



ceocfointerviews.com
© All rights reserved
Issue: August 17, 2020



Valor: a trusted Compounding Pharmacy providing Custom Compounded Medications for Patients with Unique Medication Needs



Rick Niemi
CEO

Valor Compounding Pharmacy
www.vcprx.com

Contact:
510-548-8777
Rick Niemi
916-622-0267
rniemi@vcprx.com

Interview conducted by:
Lynn Fosse, Senior Editor
CEO CFO Magazine

"Compounding is a niche market and we have a competitive offering, not just in our product making, but in the partnerships we create. We are truly an extension of the care team and provide additional measurable value as consultants in all aspects of working with prescribers, medical groups, researchers, health systems, and other clients we work with."
Rick Niemi

CEO CFO: Mr. Niemi, what is Valor Compounding Pharmacy?

Mr. Niemi: Valor is a 503a licensed compounding pharmacy, with a team of 30+, that makes custom compounded medications for patients with unique medication needs. Offering both sterile and non-sterile compounding, we are licensed in 8 states, and expanding into new states based on demand. Compounded prescriptions are prescribed by a doctor when a medication is needed in a specific dosage form or strength that is not commercially available, for example, at your local CVS or Rite Aid. Additionally, Valor is allowed to make a medication when a traditionally manufactured medicine is widely out of stock or becomes unavailable altogether.

CEO CFO: Do doctors usually get it right or is it trial and error?

Mr. Niemi: Doctors who regularly prescribe compounds as part of their practice have a good understanding of formulas and treatment options. When needed, our pharmacists consult directly with doctors to provide options for consideration based on patients' needs. We're an extension of the care team and work together with the doctor and their staff to help their patients the best we can. When we make bio-identical hormones for example, the formula is prescribed by the doctor and based on the results of the patient's lab work. The goal is to balance the patient's hormone levels to be in a healthy range, which may be different from person to person. In cases like this, it may take a few weeks or months to get things dialed-in so that the lab results reflect the most optimum wellness for the patient. The trial and error comes in when a new treatment is tried and the drug efficacy is being measured by how the patient feels and follow-up lab work by the doctor.

CEO CFO: *What is the marketplace? How common is the need for compounding?*

Mr. Niemi: That is a great question! There is definitely a market for compounding, and we see it growing into the future. For anti-aging, men and women's health, more and more people are becoming aware of options for a better quality of life. And for many, a new form of wealth is to maximize one's health. It may take a person some time to take the first step, but once they do, it's a journey to maximum wellness that encompasses the whole person. At Valor, we cherish being part of the journey as we work together with prescribers to achieve maximum wellness for our patients. With pain, the opioid crisis has led to a heightened awareness of alternative treatments for pain. We make topical pain meds that allow people to get back to work, safely drive a car, and all without the negative side effects and potential for addiction. Moreover, we're also seeing a national and growing concern in mental health and anxiety, where alternatives to treating these conditions are front and center. New treatment options are being considered and we're partnering with various providers in this space. We make medications for a variety of conditions and have both an institutional (health system) customer base and direct to consumer patient base. And with telehealth becoming more widely accepted and used, we see a major opportunity to partner with these companies to make medicine for their patients throughout the United States.

CEO CFO: *What is involved in creating medication with specific requirements for an individual? What are the steps and what are some of the challenges? Is it picking bottles off the shelf? Is it the old mortar and pestle that drugstores used years ago?*

Mr. Niemi: Definitely the mortar and pestle method, but with major technological advancements in systems, equipment, training, and quality. To answer the first part of your question, we adhere to strict processes, procedures, and documentation when making medications at Valor. Regulatory compliance is the culture at Valor and the focus in everything we do. Each medication made comes with a standard operating procedure that must be followed to a T. As a data driven company, we measure just about everything to maximize ROI throughout the departments at Valor. In the drug making process, it's very important to be efficient, and using the right equipment and machinery helps grow the business cost effectively. Valor utilizes process improvement techniques, technology and software to ensure a strong emphasis on quality assurance and controls.

CEO CFO: *Is there a shelf life that might be different from a standard medication or cream? Does it vary product to product?*

Mr. Niemi: That is a great question! For prescriptions we get at CVS or Rite Aid, they come with an expiration date. That's the most common term we're all familiar with. In compounding it's referred to as BUD, or "beyond use date". Different medications in different forms come with a specific BUD, or length of time the medication is to be used. In the case when a prescriber or group wants a medication to last longer for their patient base, the item can be tested for a longer BUD. When the test results come back successful, we can extend the life of that compound's use for all Valor's patients.

