Fahad Al Shebel – CEO, NUPCO, Saudi Arabia



[NUPCO's] initiatives contribute to enhancing Saudi Arabia's position as a leading regional centre for the pharmaceutical and biotechnology industry

27.06.2024

Tags: Saudi Arabia, NUPCO, Procurement, Manufacturing, Insulin, Sanofi, Novo Nordisk, MEA

NUPCO, the centralised procurement body for healthcare products to Saudi Arabia's government health sector, has embarked on a major digital transformation initiative over the past three years. CEO Fahad Al Shebel outlines its scope and impact, NUPCO's role in localising insulin manufacturing in Saudi Arabia, and how it is enhancing the country's healthcare accessibility and efficiency.

Since our last conversation in 2021, how has NUPCO advanced its digital transformation initiatives, and what impact have these changes had on its operations and service delivery?

Since its last update in 2021, NUPCO has embarked on a remarkable digital transformation journey, significantly improving its operations and service delivery within the healthcare supply chain. This holistic approach leverages cutting-edge technologies and prioritizes customer needs, creating a well-connected ecosystem that benefits all stakeholders, ultimately enhancing patient care.

The first key advancement in this digital transformation journey is in the intelligent automation field. NUPCO has harnessed the power of Robotic Process Automation (RPA) to streamline manual tasks. This has drastically reduced processing times, freeing up valuable human resources for strategic initiatives and complex problem-solving.

Secondly, we have moved to foster open collaboration. A comprehensive API library fosters unprecedented collaboration with customers and suppliers. By seamlessly integrating NUPCO's services into existing systems, a dynamic information exchange is fostered, driving innovation and efficiency across the healthcare supply chain.

Thirdly, NUPCO has built a much more unified digital experience. iNUPCO, the one-stop-shop portal, offers a user-friendly interface for all interactions. From supplier registration and product cataloguing to advanced shipment notifications and last-mile delivery tracking, iNUPCO streamlines the entire supply chain journey, enhancing transparency, communication, and overall user experience.

Fourthly, we have made great progress around data-driven insights. AI-powered Voice of Customer analytics provides a deeper understanding of stakeholder needs and preferences. These insights fuel continuous improvement, ensuring NUPCO's services remain aligned with the evolving demands of the healthcare industry.

Fifthly, NUPCO has even ventured into virtual reality (VR) to optimize warehouse layouts, enhance inventory management, and create immersive training experiences for employees.

Sixthly, our mobile app now puts NUPCO's services at the fingertips of customers and suppliers, providing on-demand access to critical information and tools anytime, anywhere.

Finally, the adoption of an advanced planning system allows for accurate demand forecasting and optimized inventory levels. This proactive approach minimizes waste, reduces costs, and ensures NUPCO is always prepared to meet the needs of healthcare providers and patients.

What tangible outcomes have these initiatives led to?

These digital transformation initiatives have not only modernized NUPCO but have also yielded significant results. Notably, **s**treamlined processes and automation have resulted in substantial cost savings; **e**nhanced transparency, communication, and responsiveness have led to higher customer satisfaction ratings; and **t**he ability to anticipate demand and adapt to changing market conditions has fostered a more resilient and responsive supply chain.

NUPCO views digital transformation as a continuous journey. The company remains committed to exploring new technologies and innovative approaches to further optimize operations and deliver even greater value to the healthcare community.

The recent preliminary agreement to localize insulin manufacturing in Saudi Arabia marks a significant step towards healthcare self-sufficiency. Can you elaborate on NUPCO's role in this venture and its expected impact on the Kingdom's healthcare landscape?

As the executive arm for medical procurement in Saudi Arabia, NUPCO plays a pivotal role in strengthening national drug security through localizing the biopharmaceutical industry and transferring advanced knowledge in this field.

Leveraging its position as a leading company, NUPCO has awarded a commitment agreement project to French company Sanofi and Danish company Novo Nordisk, two of the world's largest insulin manufacturers, to localize the production of several types of this Biomedicine in Saudi Arabia.

This agreement extends over seven years, during which it aims to transfer technology and knowledge to local partners who contract with global companies. This will ultimately contribute to the local manufacturing of several insulin products, which will enhance Saudi Arabia's pharmaceutical security and reduce reliance on imports.

What challenges and opportunities do you foresee in the continuing expansion of domestic production of pharmaceuticals and medical supplies?

NUPCO's localization efforts are not solely limited to insulin products. The company is also working with committees and relevant authorities to localize other important pharmaceutical industries, such as vaccines, blood derivatives, and other biopharmaceuticals.

NUPCO's strategy is to activate the incentives offered by various government agencies, such as the Ministry of Investment, the Ministry of Industry and Mineral Resources, and the Local Content and Government Procurement Authority. These incentives are translated into contracts that NUPCO signs with global companies to manufacture these biopharmaceuticals in Saudi Arabia.

In terms of medical supplies, NUPCO also recognizes the importance of localizing this important industry, especially after the challenges faced by Saudi Arabia during the COVID-19 pandemic. In its belief in the importance of preparedness to face any future crises, NUPCO has concluded commitment agreements with local factories to ensure the continuous provision of these supplies

and to meet Saudi Arabia’s needs for them. These supplies include gloves, masks, and other products essential to the healthcare sector.

Through these ongoing efforts, NUPCO reaffirms its role as a strategic partner in achieving pharmaceutical security in Saudi Arabia. Its initiatives contribute to enhancing Saudi Arabia’s position as a leading regional centre for the pharmaceutical and biotechnology industry, which contributes to improving the quality of healthcare for citizens and providing new job opportunities.

NUPCO has made considerable strides in improving healthcare accessibility and efficiency. Can you share any success stories or outcomes from these initiatives that particularly stand out to you?

NUPCO played a pivotal role in facilitating access to rare disease medications within an unprecedented timeframe. A compelling illustration of this is the case of a 34-year-old Saudi patient who had endured severe visual impairment since childhood. With the emergence of a novel gene therapy as a potential solution, NUPCO swiftly procured the required medication, thus becoming the first entity in the Middle East and Asia to acquire it. This proactive initiative not only exemplifies NUPCO’s commitment to healthcare advancement but also underscores its dedication to saving lives and enhancing the quality of life for individuals facing daunting medical challenges.

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