	<u>823,145</u>	<u>2,152,798</u>
Contribution margin (1)	<u>23%</u>	<u>24%</u>	<u>25%</u>	<u>24%</u>
<i>Common fixed costs</i>	606,543	697,727	747,430	2,051,699
Marketing	74,000	120,000	120,000	314,000
Management salary (Kyiv office)	228,769	251,646	276,810	757,225
Management salary (HQ)	39,144	43,058	47,364	129,566
Audit, legal & other services	44,060	48,466	53,313	145,839
Rent & utilities	24,670	27,137	29,851	81,658
Other	195,900	207,420	220,092	623,412
	0	0	0	
Net income before taxes	<u>9,730</u>	<u>15,654</u>	<u>75,715</u>	<u>101,099</u>

Table 27*Cash flow statement*

	Y1	Y2	Y3
Operating Activities			
Cash receipts from customers	2,644,762	2,985,359	3,322,796
Cash paid to suppliers (not for medicines)	1,077,701	1,259,988	1,354,443
Cash paid to employees	750,045	944,976	964,796
Cash paid to supply medicines	172,417	716,600	868,699
Net CF from Operating Activities	100,416	(88,305)	11,275
Investing Activities			
Payments to marketing	0	0	0
Proceeds from disposals of equipment	0	0	0
Payments for license	0	0	0
Net CF from Investing Activities	-	-	-
Financing Activities			
Issues of share capital	0	0	0
Money from HQ	302,417	0	0
Long-term borrowings received	0	0	0
Short-term borrowings repaid	0	0	0
Long-term borrowings repaid	0	0	0
Dividends paid	0	0	0
Net CF from Financing Activities	-	-	-
<hr/>			
Beginning Cash	130,000	230,416	142,111
Change in Cash	100,416	(88,305)	11,275
Ending Cash	230,416	142,111	153,386

Option 1 Increase a number of products

Table 28

Contribution format of Income statement

	<u>Y1</u>	<u>Y2</u>	<u>Y3</u>	<u>Total</u>
Revenue	<u>3,359,826</u>	<u>4,446,003</u>	<u>5,200,589</u>	<u>13,006,419</u>
<i>Pharmacy network sales</i>	<i>3,359,826</i>	<i>4,446,003</i>	<i>5,200,589</i>	<i>13,006,419</i>
Expenses				
<i>Variable expenses</i>	<u>2,306,943</u>	<u>2,973,348</u>	<u>3,515,457</u>	<u>8,795,748</u>
<i>Direct labor</i>	427,387	555,604	722,285	1,705,276
<i>Price of medical products</i>	860,365	1,094,959	1,268,142	3,223,466
<i>Auto leasing+ other expenses</i>	156,432	156,432	156,432	469,296
<i>Logistic expenses</i>	57,430	78,161	90,552	226,143
<i>Marketing</i>	805,328	1,088,192	1,278,046	3,171,566
Contribution margin (0)	<u>1,052,883</u>	<u>1,472,655</u>	<u>1,685,132</u>	<u>4,210,671</u>
Center	483,595	673,502	774,619	1,931,716
East	349,152	483,509	557,754	1,390,414
West	176,087	253,661	282,100	711,848
South	44,049	61,984	70,660	176,692
Contribution margin (0)	<u>31%</u>	<u>33%</u>	<u>32%</u>	<u>32%</u>
<i>Traceable fixed costs</i>	0	0	0	
Management salary (region)	101,758	111,934	123,128	336,820
Other expenses	26,172	26,172	26,172	78,516
Contribution margin (1)	<u>924,953</u>	<u>1,334,549</u>	<u>1,535,833</u>	<u>3,795,335</u>
Contribution margin (1)	<u>28%</u>	<u>30%</u>	<u>30%</u>	<u>29%</u>
<i>Common fixed costs</i>	<u>772,543</u>	<u>878,727</u>	<u>989,530</u>	<u>2,640,799</u>
Marketing	230,000	290,000	350,000	870,000
Management salary (Kyiv office)	228,769	251,646	276,810	757,225
Management salary (HQ)	39,144	43,058	47,364	129,566
Audit, legal & other services	44,060	48,466	53,313	145,839
Rent & utilities	24,670	27,137	29,851	81,658
Other	205,900	218,420	232,192	656,512
	0	0	0	0
Net income before tax	<u>152,410</u>	<u>455,822</u>	<u>546,303</u>	<u>1,154,536</u>