CEO CFO: *Why is it worth it? Why go through all these hoops?*

Mr. Niemi: Because not everyone can get better taking the same medication. There are many situations where a person needs a medication tailored just for their needs. People are different. We make quality custom compounds to address that difference. Whether it's making a medication to help a patient balance their hormone levels, or helping a couple attempt to have a baby, we're here for them. Someone may be ready to go off opioids and give topical pain medications a try, or it might be that person who's been living with anxiety and is finally feeling better after the doctor prescribed a treatment that made all the difference. Compounding is a niche market and we have a competitive offering, not just in our product making, but in the partnerships we create. We are truly an extension of the care team and provide additional measurable value as consultants in all aspects of working with prescribers, medical groups, researchers, health systems, and other clients we work with. We're not a reactive pharmacy fulfiller, we're more so a proactive partner in patient care and customer service. Any pharmacy can claim to make a high-quality medication that is delivered on time. At Valor we deliver more value than it costs to do business with us. We love what we do and serve a niche population that is growing. As CEO of Valor, my desire is to create a greater awareness of compounding with the general public, and to connect those interested to learning more, with a prescriber in their area and our network.

CEO CFO: *Would you tell us about Propel? What does that bring to the table for Valor?*

Mr. Niemi: Propel is a quality assurance management system that our President and Chief Pharmacy Officer, Christine Stephanos, learned of and recommended we implement. The goal was to ensure strong adherence to our quality assurance process and documentation through a transparent and electronic system at Valor. Compounding pharmacy is a very rewarding yet serious business. Clear communication and thorough training of our staff is a key foundation for success at Valor. Propel gives our business an added level of increased confidence and the assurance that the work done at Valor, will more than satisfy the bodies that govern our industry. Propel gives us the infrastructure needed to track the necessary documentation needed to support what we do and how we do it, and further serves as an aid to our continuous performance improvement mission.

CEO CFO: *Have you found it difficult to source ingredients these days?*

Mr. Niemi: Most recently, Hydroxychloroquine was in short supply. With the help of Professional Compounding Centers of America (PCCA), Valor was able to secure the ingredients needed to make the medication and ship to patients suffering from lupus and rheumatoid arthritis throughout states we are licensed in the US. This is a chronically taken medication, so we made every effort to supply the medication to those who were having trouble finding it, where a valid prescription for it was presented. Outside of hydroxychloroquine, we've haven't had sourcing issues obtaining ingredients from our suppliers. However, there is some concern that a large part of the pharmaceutical industry's supply chain is found internationally. On a personal note, I think our country relies too

much on drug ingredients made outside of the United States, and that needs to change!

CEO CFO: *How are you educating the public and medical community, or any stakeholders that could or should be interested in Valor, about the company and what you can do?*

Mr. Niemi: I was hoping you would ask that! It would be typical to canvas and speak to doctor's offices and their staff, set up lunch and learns, and sponsor dinner discussions on a particular topic. Since COVID19 entered our lives, we've transformed our business model to be fully functional and known online. Right now, in fact, patients can transfer or refill their prescriptions online, and prescribers can order prescriptions for their patients online as well. We are also expanding our online presence to provide better tools and education for the public.

CEO CFO: *Do you see working with organizations, such as the Heart Association, to spread the word about Valor?*

Mr. Niemi: You are right on. Partnering with different groups and organizations tied to the disease states or conditions we make medicine for is a no brainer. As an example, we work with professional and college sports teams, orthopedic physicians, sports rehabilitation clinics, and podiatrists to help with our mutual mission to steer away from opioid medication and instead, prescribe patients a topical non-addictive pain cream or gel to address their muscular or neurological conditions. Creating partnerships and healthy alliances with various groups and entities strengthens one's position in any market.

CEO CFO: *Are you seeking funding, investments or partnerships as you move forward?*

Mr. Niemi: It is something we would consider at the right time and under the right circumstances. We are not quite at that stage yet. We are still in the process of building out the infrastructure needed in our facility, team, and in the various departments we're establishing at Valor. The happenings of this year forced us to rethink our 2020 goals and initiatives and we have pivoted nicely and are executing our business plans. We are expanding into other states and acquisitions are a possibility. At the moment, we are looking into and considering the Main Street Lending Program and believe greater things are in store for Valor and its place in the market.

CEO CFO: *Why pay attention to Valor Compounding Pharmacy?*

Mr. Niemi: Valor is distinguished and set apart. We do more than make medicine; we solve problems.

For the consumer patient, Valor's brand stands out once they know we're an option. Offering flat rate pricing, fast turnaround, and free shipping is a game changer. For our commercial clients, we're a value-add and critical thinkers to the teams we work with (both clinical and business). The customer experience at Valor is like no other and we're investing even more in the customer satisfaction and retention side of things. Building a brand that can be trusted is who Valor is. Courage in the face of adversity, integrity is the foundation, demonstrating good character always, and through competency and transparency, we earn your trust, not just ask you for it. Valor's core values are trust, quality, communication, accountability, and critical thinking. The Valor name means something. It is reliable, it is trustworthy, and it is dependable.