Nadia Oka-Bousbia – General Manager, Algeria; Area Business Manager for the Maghreb, bioMérieux



24.09.2018

Tags: Algeria, bioMérieux, Infectious Diseases, Partnerships, Healthcare

Nadia Oka-Bousbia of bioMérieux Algeria discusses the affiliate's important role within Algeria's fight against infectious diseases and the training of health managers, difficulties surrounding import restrictions, and the company's constantly-evolving strategy for the future.

These are exciting times for bioMérieux locally. We understand that earlier this year, your global CEO, Alexandre Mérieux, had an audience with Health Minister Mokhtar Hasbellaoui. What were the main take-aways from this meeting?

Securing a dedicated audience with the Minister was a great honour for us and coincided with Alexandre Mérieux's first ever visit to Algeria. This year is actually the 10th anniversary of bioMérieux in Algeria, so the event was also an excellent opportunity to take stock of our company's very tangible achievements and contribution to Algerian healthcare and life sciences space over the course of the past decade.

Discussions between the minister and our CEO centered primarily on the potential for bioMérieux to leverage its considerable expertise in local the fight against infectious diseases and the possibilities for our company to proactively participate in the scientific training of health managers. While these talks are still at the preliminary stages, there is already a common desire on both sides to intensify our collaboration in countering issues like anti-microbial resistance (AMR).

On the training side, we have been looking how to leverage our linkages with our Mérieux Université to provide professional development training for healthcare practitioners. Already we offer such services on a small scale to some of our private lab customers and are exploring ways to expand this out into the institutional setting. So far, the Ministry has proved to be highly receptive to such a concept.

How would you describe bioMérieux's offering when it comes to this sort of training?

Mérieux Université is a 40-year old center for collaboration and training for Institut Mérieux companies that is also open to external companies and institutions. The purpose is essentially to develop talent, improve organizational efficiency and entrepreneurial leadership, as well as to promote a culture of excellence within the life science and healthcare space.

We have a strong entrepreneurial tradition to serve innovation, which we wish to consolidate within our entities and share with companies and institutions committed to a continuous progress approach. Algeria boasts a comparatively robust academic base for the scientific disciplines, but we identify a gap in terms of continuous learning and further professional development and this is very much the area we seek to target.

Getting Algerian professionals onto courses at the university campus at the Montcelard estate in Lyon can be tricky because of visa and cash conversion issues, so our solution has actually been to delocalize the seminars and workshops conducted in France and bring them here to Algiers. So far, the results have been very positive indeed: the Mérieux Université's programs break down barriers between the scientific, industrial and academic worlds and deliver up the sort of holistic training that enables healthcare and life sciences professionals to become higher achievers in executing their day-to-day tasks. For example, we provide mentorship and support to managers to promote teamwork and inter-entity collaboration and furnish them with the tools to adroitly handle challenges of continuous change.

Surely this coincides very neatly with the Ministry of Health's objective of professionalizing the running of public hospitals by introducing business and managerial acumen?

Indeed, there are a great many ways in which the Algerian public health apparatus could potentially be optimized without necessarily having to allocate large amounts of additional

resources. That is why we are keen to institutionalize the training that we are currently providing and start applying it to the public health sector.

bioMérieux’s is increasingly international with an ever-greater share of its revenues generated from overseas. With that in mind, how strategically significant is the Algerian affiliate?

Algeria has played an important role in the history of bioMérieux as this was actually one of the first countries that the company entered when we started to open up the African marketplace. Moreover, we have gained a reputation for consistent high performance. Last year, our progress admittedly took a bit of a hit when sudden import restrictions prevented us from importing products for the final three months of the year, but normality has now been resumed.

In terms of comparative revenue generation, the Algerian affiliate ranks as the second export destination for the company on the continent after South Africa. Given the sheer size and potential of the Algerian market, this affiliate has also been designated as the lead for bioMérieux’s Maghreb region, which I head up. This means that we host a team of 8 personnel providing technical, marketing, and market access support to our activities in neighbouring Tunisia and Morocco.

Making Algeria the sub-regional hub for North West Africa has its advantages and disadvantages. Traditionally, many MNCs have regarded the comparatively open and liberalized economies of Tunisia and Morocco as more welcoming to foreign investment and more aligned with international norms so have preferred to place their headquarters there. However, we see things rather differently. The sheer size of the Algerian market, the volume of entrepreneurial opportunities and maturity of the public health system render it a strategically and commercially interesting and present a pretty compelling business case.