Table 29*Cash flow statement*

	Y1	Y2	Y3
Operating Activities			
Cash receipts from customers	3,226,523	4,328,880	5,126,289
Cash paid to suppliers (not for medicines)	50,000	1,415,040	2,107,217
Cash paid to employees		750,045	1,169,942
Cash paid to supply medicines	201,087	872,867	1,440,842
<u>Net CF from Operating Activities</u>	<u>188,571</u>	<u>182,397</u>	<u>408,288</u>
Investing Activities			
Payments to marketing	0	0	0
Proceeds from disposals of equipment	0	0	0
Payments for license	11000	37,000	0
<u>Net CF from Investing Activities</u>	<u>(37,000)</u>	<u>(32,000)</u>	<u>-</u>
Financing Activities			
Issues of share capital	0	0	0
Money from HQ	392,087	0	0
Long-term borrowings received	0	0	0
Short-term borrowings repaid	0	0	0
Long-term borrowings repaid	0	0	0
Dividends paid	0	0	0
<u>Net CF from Financing Activities</u>	<u>-</u>	<u>-</u>	<u>-</u>
Beginning Cash	130,000	281,571	431,968
Change in Cash	151,571	150,397	408,288
<u>Ending Cash</u>	<u>281,571</u>	<u>431,968</u>	<u>840,256</u>

Figure 31*NPV calculation for option 1*

	Y0	Y1	Y2	Y3	Total
Net income before tax		152,410	455,822	546,303	1,154,536
FCF calculation					
model without project	(172,417)	100,416	(88,305)	11,275	23,386
model with project	(392,087)	151,571	150,397	408,288	710,256
CF generated by project	(392,087)	51,155	238,702	397,013	686,869
discount rate		14.50%			
NPV		\$99,139.59			
IRR		26%			
ROI		194%			
PBP		2 years 4 month			
DPBP		3 years			

Table 30*Strategic Management Frameworks Applied*

Framework	Key Concept	Relevance to Relational Resources
RBV – Barney (1991)	Valuable, rare, inimitable, and non-substitutable (VRIN) resources drive sustained competitive advantage.	Strong, trust-based relationships with regulators or top pharmacy chains can be VRIN assets.
Dynamic Capabilities – Teece et al. (1997)	Firms must sense, seize, and reconfigure internal and external resources to adapt.	Asfarma's ability to adapt its network (e.g., shift distributors or activate KOLs) is a dynamic relational strength.
Social Capital Theory – Nahapiet & Ghoshal (1998)	Relationships generate value through access, trust, shared norms, and knowledge flows.	Internal collaboration and external partnership culture at Asfarma enable better coordination and innovation.

Table 31*Cash Flow Statement of Recommended Model*

	Y1	Y2	Y3
Operating Activities			
Cash receipts from customers	3,226,523	5,297,204	7,105,368
Cash paid to suppliers (not for medicines)	50000	1,415,040	2,680,268
Cash paid to employees		750,045	1,575,523
Cash paid to supply medicines	201,087	910,521	2,016,687
Net CF from Operating Activities	150,917	186,376	832,891
Investing Activities			
Payments to marketing	0	0	0
Proceeds from disposals of equipment	0	0	0
Payments for license	11000	37,000	32,000
Net CF from Investing Activities	(37,000)	(32,000)	-
Financing Activities			
Issues of share capital	0	0	0
Money from HQ	392,087	0	0
Long-term borrowings received	0	0	0
Short-term borrowings repaid	0	0	0
Long-term borrowings repaid	0	0	0
Dividends paid	0	0	0
Net CF from Financing Activities	-	-	-
Beginning Cash	130,000	243,917	398,293
Change in Cash	113,917	154,376	832,891
Ending Cash	243,917	398,293	1,231,184

Table 32

Key Relational Resource Categories at Asfarma

Relational Area	Strategic Value	Asfarma Status & Potential
Supplier Relationships	Secure and flexible supply chain; ability to negotiate terms	Maintains close links with contract manufacturers; opportunity to co-develop supplement formulations
Customer Relationships (B2B)	Long-term contracts, feedback loops, and loyalty	High trust with pharmacies and distributors; room to implement CRM-based segmentation
Regulatory Bodies & MOH	Faster approvals, early insight into compliance changes	Long-standing relationships aid product registration; potential to influence policy through associations
Competitor Relationships	Coopetition in lobbying or distribution channels	Limited cooperation: risk of parallel imports—needs boundary-setting legal frameworks
Internal Relationships	Speed, alignment, morale, and reduced conflict	Strong Clan-style culture supports cooperation; improvement needed in cross-functional execution clarity

