

HEALTHY OPTIONS

Nupco is helping to both expand and advance the healthcare landscape of Saudi Arabia. Fahad Al-Shebel is a CEO who is confident he can make a real difference in the region.

FAHAD AL-SHEBEL / CEO NUPCO

When any government begins formulating plans as to how best improve its healthcare, you can be sure there is going to be years of debate, leading to decisions that may take a generation to implement. That's if the scheme even gets the go-ahead in the first place.

Few countries are lucky enough to be in a position to actually attempt such a major undertaking, but in August 2008 the government of Saudi Arabia did precisely this, and set-up The National Unified Procurement Company (NUPCO).

The main aim of this body was to centralize procurement, storage, and distribution for pharmaceutical, medical supplies, and medical devices for over 3000 public hospitals and health care facilities.

With vast capital to back them up, as well as flexibility in policies and procedures, to ensure transparency and efficacy, this was an unprecedented attempt to create an all-encompassing healthcare system. A revolution had begun...

Fahad Al-Shebel has just completed his first year in the job as CEO of NUPCO, and he re-

vealed just how easy it was to decide to join the company.

"Obviously, to me, it was about the opportunity to make a real impact and to be part of something so important and vital as healthcare," says Fahad. "Because this is about people's welfare, I also wanted to bring more efficiency to the system, especially with regards the procurement of pharmaceuticals, which account for over 55% of the total budget," he adds.

NUPCO has two primary responsibilities. Firstly, the procurement of the pharmaceutical and medical supplies for which they boast an annual budget of around 20 billion Saudi Riyal, and secondly to administer the supply chain and logistics for all the public healthcare providers operating and dispensing these items.

These public healthcare providers represent over 70 per cent of the healthcare system in Saudi Arabia and included under this umbrella are, the ministry of health itself - which serves over 300 hospitals, medical cities, specialised hospitals and finally military hospitals. In all, there are over 3000 care points that need to be considered and supplied.

This scheme not only involves building partnerships with companies but also encouraging them to move operations to the region, as Fahad was keen to point out.

"We want to incentivise companies to come and invest in order to not only serve the Saudi market but the whole region. Saudi Arabia is constantly signing agreements with manufacturers so that they can start production here."

Enticing companies to make such a move would typically involve a great deal of red tape but Fahad is quick to point out that one of the significant advantages of working with

a government business, is the ability to swiftly navigate through these issues.

"As well as fast-tracking the process, we will offer huge incentives to the companies using our 'offtake' agreement," he says. "So, if you start to manufacture here, hire local people, purchase your raw materials locally, then we can guarantee that whatever you manufacture, we will be committed to purchase at our agreed price."

By attracting these international pharmaceutical companies, NUPCO is well on the way to achieving its aim of, over the next five years,

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increasing the local content production, so it forms a significantly larger percentage of their purchasing strategy.

Even with all their funding, along with the

government backing itself, this is a huge undertaking that needs astute management, as well as the dedicated exploits of a plethora of highly skilled employees, in many fields ranging from purchasing to logistics and healthcare. Fahad has also implemented a system that has proven to be the backbone of his operation. "The Saudi Arabia Pharmaceutical Control Tower."

The control tower operates as Fahad's all-seeing eye. As NUPCO continues to grow and transform into a giant guardian of the healthcare system, this technological system has become invaluable to Fahad, and he →





explained just some of the benefits.

“We have clear visibility of where every medical item that exists in the country is, on a constant basis,” he says proudly. “Whether it’s being shipped from manufacturers through freight or over water, or if it is at customs awaiting clearance, we are able to see that instantly. We can follow the whole journey of every item from production through to storage and, finally, delivery to the healthcare center.”

The end user can also access this digital supply chain. Therefore, as well as staying up to the minute on their deliveries, when a hospital needs a particular medication, they can locate and secure the product instantly. This, Fahad explains, is where he really wants the system to grow in strength.

