Emad Graiss – Managing Director, Merck North East Africa



While there are many smart people, who are ready to help Egypt grow, without the proper system, the country will not prosper

22.03.2019

Tags: Egypt, Strategy, Merck

Emad Graiss, managing director of Merck North East Africa, explains what it takes to successfully steer a company through a period of economic difficulties, while still growing at a fast pace. He also highlights how the Egyptian government has prioritized healthcare and how private companies like Merck are collaborating with national health campaigns, to improve the situation of patients in Egypt.

In July 2018 you were appointed as the head of Merck's North East African region. Could you give to our international readers an overview of the region you are heading as well as your main priorities, since taking over this new tenure?

My responsibilities include Libya, Sudan, Ethiopia and the countries around the African Horn. Throughout the region and especially in Egypt, my priority is to grow our operations and match the pace of the market growth. We have been doing great in achieving this goal in Egypt in the last ten years, by outgrowing the market each year, posting a CAGR of around 20 percent; despite all the socio-economic challenges which undoubtedly have existed in the country. My new regional role is characterized by setting the foundation for successful affiliates of the future, by establishing the Merck culture and introducing products of our portfolio to the different markets. Moreover, my goal is to upgrade the standard of the teams and partners, to reach the level we have here in Egypt

already. The region has not been in the focus for a very long time, so it is about establishing the basics first.

What has been your strategy for ensuring double-digit growth in these challenging times?

I personally have learnt two things from a management perspective during the last few years, which have been dominated by economic difficulties. The first learning has been that one needs to keep investing in their people by providing further training and development. It is a common myth that Egyptian labour is cheap, which in my opinion is not true; they are only cheap if they are not well-trained. With today's opportunities, we need to shift our focus to attract well-trained, economically skilled labour. Egyptian labour will still be economical, as it will not compete with developed states in North America or Europe in the near future, but Merck is focusing on the development of its staff in every country. Acquiring skills through vocational training is one of the core principles and it helped us achieve more with fewer people. By taking care of the team, providing training and acquiring good talents, we have remained successful even during the last three years. The second thing I have learnt is to take care of the system. While there are many smart people, who are ready to help Egypt grow, without the proper system, the country will not prosper. For Merck, it has been crucial to have the right system is in place, so the whole affiliate is moving full speed in the right direction.

How are you able to retain and attract talent at Merck?

The first thing that makes us stand out is our culture. Once you treat people fairly and respectful, implement the corporate values and appreciate their work, people will be interested to work for the company automatically. Merck has been doing this over many years, so we have had many new employees joining us because they heard of the work culture here. Performance-based incentives and bonuses are the second factor, as we want to encourage people to take the right decisions and reward them for it. This does not only include monetary incentives, but also faster career progression. We have some of the youngest managers in the industry aged 27 years old, as they have had very quick personal development. Finally, fair pay is essential to retain people in such a highly competitive industry.

Belén Garijo, CEO of Merck Healthcare, mentioned in an interview that Merck is changing from a supplier of traditional pharmaceuticals towards a company focused on innovative science and technology. How is this new strategic direction embraced in the local affiliate?

Our business is based on three sectors, the pharmaceutical business, the life science business and the performance material business. We have understood that the pharmaceutical industry will change significantly, so rather than only relying on pills and chemicals, we will go into the areas of genetic engineering and editing. Merck is in a very good position now as we combine biotechnological knowledge with artificial intelligence and engineering throughout our three business units, so we will provide holistic and complete solutions in the future, to treat patients radically different than today. We are present with all three sectors in Egypt as well, so we are partnering with academic institutions and physicians to encourage innovation. We have an annual innovation competition in Cairo, with the winners being sent to our HQ in Darmstadt to get more insights in how we imagine science tomorrow.

Merck holds a mixed portfolio globally covering Diabetes and cardiovascular diseases as well as the treatment areas of oncology and neurology. Which products of the global portfolio are currently available in Egypt?

While we cover all over our global treatment areas, there is a focus on cardiometabolic diseases in Egypt, such as hypertension, Diabetes and heart diseases. These treatments make up 60 percent of our pharma portfolio. The other 40 percent are products in the treatment areas of oncology, neurology and fertility. We have a very decent balance between biotechnology products and the general medicine portfolio.

Given the pricing pressures we have seen in the last three years, how do you ensure your commitment to Egyptian patients by avoiding drug shortages while also keeping up with the growth targets set by the HQ?

We have been very fortunate in this regard, as Merck, a family-owned business, preaches that we are not here to only make a profit on a quarterly basis, but to stay for a long time. As it is a company that has existed for more than 350 years, we are not here to hit and run as soon things are getting difficult. Merck’s global HQ has been very patient and kept supporting us during the

difficult economic times, even making some write-offs. Then, in collaboration with the government, we have managed to increase drug prices step by step; not to the extent of the currency devaluation, but surely to a level, which allows the industry to survive for a while. Hence, things are improving slowly and collaboration between the industry and the government has significantly improved during the last few months. Throughout this time, Merck has been able to supply the market with nearly all our products during these difficult years. We are strongly committed to the country and will not pull out any product from the market if there is no valid and affordable alternative.

Merck is bringing many innovative products to the Egyptian market. What do you see as the role of the managing director in fostering market access and reimbursement in Egypt?

It is without a doubt one of the main responsibilities and we have seen good progress in this regard by collaborating with the authorities. A prime example is the field of MS, where we have been partnering with the government for reimbursement for one of our products ten years ago and we can proudly say that, during the last five years, 100 percent of the patients using the medication have been refunded. I think we will see this development in oncology as well at a later stage and I fully understand that it is not one of the government's main priorities at the moment.

What would you highlight as the most interesting developments and initiatives launched as a result of the government's focus on healthcare?

Without a doubt, the 100 Million Seha campaign is a phenomenal step; I do not think any other country in the world has managed to screen this number of citizens for Hepatis C, Diabetes and other diseases. It will be very rewarding for both the government and the industry, as the magnitude of medical data generated through such an initiative is incredible. The Hepatitis C eradication program is another great program, as a few years ago the prevalence amongst Egyptians was extremely high. Another reform worth mentioning is the Universal Healthcare Insurance and while it will take a long time until it will cover the whole population, the new Minister of Health is very decisive in driving this project forward. Merck is partnering with the government for the 100 Million Seha project but as we do not have signed the legal documentation for these collaborations, I cannot confirm on the details yet. Parallel to this cooperation, we have our own initiatives through radio, TV and other media to empower the campaign. In a future project, Merck

will also provide diagnostic devices for Diabetes and hypertension. In oncology, we are the partner of societies and patient associations to raise awareness and we also run the Patient Support Program, to provide information on drugs and treatments for patients.

This is an exciting time for Egypt, with economic development back on the right track and healthcare at the centre of the agenda – in this new wind of positivity blowing through Egypt, how do you want Merck to be recognized and positioned?

We do not want to be the biggest company but the best company. Our aim is to be seen as a vibrant health and science company, which is a specialized global partner. We are a reliable partner in our niches, where we can bring value to our patients, society, physicians and the government.

See more interviews