What’s more, we calculate that our stronger presence on the ground here in Algeria generates greater added value. This is not the sort of place where you can direct things remotely from afar. It is essential to be physically present to fully understand the local dynamics and engage with right people. Because this is a complicated market it, quite naturally, requires extra attention. For example, Algerian market access issues take up approximately 75% of the entire regulatory affairs workload of bioMérieux’s North Africa, therefore it is logical to want to base the area’s regulatory affairs resources in Algiers rather than in Tunis or Casablanca.

When you highlight the complexity of the local marketplace, presumably you are partly referring to the comparative difficulties of securing import licenses?

Importing life science technology into Algeria can certainly pose a challenge. The amount of time taken to secure customs clearance is generally around 6 weeks compared to 2 weeks average in the area. This applies to both finished products and spare parts. For example, media plates used in microbiological assays have a total lifespan of 2 months and thus cannot be imported in Algeria.

When it comes to perishable products, for instance, there are strict rules in place that stipulate that an item cannot enter the market if the remaining shelf life is lower than 66% of the product's total lifespan. For products like molecular biology reagents, this can have big implications: a reagent might still have 1.5 years worth of shelf life, but because the total lifespan is 3.5 years, its is denied entry. This ultimately prevents us from distributing some products that would be highly beneficial for Algerian laboratories and hospitals and explains the fact why there are many products on the Moroccan and Tunisian markets that are still missing in Algeria.

You mention that your business was temporarily disrupted by the sudden imposition of import restrictions in October last year. What exactly happened?

Essentially the Algerian government realized that the national import invoice was considerably higher than expected so took an unexpected decision to restrict the entry of a whole array of items and to change the import process of all finished goods including pharmaceuticals and medical devices. This was rather alarming to us because, despite the fact of having a strong and professional local partner who was able to suddenly change all their processes to comply to new regulation, it took us some time to do so and we had to identify ways to manage shortages and back orders. Predictably, the regulatory change had an adverse impact on healthcare providers' ability to respond to the needs of patients and, by the start of this year, the constraints placed upon medical device imports had been relaxed again.

The episode is frankly illustrative of the type of challenges that businesses can encounter here in Algeria. This can make it difficult to adhere to long-term business strategies and the companies that really make a success of this market thus tend to be those that are flexible enough to adapt to the evolving business context. It's the type of market that keeps you on your toes.

How has the local business evolved since we last talked to you four years ago?

We are not managing customer service anymore for in vitro diagnosis (IVD), though we do still directly handle client relations for the industrial microbiology part of our business. Last year, our local partner and distributor managed to put in place a sufficiently robust enough IVD structure in order for us to pass the torch on to them for the rest.

Initially we were fulfilling this function in-house because, all in all, after sales and the on-going relationship that we build with our clients is one of our hallmarks as a company that differentiates us from the competition. We were therefore initially reluctant to delegate this important responsibility. Nowadays, however, we are confident that our partnering distributor, who has a great experience in customer service for other ranges of products, is comfortable enough with our solutions to fulfil this task with great competency. This, in turn, has unleashed the affiliate and enabled us to enlarge our scope of activities and raise our ambitions.

Right now, some 80% of our revenues in Algeria derive from the private sector and the remaining 20% come from the public sector. However, we are pushing hard to readjust that balance because we identify great opportunities in the public hospital segment. A lot of our current efforts are going towards trying to ramp up our participation in this area because this is where many of the unmet needs lie and where we are confident we have a great deal to offer. If our initial offering was all about the VIDAS® multi-parametric immunoassay systems for small outfits like private labs, we now seek to stretch beyond that and start providing more solutions to the big public CHUs as well.

What is your blueprint for breaking into the public hospital sector?

First and foremost, we have to be ready to seize the initiative. There have been a lot of changes in the public hospital market: first the agency for provision of hospital medical equipment, AREES, was disbanded and then we witnessed a creeping shift from a centralized system to a more decentralized one where greater powers are vested at the level of the Wilayas. The change of minister has also had an impact because it meant and we had to start all over again and build up a new rapport and understanding with the ministry.

We also need to be reaching out to the healthcare practitioners and the c-suite professionals managing the public hospitals. For the practitioners, it is about demonstrating how our technologies will make their day-to-day lives easier and provide better clinical outcomes for their patients. This approach is actually very novel for us because, as a traditional IVD company, we are frankly not used to speaking to physicians.