“With this kind of visibility, we can instantly fulfill their needs,” he points out. “Without this IT system, we would be almost blind with regards inventory. If we fail to fulfill the needs of the physician prescribing certain medication to their patient, because the medication or instrument is unavailable, then we’re not serving our

patients or, ultimately, our country.”

This system is paying for itself by both streamlining the whole operation but also saving vast sums with regards purchasing.

“The overall planning is crucial,” says Fahad. “Too much stock and we are not efficient and are wasting money and too little; the results can be, quite simply, life-changing.”

As NUPCO continues to lure Pharma companies to the region, they are forging ahead with their infrastructure development. This includes constructing automated warehouses to both process and store items. These facilities include cold storage, which is imperative to the

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industry and Fahad has high hopes that these specialist units will not only be used for incoming products but also used to house medicines for export that are produced in Saudi Arabia. This long-term vision is always in the back of Fahad’s mind.

“What we are building is a type of ecosystem,” he insists. “As a government-owned company, we don’t want to dominate the market but enable all our partners to work and grow with us.”

By cutting out the middlemen and dealing directly with over 350 suppliers, NUPCO is saving Saudi Arabia a great deal of capital. However, this is not the driving force behind this operation.

Cutting costs is a clear indication that Fahad and his team are business minded, but NUPCO will not be judged on financial gains. It is the growth of the medical industry and, more importantly, the welfare of the citizens of Saudi Arabia that will ultimately decide the well-being of NUPCO.

As for their latest health-check, they look to have passed with flying colours. 🚀



TAMER



Mohammed Tamer, CEO and Partner

“Tamer Group is your one-stop, trusted strategic partner”

The Group is already the leading distributor of pharmaceutical products in Saudi Arabia. It is the leader in many sectors of the medical instruments and supplies market, including Laboratory System Supply, Renal Dialysis, Orthopedics, Interventional Cardiology, Radiology, Urology, Contrast Media, Wound Care and Customized Procedure Trays. It is also a major player in prestige and fast-moving consumer goods.

To offer its customers a best in class total Supply Chain Logistics Solution, Tamer Group has founded the Tamer Logistics Company in 2011. Today, it is the number one healthcare, FMCG and cosmetics Third Party Logistic Provider, offering a range of services under one roof, with full transparency to its clients. Added value to its clients’ business is provided through flexibility, quick adaptation to the clients’ needs, along with improved cost management, whilst providing a potential pathway to more innovative business models.

Tamer Group is fully aware of the prevailing market disruption factors and is expanding its business model outside the traditional businesses. It is focusing on e-commerce, last-mile delivery services, as well as added value services such as collection and inventory management.

Through recognising and understanding its responsibility towards the local community, Tamer Group is keen to develop and enrich its corporate social responsibility arm “SA’AID & The Community” via initiating and supporting different projects that focus on levelling up the health, education, women empowerment, art & culture, workplace wellness and community development for different categories of the society.

In 1922, the late Dr. Mohammed Said Tamer opened the first pharmacy in Saudi Arabia. Over the next several decades, he grew his business to include the import and distribution of medicine throughout the Kingdom.

Today, with the third generation of the Tamer family managing the business, and Ayman Tamer being the Chairman, the Tamer Group operates in the fields of pharmaceutical manufacturing, medical instruments and supplies, high-end third-party logistics services, health insurance, hospital operations, pharmaceutical retail, and the distribution of nutrition, wellness, beauty and prestige products.

The company has established joint ventures and partnerships with a range of international firms, including Nestlé, Novartis, Sanofi, Johnson & Johnson and Roche. Its pharmaceutical manufacturing arm SAJA (Saudi Arabian Japanese Manufacturing Co.), led by Faisal Tamer, Chairman of SAJA and Partner, is a joint venture with two of the leading Japanese pharmaceutical companies: Daiichi Sankyo Co. Ltd and Astellas Pharma Inc.

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