Appendix F – Implementation Roadmap

Figure 32

Risk appetite



Figure 33

Road Map

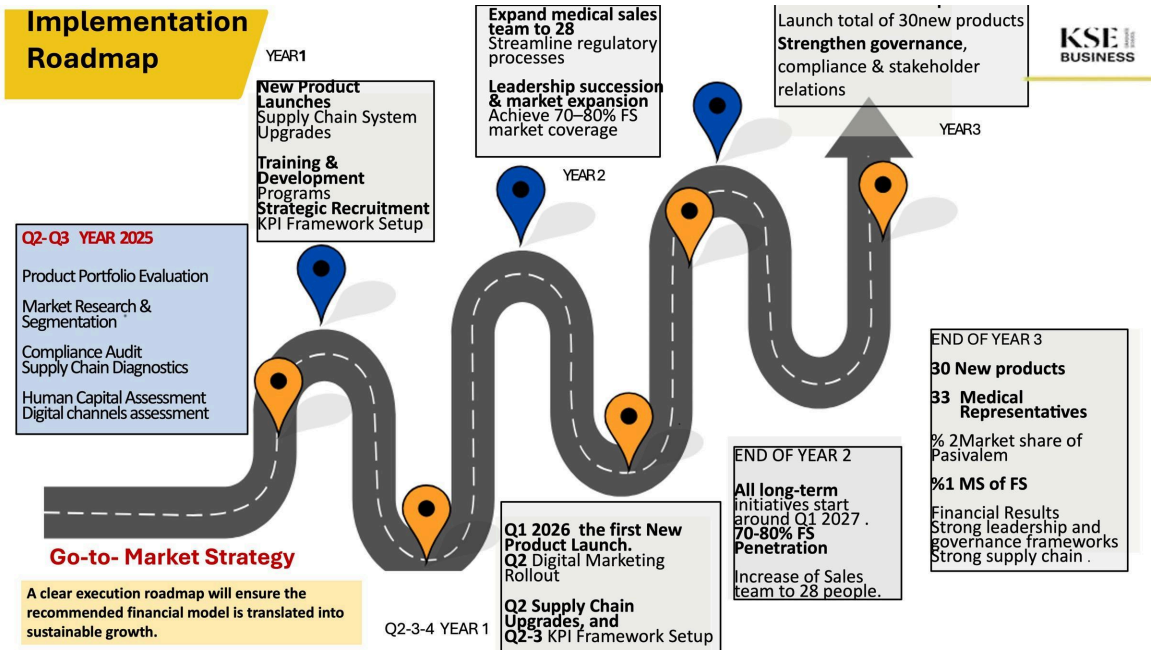


Table 33*Risk Management Internal Control Activities*

Control Activity	Department/ Responsible	When to Perform	Risk/ Opportunity
Conduct compliance checks and audits to ensure adherence to regulations. CAPA plan-control. Incident Reporting System. Document Management System.	Regulatory Affairs Team	As required by law-ongoing -Daily updates	R - 1: Regulatory Non-Compliance
Monitor supplier performance metrics and review supply contracts. Audits of the suppliers' production facilities. Risk Assessments for Suppliers. Include penalty clauses in supplier contracts for delays or failures to deliver.	Procurement Team	Weekly-Monthly-Before High-Risk Periods	R - 2: Supply Chain Disruptions
Evaluate staff turnover rates and provide training for new recruits. Internal surveys –feedback and open-door meetings with managers.	HR Team	Biannually Monthly	R - 3: Talent Shortages
Inventory and Stock Management Reviews. Conduct periodic reviews of staffing and equipment needs to avoid bottlenecks. Stakeholder Communication Plan. Contingency Planning.	Operations Team	Weekly-Monthly-Ongoing	R - 4: Operational Delays
Implement system testing for e-commerce platform functionality and user experience. Cybersecurity Enhancements. Digital Platform Performance Monitoring. SEO and SEM Campaign Audits. E-Commerce Fraud Detection.	IT Team	Pre-launch-Weekly and Monthly	O - 3: Increased E-Commerce Potential
Analyze market trends and conduct focus group testing for product feedback. Product Line Reviews. Data Analytics Utilization. Feedback Integration of employees and customers.	Marketing Team	Every Campaign Launch -Ongoing	O - 2: Changing Consumer Preferences