For the hospital managers, it is more about showing them the ways in which our diagnostics will help take costs out of the system and render treatment pathways more efficient thus making their hospitals more financially sustainable.

What exactly can bioMérieux offer when it comes to making public healthcare in Algeria more financially viable?

It is, of course, important to remember that while the IVD sector may only account for 2-3 percent of a hospital's budgets, many public healthcare managers in Algeria have seen their budgets slashed by some 50% by the economic downturn afflicting the country and the austerity plan which is currently still in force. That means that being able to make a strong pharmaco-economic argument is essential.

Our offering actually chimes very well with a more rationalized way of managing hospitals. We possess the keys and solutions to the needs of the day. If the patient is diagnosed earlier, and we are explicitly advocating a much more targeted treatment, it will cost the hospital and the country much less over the long term.

This is very much the message that we are trying to get out to the C-suites and directors of the hospitals that control the purse strings. Meanwhile we are simultaneously engaging the Ministry of Health because they are the ones that can implement a nationwide program. One of the big challenges we face is that many hospitals don't really know the cost associated with each diagnostic or procedure. They neither possess the birds-eye view or the capabilities to deep dive into the cost structures and ascertain the cost per value of one type of procedure against another. The impetus is therefore on us to fill in some of these information asymmetries.

How do you practically do that then?

One of the best ways is actually through flagship demonstration projects and pilot studies that can afterwards be scaled up. We have a number of showcase "beacon" projects from abroad, such as our achievements with Dublin hospital, which we have been presenting at international congresses. We are also trying to establish some local examples too and have rolled out our BIOFIRE FILMARRAY® molecular biology product for Syndromic approach, including Meningitis, Respiratory disease, Gastro-intestinal infections and Sepsis.

Before we go into the economics of the product our main message is on the medical added value. At the end of the day, there is no stronger message that being able to prove that your product can save a life. The pharmaco-economics are thus secondary. We are buoyed by the fact the Algerian state apparatus are increasingly receptive to what we have to say. For example, new committees are now being assembled to look into countering AMR across the Maghreb which suggests there has been a bit of a wake-up call. We are optimistic that it won't be long before we can start to reach out to some market segments that hitherto have been unreachable, precisely because of this rise in sensibility and awareness.

How optimistic are you are about the new sanitary law that has just received parliamentary approval?

Honestly, I think there are a lot of very encouraging signs. One key plank of the new law relates to professionalizing the management of hospitals. This would be an excellent step forward because today you tend to find two categories of manager: strict business managers with little appreciation or understanding of the life sciences sphere, or physicians with the scientific know-how, but lacking in managerial skills. Ideally, we need to a new cadre of professionals possessing both aspects.

Another positive step has been a willingness to organize the health sector in its entirety in a holistic and integrated fashion rather than just concentrating solely on public sector provision. This is extremely important when you are trying to counter AMR or nosocomial disease a significant part of diagnostic tests are being performed in private clinics outside of the public hospital reach. When we are trying to ascertain levels of prevalence it is essential that all the data is pooled and shared.

What are your concluding remarks about Algeria after 10 years of bioMérieux's presence in the country?

There has been a significant amount of change over the past decade. Clearly there is a lot of work to be accomplished in areas like countering AMR. When it comes to antibiotics, many Algerians are buying them over the counter without a prescription and, even when they are prescribed, in 2 out of 3 instances the physician is taking the action prior to conducting any kind of diagnostic test. This is where bioMérieux has a great deal to contribute because we can provide the sort of speedy diagnostics that can deliver a result there and then at the time of prescribing. However, it's also about winning over hearts and minds and changing ingrained behaviours, because many

physicians, after experiences with sub-standard mechanisms in the past, don’t necessarily believe in the accuracy of tests. There is therefore a big need for the industry to repair trust.

On the other hand, we are witnessing discernable momentum in other areas. We believe there has been a real shift of gear in how the state apparatus is collaborating with the private sector. Moreover, these days, Algeria stands out within the North African region as possessing the biggest surveillance network for risks like AMR. As a country we are already far ahead of neighbouring Morocco and Tunisia. As a company we have the knowledge, technology and experience to be able to radically transform Algeria’s health situation for the better, and now that we have an institutional apparatus that is onboard with much of what we are seeking to implement, there is much reason to be optimistic.

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