

Bruce Dawson-Scully - CEO, WeedMD, Canada



WeedMD is always trying to innovate in order to offer better products to its patients, and to stay at the forefront of innovative initiatives

21.03.2018

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Specializing on products adapted to the needs of seniors and long-term care patients, WeedMD is scaling up its production capacity to better meet the needs of this particular patient group while also preparing for the up-coming legalization of cannabis for recreational use. Bruce Dawson-Scully, WeedMD's CEO and founder, shares his excitement about this entirely new industry of medical cannabis and the tremendous opportunities for research—also in collaboration with big pharma—it presents.

These are extremely exciting times for WeedMD with the recent approval by Health Canada for the retail of your oil products and looking forward, the upcoming legalization of cannabis for recreational use. What were the main milestones for your company in 2017?

2017 was a very busy year for WeedMD. In April, we had two big milestones as we went public and obtained our license for the sale of dried flowers. Both of these events allowed us to render our business truly operational.

Moreover, last year we signed a lease on a greenhouse in the neighboring region of Strathroy, just 30 kilometers from our existing facility; we are in the process of developing 220,000 square feet for production and are about to commence a retrofit for another 175,000 square feet which means we will soon have about 395,000 square feet of production space with the capability to go up to

610,000 square feet of production space. The greenhouse in Strathroy presented an amazing opportunity for us—which we rapidly seized upon—. It is owned and operated by a family that has been cultivating products for over 30 years. They have designed and built out a state-of-the-art facility with solar panels, a closed irrigation system and overall a very ecological and environmentally-efficient approach. The very advanced system on which the Strathroy greenhouse relies consequently demands a lot of expertise to operate, and we are thus thrilled that we invested in a building and human capital as well. A large part of the facility management and workforce will stay on with us. WeedMD is truly proud to see its employees go from 52 to about 120 with this expansion.

How has the year of 2018 begun for you?

We have been anxious to start working on our long-term care adapted product portfolio and earlier this year, we received the approval from Health Canada to commence selling oil extracts. After receiving the license for production towards the middle of 2017, we introduced our Axis™ and Entourage™ oils to the market. Both brands carry three different oils: one with high CBD (cannabidiol), one with dominant THC (tetrahydrocannabinol), and a hybrid. We also produce some extracts with lower concentration for some of our senior patients.

In general, 2018 promises to be a very exciting year as we approach legalization and the need to scale up to meet the expected onslaught of demand. However, we will continue to focus on diversifying our portfolio as well and are looking to build a more comprehensive portfolio of strains, while maintaining high quality in every product we send out to our patients. Finally, scaling up for the adult consumption market will also allow us to ensure consistent supply for the medical part of our business.

WeedMD has taken the direction to focus on the needs of seniors and long-term care patients. Where do you see the opportunities in this particular patient group?

I have worked in long-term care, and with seniors for 22 years and repeatedly witnessed that medication programs in these residencies and the like are challenging; there is a stringent overuse of opioids and other prescription drugs. Seniors in long-term care are typically prescribed between ten and 14 drugs per day with many of these medications provoking adverse reactions that are in turn again treated with other drugs.

As the medical cannabis industry started to emerge, I saw an opportunity to not only leverage my expertise to develop a regulated industry, but to continue along the path of enhancing the quality of life for seniors. I think there are tremendous opportunities in developing alternative medication for seniors that will prevent the overuse of damaging drugs such as opioids to treat pain, anxiety, sleeplessness or spasmodic reactions. WeedMD is dedicated to further exploring the benefits of medicinal cannabis, also for behavioral issues, something more and more information is available on.

There is still a stigma attached to cannabis, perhaps even more so among more conservative senior citizens. How do you ensure your messages around the benefits of cannabis-based medication reaches these patients?

We leverage our knowledge of programs within long-term care and retirement homes. Those are programs specifically adapted to the needs of senior care and we built an educational platform benchmarked on currently available programs. It communicates efficiently not only to the residents and end users, but also the families and practitioners, nurses and homes. In long-term care, it is essential to cover all channels of communication and establish relationships of trust with patients but also those in related functions within the ecosystem.

You recently announced you would be partnering with Technion-Israel to conduct research in applications for medical cannabis. Can you tell us more about this collaboration?