Figure 34

Gantt Chart Short term

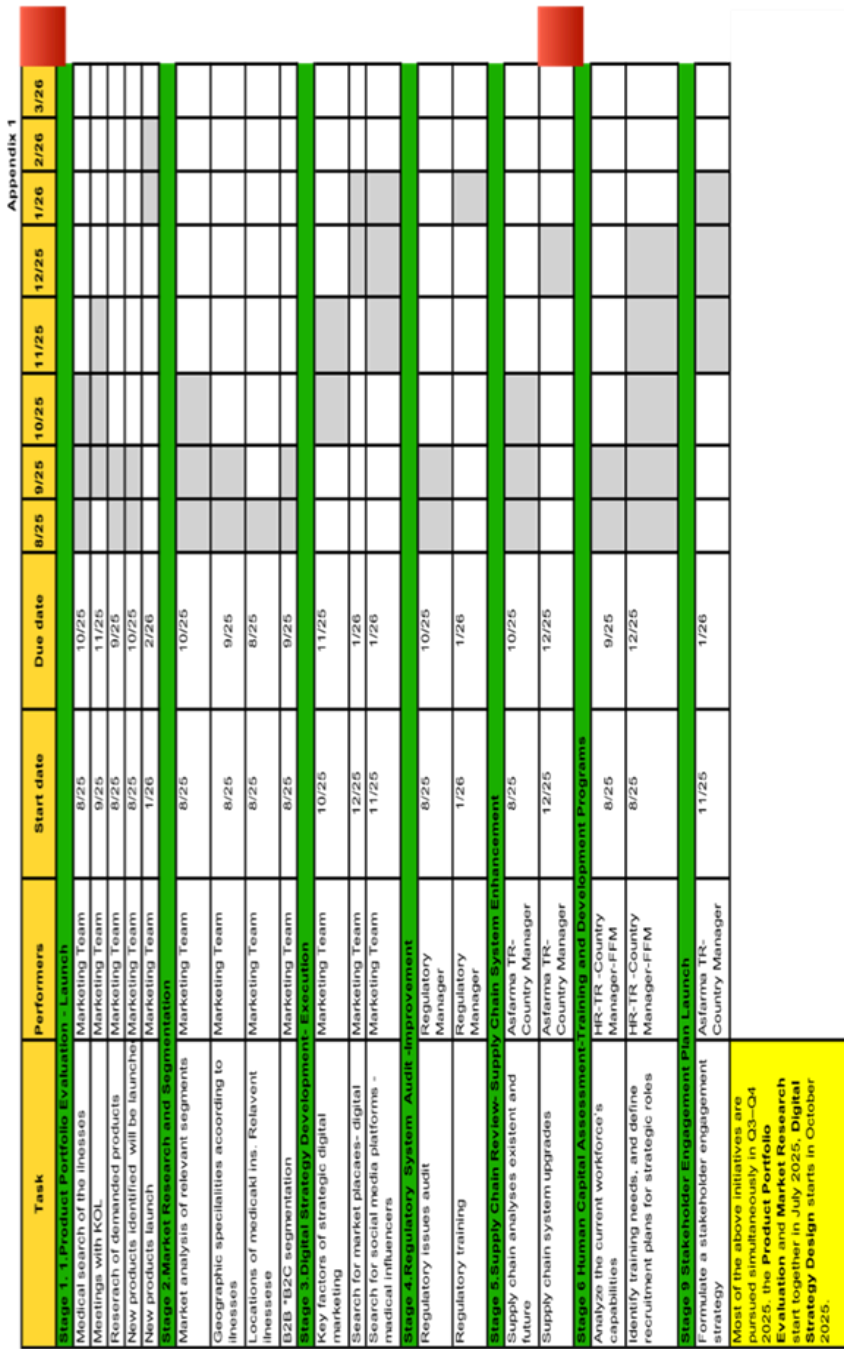


Figure 35

Gantt Chart Mid Term



Figure 36

Gantt Chart Long Term

Task	Performers	Start date	Due date	1/27	2/27	3/27	4/27	5/27	6/27	7/27	8/27	9/27	10/27	11/27	12/27	1/28	2/28	3/28	4/28	5/28	6/28	7/28	8/28	9/28	10/28	11/28	12/28
Stage 1 Market Expansion Initiatives																											
Pursue growth in new regions	Marketing team	4/27	6/28																								
Growth in new segments	Marketing team	4/27	12/28																								
Stage 2 AI-Based Digital Infrastructure Deployment																											
Implement advanced AI-driven digital systems	Marketing team	4/27	4/28																								
Stage 3 Supply Chain Optimization																											
Continuously refine and optimize the supply chain	Supply manager-Country manager	1/27	12/28																								
Stage 4 Leadership Development & Succession																											
Develop leadership talent and plan for succession	HR-Country Manager-FFM	1/27	12/28																								
Stage 5 Enhanced Stakeholder Governance																											
Strengthen stakeholder governance structures-Meetings	Country Manager	1/27	12/28																								
Stage 6 Ongoing Compliance & Quality Monitoring																											
Establish a continuous monitoring system for compliance and quality	Regulatory manager-Legal Advisor	1/27	12/28																								
Stage 7 KPI framework set up.																											
<p>All long-term initiatives start around Q1 2027, marking a transition from setup to expansion and continuous improvement. Notably, New Product Launches continue into this phase, serving as major milestones that kick off each year. The Training & Development Programs and Regulatory Streamlining efforts also persist into this phase, indicating that employee development and process simplification are revisited regularly to support the long-term objectives. By the end of Q4 2028, Asfarma Ukraine should have achieved significant market growth, a lean supply chain, and strong leadership and governance frameworks</p>																											