Tan Sri Dato’ Ariffin Yusuf – Founder and Managing Director, Primabumi, Malaysia



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Tan Sri Dato’ Ariffin Yusuf, founder and managing director of Primabumi, explains how he came to build Primabumi in 1975 and how he managed to position the company as a strategic partner for healthcare companies interested in winning public tenders. With his long business experience with the government, he also analyses some of the main opportunities, challenges, and upcoming changes in the country’s healthcare ecosystem.

As the founder of Primabumi, what was the rationale behind creating the company in 1975?

I graduated in Banking from the School of Business Management, Institut Teknologi MARA in 1972 and was chosen to pursue a course in Central Banking in Karachi upon graduation. I started my career in the healthcare sector by selling pharmaceutical products to hospitals at the age of 27 without any experience in the sector. In the early 1970s, the country was in the initial stages of implementing the New Economic Policy, which encouraged Bumiputra entrepreneurs to explore business ventures. Thus, in 1975, I set up Primabumi and in the first 3 months, my office was my briefcase. Working with just bare necessities, business soon picked up and I was able to move into an office with three employees. In 1976, I was able to assure the then Director of the Kuala Lumpur Hospital that the product I was offering was superior to the existing product being used at the

hospital. When the result of the government tender was out, Primabumi was awarded 50 percent of that item in the tender. The meeting was a great breakthrough as the company gained the immediate respect of and recognition from the close-knit pharmaceutical industry. This success provided a catalyst to launch Primabumi to greater heights. Since then, the group has diversified into the manufacturing of baby care, baby wipes and personal care products (cosmeceuticals) and some real estate investment and property development, while maintaining the core business of procurement of pharmaceuticals products to government hospitals. We have grown to about 100 staff today at Primabumi and to more than 300 staff under our Group.

Can you present Primabumi's current scope of operations in Malaysia?

Primabumi is a strategic Bumiputra agent in the procurement and supply of pharmaceutical products, consumables, medical devices and hospital sundries to the Government, universities and public institutions. We participate in tenders or quotations for the products to be supplied to the respective end-users on behalf of our principals. Over the years, we have constantly adapted our operations to the changes in the government procurement system to provide quality, reliability and updated services to our customers. As we aim to be the one-stop centre to the Ministry of Health, we are providing the services required by carrying out all contractual and financial obligations and representing both Principals, Ministries and public hospitals. We are also meeting all of our clients' strict compliance requirements and are conforming to international standards such as the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act (UKBA). Our team can also provide its expertise and experience to our collaborators and our familiarity with the government procurement processes helps us position ourselves as the preferred partner to represent our Principals for procurement bids.

With the appointment of the new Minister of Health this year, what opportunities and challenges do you see for the healthcare industry in the upcoming years?

Malaysia has been moving forward and developing more hospitals to cater to the needs of patients in the country. In the recent budget announcement for 2019, the allocation to the overall Ministry of Health budget has been increased by 9.5 percent or about RM2 billion. We hope that the Ministry is working on a better utilization of its budget. In the distribution sector, we see good potential for growth as the number of delivery points are growing and the sector is becoming more competitive. The trend is now leading towards a high emphasis on compliance, integrity and transparency so we

can adapt our services to these new requirements.

However, Malaysia is facing a few challenges in the healthcare sector and one of the most important one is about the financing of the system. Indeed, the country needs more budget allocated to the growing number of hospitals but also to the newer drugs which are usually more expensive, and it can be difficult for Malaysian patients to afford it. The population has been requesting more and more quality healthcare services at an affordable price in both sectors and we have to make sure that each citizen can be treated in the same way.

Therefore, we believe it is important to improve the quality of healthcare services, partly by reducing patients waiting time for treatment, and by increasing the number of beds in hospitals. There is also the need to bring more specialist doctors in the country and to increase public healthcare awareness by creating more community healthcare program and educational activities to patients and healthcare professionals. We have already seen that the government is looking at a better way to finance the healthcare system and we believe it is a mandatory step for the development of the healthcare sector.

What makes Primabumi the partner of choice for the public sector in Malaysia?

I started the company with a strong vision to be the preferred supplier of choice for reliable, quality and value-added patient care and healthcare services in the country. Therefore, I have built the company around five main values which are integrity, commitment, direct, accountability and ownership and these are framing our day-to-day operations as I want our clients to understand that Primabumi is a company that delivers what it promises and takes responsibility for its actions. We take pride in our work and make sure that we communicate honestly so our clients are aware of the things they should know before taking any decision.

I am pleased to say that we acquired such reputation thanks to a proven track record of successful management and the collective experience of our team. As a knowledge-based company, we make sure to hire the best talents and that our management team is taking prudent financial decisions. Our success is also linked to our established network of partners and clients who are supporting our operations. Our mission is to be an outstanding strategic Bumiputra partner and agent in the procurement and supply of pharmaceutical products and medical devices to the government.

What are your next priorities in the upcoming years and what do you want to pass down to the next generation?

Looking at the future, I am constantly looking for new viable business opportunities to generate growth for the company. To do so, I am working hand in hand with my principals to increase sales and provide them with value-added services that will fulfil their needs and requirements. We have to stay relevant and continuously update our knowledge as the trends keep changing and a successful company needs to adapt easily to the new direction of the industry. We are also looking at updating our market research segment to assist our clients better in taking an informed decision.

Of course, I am also preparing my four sons to succeed in my business and hope to groom them to take ownership of the business and bring it to greater heights. We will continue with our vision to be the preferred supplier of choice for reliable, quality and value-added patient care and healthcare services in the country but also to be the solution provider to all our stakeholders and business partners.

There is no shortcut to being successful and I believe my passion for doing business and the hard work had led me where I am today. These are values that I want to transmit to the next generation as well as the idea that they should go the extra mile for any job given and honour their obligations as there is nothing to lose in doing a job well.

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