This partnership is based on Technion's unique experience in strain development and efficacy assessment. The Technion Institute of Technology analyzes cannabinoids and their exact compounds as they pertain to the treatment of specific indications. Within our collaboration, we will share information and hopefully find new ways to address specific conditions and treat patients here in Canada.

On the other hand, how do you assess the potential of Canada in driving forward cannabis-product-based research?

Israel has long been at the forefront of research in medicinal cannabis. However, I can see Canada catching up quickly. We are already working with world-renowned scientists; many have shown to be very keen to help advance treatment with cannabis. Naturally, the stigma attached to medicinal cannabis has not been eradicated yet and not everyone's hearts and minds have changed fully. We still meet reluctant lawmakers and doctors, which is why research and research conducted in Canada is so important. Initiatives such as collaborations between clinicians and academia that is building up related programs will provide the information needed to convince the skeptics. There is no disputing that we are witnessing a shift in focus and opinions.

WeedMD is always trying to innovate in order to offer better products to its patients, and to stay at the forefront of innovative initiatives. Diversifying our product offering is just one of many initiatives we are pursuing. For now, we are able to produce dried flowers, oil and diluted extracts but regulations will open up new channels in the near future as Health Canada is responding well to propositions of new delivery systems of cannabis-based medicine. The list of possibilities is long: transdermal patches, pills, suppositories, topicals. We are collaborating with other companies to ensure we will all be prepared and be able to react quickly when new regulations kick in.

Licensed medicinal cannabis producers and distributors are pioneers, which brings with it the advantage of being first movers in a constantly growing market, but also propels you in a field where regulation is still quite foggy. What are the most pressing concerns you are dealing with at the moment when interacting with health authorities?

I am not concerned. Actually, I am very confident we will be moving forward and I am thrilled by the will being displayed by our government to do so. The only area that needs clarity is the distribution models we will all be using—particularly as regulations differ from one province to another—. But the up-coming legalization will help push consolidation forward. Like everybody, we would like to see things move a little quicker; so that we can help more patients have access to our medicine. However, the endeavor that Health Canada has undertaken is monumental and it is easy to overlook the fact that the framework from a regulatory perspective is still in the making.

Where do you see the relationship between traditional big pharma companies and the medical cannabis players headed?

We are seeing a very recent and important growth in interest from big pharma as they are starting to conduct their own research and establish contact with companies in the medical cannabis field. The opioid crisis is certainly one element that has pushed traditional primary care providers towards adopting a different look at their own medicines and consider the potential of cannabis in pain reduction therapies. To me, although surprising, this is a very positive evolution that will help make a difference in having a patient prescribed a natural product instead of an opioid.

Moreover, I see great potential in collaboration with big pharma as we consider the next steps together as an entirely new industry. The scale to conduct the large and deep research needed at the next level is something we could never hope to master as well as the large pharmaceutical corporations. They reign over resources and knowledge and have an ability to translate data on a level that will allow us to move research much farther than the stage it is at now.

What are your plans for the international stage?

We are not limited to Canada although most of our attention is focused on our national expansion for the time being. Nonetheless, we are always considering opportunities, and have spoken to groups in Belgium, Israel, Germany and Australia, remaining very attentive to global evolutions.

I think it is wonderful that Canada has the opportunity to lead and create an entire industry from scratch. And while we did not invent cannabis, we have learned a lot about building this industry. Our government has come around to support it and people from many different backgrounds and expertise are attaching themselves to it. I think we are in a very fortunate position.

How will you ensure you remain competitive after legalization of cannabis for recreational use and the consequent pressure on pricing that is to be expected?

The only way to be truly competitive in a recreational market is to be able to muster up a quality supply. A lot of emphasis these days is on low-cost production and while we are pursuing efficiency as well, we will never cut corners when it comes to quality. This dedication already differentiates us from many other producers. Our high standards of quality are difficult to achieve and maintain. Our quality is our pride and we are constantly working to improve on it in innovative ways.

What key priorities will you be pursuing moving forward?

Our first priority will remain our quality. Furthermore, we will ensure to build strategic partnerships and enhance our offering, whether it be by innovating in the delivery of cannabis or in our communication around medicinal cannabis on a national and global stage. We try to remain open for opportunities and are always looking for those that will increase value for our shareholders.

In this industry, there are a lot of holes you can go down and could prove to be a waste of time. WeedMD however will continue to focus on business opportunities that make sense and truly help the company advance.

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