Interview: Sara Masmoudi – General Manager, Teriak, Tunisia



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22.10.2017

Tags: Tunisia, Teriak, Pharma, M&A, Strategy, Manufacturing,

Sara Masmoudi, general manager at Teriak, one of Tunisia's top three pharmaceutical companies, sums up the evolution the company has undergone since she took over its direction in 2003 at age 32. She also talks about the recent acquisition Teriak has made of Cinpharm, a Cameroonian manufacturer, in line with its internationalisation strategy and presents some of the company's goals for the future: a focus on exportation and the duality between its licencing activity and production of own products.

Ms. Masmoudi, could you please introduce Teriak and its activities to our readers?

Teriak was founded in 1997, so 20 years ago, as the affiliate of the Kilani Group centred on pharmaceuticals. For 17 years now it has been producing drugs in Tunisia and has today two production sites in the country as well as a third one in Cameroon through its recent acquisition of Cinpharm. Teriak started its activity with the development of under-licence manufacturing through the construction of strong partnerships with multinational companies (MNCs) such as GlaxoSmithKline, Novartis, Roche, Servier, or Sanofi-Aventis.

Over the years and through these partnerships, Teriak was able to enhance its own know-how in technical and commercial areas that was not only beneficial in establishing our image as a quality partner, but equally in providing us with the necessary self-discipline for the development and launching of our own products. Starting from 2010 Teriak prioritised the development of its own

generics.

What have been the most defining moments for Teriak since you took over as its head in 2003?

The first defining moment has to have been our decision to move fast in the development of generics, but our biggest bet to date was putting in place a strategy that would see us become an international company. In 2013, we decided upon a clear strategy, facing the challenge to build, in parallel of a model that was working well in Tunisia, a company that would be a successful exporter.

Then, in 2015, we took a decision that really made me leave my comfort zone, the acquisition of Cinpharm in Cameroon. Teriak had to reinvent itself in order to succeed. We may be a well-known manufacturer in Tunisia with all the advantages—in recruitment and financing for instance—that come with such status, but in Cameroon, we are unknown.

How does Teriak's strategy in terms of portfolio management present itself for the near future?

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As of today, we achieve 55 percent of our revenues through the sales of our own generics while 45 percent still come from our licencing activity. In the future, we will continue to develop the licencing, although our own products are a more lucrative business venture. We apply this strategy in order to achieve our long-term goal which is of healthy growth through a diversified activity. Teriak innovates in order to meet the market's needs, but by maintaining its licencing activity as a trusted partner it contributes to further build the image of Tunisia as a country where manufacturing is of high quality.

Regarding the therapeutic areas holding potential for future growth within our portfolio, we can observe that Tunisia, as the probably most mature country in Africa in terms of therapeutic needs considering the disease landscape of the country, is today facing the same situation as the more developed Western countries. Thus, the areas where we expect growth to mainly come from are cardiology but also neurology and psychiatry as debilitating age-related diseases are gaining momentum in consequence of our shifting age pyramid. Equally we observe that Tunisia is ready—given the right incentives from our regulatory bodies—to develop its over the counter and biotechnology sectors. We can produce and could even export these products and we already have one of the highest consumption of biotechnology products per capita in the region. Especially in the

case of biosimilars, this is a train we cannot miss jumping on. We cannot allow ourselves to let it pass, as innovative companies but also as a country.

Teriak works with five out of the global top ten pharmaceutical companies. How did you come to forge these partnerships and how have they impacted the company over the years?

Teriak was fortunate enough to work with a company in its beginnings that then at some point became a part of Sanofi through mergers and acquisitions. Sister companies of Teriak were equally doing business in distribution with other big names in the pharmaceutical industry. Through these first links we were able to demonstrate to potential partners that we had a very strong will to meet expectations that were set for us in terms of quality. With GSK in particular we developed a partnership in which we strove to meet their standards on every level, in production but also in human resources management and passed every single one of their audits. Our perseverance and dedication showed our professionalism and ability to successfully build partnerships with international partners, resulting in an excellent reputation. These partnerships have been very beneficial for us. Indeed, we can today profit from the intangible asset of our reputation: our generics are known to be produced under the same quality standards than our licencing products

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You pursue a dual strategy of internationalisation and export. Can you tell us more about your strategy in this regard?

