



VSCP CEO Spotlight: Steve Fischbach

July 7th, 2023

- **Please tell me about your career background before founding Safecor Health in 2008 and what led you to make the decision to start Safecor?**

For nearly 13 years prior to starting Safecor, I worked in various roles at Cardinal Health, Inc., a Fortune 20 company that provided healthcare products and distribution services to pharmacies, hospitals, physician offices, and long-term care organizations.

This experience allowed me to learn from great healthcare entrepreneurs (Bob Walter, founder of Cardinal Health), sophisticated clients who demanded excellence, and a range of industries and leadership styles.

- **Describe the early years of Safecor Health; what challenges did you face and what were the greatest successes that led the Company to where it is today?**

We faced typical challenges that new companies encounter: how to achieve growth without all the resources expected by customers. Our focus was on assembling the right team to bring credibility to our offerings, especially in the critical field of hospital pharmacy.

We also faced the challenge of introducing unit dose packaging as a new service model to hospitals. To overcome this, we had to build brand awareness and establish recognition for our business model. Luckily, well-known hospitals were early adopters and validated our services.

A significant achievement was securing the first-ever awarded unit dose packaging contract from the University Health Consortium (UHC). We not only had the reference accounts that I mentioned earlier, but this opened doors to larger teaching hospitals, which became valuable references for others in the market.

- **What changes have you witnessed in the pharmaceutical packaging industry over the last 25 years since founding the business? Have these created a more challenging environment for Safecor or have they created an opportunity to capture more business?**

Outsourcing has experienced significant growth in hospitals and pharmaceutical companies, our primary customer targets. Initially, hospitals mainly outsourced sterile compounding, but now they outsource a wide range of products and services, including non-sterile packaging. This growth in outsourcing has been beneficial for us.

A similar trend can be observed in the pharmaceutical industry. Over the past two decades, the percentage of products packaged through outsourcing has increased from less than 30% to over 50%. This progress is expected to continue, driven by the rising demand for contract packaging and manufacturing. Specialized applications, clinical trials, and cold chain products are particularly driving this demand.

Given the expanding outsourcing market and the need for unique solutions, we anticipate significant growth not only for our offerings but also for contract packaging and outsourcing services in general in the coming years.



- **What makes Safecor Health a key partner to hospital systems?**

Safecor offers hospital systems an outsourced unit dose drug packaging solution that clearly lowers costs, improves quality, and ensures regulatory compliance. Our newest

service line, SafecorLogics, enables large health systems to centralize warehousing and distribution of repackaged unit-dose products from our facilities. SafecorLogics streamlines order consolidation, reduces drug and packaging expenses and waste, and enhances staffing.

- **What excites you most about Safecor's position in the marketplace today and over the next 3-5 years?**

As the market leader in hospital packaging, we are set for further expansion. Our focus is on helping customers enhance their financial performance by implementing packaging and supply chain solutions to reduce pharmaceutical spend and waste. Through our recently launched program, SafecorLogics, larger health systems can centrally package items, driving cost savings across their facilities without the need for additional infrastructure. This unique program offers tangible cost savings and leverages our strong relationships with major healthcare systems, positioning us for market expansion.

Additionally, I anticipate substantial growth in demand for our contract packaging services to pharmaceutical manufacturers. Our expertise lies in providing high-level service and customization for lower to medium-sized production runs. As the market introduces more biotech and biosimilar products, along with targeted therapies, the demand for these specialized services is expected to increase significantly.

- **What has your experience been partnering with VSCP and working with a private equity sponsor for the first time?**

Our partnership with VSCP has been invaluable and has accelerated our growth plans significantly. With their leadership, what was originally a ten-year plan has been condensed into a three to five-year timeline. This transformative growth requires substantial resources and infrastructure, which we have addressed by adding top-tier talent to our management team and doubling our capacity in our Columbus facility. Without this focused approach and access to capital, we would have experienced slower growth and missed out on valuable opportunities. The VSCP partnership has provided us with the necessary resources, experience in healthcare services, and a valuable network to build an exciting growth plan.

- **What other areas of hospital / pharmaceutical services do you think are good investment opportunities today?**

I believe healthcare will experience ongoing transformation due to the need to lower costs as our population ages. The overall cost of healthcare is just not sustainable, calling for investments in healthcare service businesses that focus on outsourcing, cost optimization for healthcare providers, and the development of new products with a focus on cost reduction will be key to addressing the ongoing pressure.

- **On a free Saturday in July (which I know are few and far between these days!), you can find Steve doing...**

Reading a book, playing an occasional round of golf, or traveling to see a new place.