Our export strategy has been a main area of focus starting from 2013 and today we have a presence in several markets in the region and in sub-Saharan Africa. As Tunisia’s direct neighbour, Libya is a natural market for us, and although the situation has been challenging these last years, we are still dedicated to permit access to our own generics and to products of some of our partners such as Novartis, to the population. Exportation is still one of our main strategic axes. While in 2010 when we engaged ourselves on this path only two percent of our revenues were generated by our exportation business, we reached a share of 12 percent today and aim for 35 by 2025.

The Tunisian product has already a very good reputation in sub-Saharan countries. In addition to that, our health authorities pursue a close collaboration with those of sub-Saharan countries. Those markets do not have the same maturity as the Tunisian one, and thus present a series of opportunities but also needs for some products—for malaria for instance—targeting diseases that have long been eradicated in our country. Nonetheless the potential is of importance and we target not only the French-speaking countries anymore, but also English-speaking countries such as

Sudan more and more, and the Portuguese-speaking countries. All in all, we see more possibilities arising than doors closing.

Our acquisition of Cinpharm in Cameroon was an opportunity we could not let slip by, and it will allow us to position ourselves not only as the first factory in the country meeting Good Manufacturing Practices, but it will allow us the natural advantage of presence. We want to be a central actor in Cameroon and its region, and Cinpharm has already several registrations in countries such as Gabon and Chad. Our aim is to bring generics, also of high-end quality as we are doing in Ivory Coast and Senegal for example today, to the region and gain a sure standing and reputation in sub-Saharan Africa.

What is your assessment on the public-private dialogues (PPD) that have been put in place between the public sector and the associations for local and innovative pharmaceutical manufacturing under the umbrella of the World Bank since 2014?

The beginnings of the PPD were truly tainted with fights which is only logical since the need for reform necessarily originates in an unaddressed issue. However, once we truly engaged in discussions we achieved much and today managed to build an understanding and even mutual trust that shows the great achievements the PPD efforts have brought. For instance, the public sector shared information with us that was not accessible before, understanding the importance transparency holds for us.

Moreover, the discussions have resulted in an improvement of the time for drug registration procedures, lowering it from three or sometimes four years to less than a year. Another point where we expect significant improvement are pricing in which too many committees are involved to date, as well as the establishment of Tunisia as a hub for clinical trials. The MNCs have long been asking for an advantageous regulatory framework since they have recognised the potential Tunisia holds in this.

Overall, I think we can be very proud of what we have achieved, and our will to find common ground and solutions despite our differences and the great number of actors involved, really speaks for Tunisia. I personally have been involved in facilitating the public private collaboration further in accepting to become the president of the soon to be launched cluster of pharmaceutical industries within the Biotechpole Sidi Thabet. The cluster is truly a proof of the new state of mind we have reached in Tunisia, and will be tremendously interesting in driving research and innovation in biotechnology and the pharmaceutical industry in general.

In a recent article in Jeune Afrique, you were mentioned as one of the most brilliant and powerful women in Africa. How has it been for you as a woman in the position of director general at Teriak?

I have never been treated differently because I am a woman. Lassaâd and Rafik Kilani took a bet when they made me president director at age 32. By showing trust in me, they earned respect in return which is in turn beneficial for the development of the group as a whole and as an environment where people are happy to attend work.

My message is to always face anything new with an open mind, to be able to take criticism and concentrate on what is essential. If someone wants to tear you down because you are a woman, do not waste time on responding. Tunisian women have long moved beyond these issues. While not diminishing ourselves, I think we are able to say that we are sometimes tired, and that this is human, and as a manager, a human dimension is quite helpful.

Where will we find Teriak in 2022?

Teriak’s current position on the market in Tunisia is that of third. I of course aim for the first place. Our own Teriak brand I want to see amongst the top three. On a more operational note, I will keep on driving our internationalisation, venturing into the establishment of further production sites abroad.

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