# Mohsen Shalaby – President, Nerhadou International, Egypt



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*Dr Mohsen Shalaby, President of Nerhadou, explains how he has built Egypt's leading mineral supplement and nutraceuticals company from scratch within 25 years. He highlights Nerhadou's innovative solutions and the company's aspirations to export to overseas markets upon receiving FDA approval.*

**Dr Mohsen, as this is the first time we are meeting you, could you please introduce yourself to our international readership?**

I am a pharmacist by trade and started off my career as a medical representative at Hoechst in 1964. In 1970, I was offered the country manager position for Libya at BMS, so I started to build the affiliate from scratch there and also developed the Egyptian affiliate six years later. As BMS reached the market leader position in both countries, I was promoted to overlook the regional operations of the company as the general manager for the Middle East. In 1992, I took over as Vice President for the Middle East, focusing on improving the manufacturing capabilities of BMS in the region. I stepped down from this position in 1996 for personal reasons and founded Nerhadou a year later.

**Why did you decide to leave big pharma and found your own company in a very different treatment area in 1997?**

While most of my colleagues, who founded own companies after working for MNCs, just used the registration files of the former employer, changed the name and entered the generics business, I decided to go a different way. I am very grateful for the opportunity I have been given at BMS, so when setting up my own business I did not want to compete in the same treatment area as my former company. Alternative medicine has not been developed at all back then in Egypt, but I was convinced that this new business segment will be very promising and growing part of the pharmaceutical industry. I had an Egyptian-American contact producing mineral supplements in the USA, so after retiring from BMS I contacted him and signed a licensing agreement for seven products and filed all the paperwork for import and manufacturing. Nerhadou has been the first mover in the country for minerals, creating awareness about supplements and antioxidants by approaching doctors and pharmacies directly.

**You have been outgrowing the market in recent years, and are now the 28$^{th}$ biggest pharma company in Egypt, having been ranked 50$^{th}$ in 2011 with a CAGR of 30 percent. What is your secret for achieving growth despite the economic and political challenges?**

Even back in my days for BMS, I relied on very creative marketing and branding strategies, going to doctors and pharmacists directly and convincing them of the benefits and advantages of the innovative products we had. In the early years at Nerhadou, it has been no different, as we are the first company offering amino-acid-based minerals in the whole Middle East. We go out on the field, approaching medical representatives, by showing them presentations and samples of our products. Branding in Egypt is essential; if your product is not known by the professionals you cannot grow in this country. My motivation is success and making companies grow through differentiation. I like to hear my name as the reference for a successful company and I have achieved this goal, as Nerhadou is the leader in the Egyptian nutraceutical and mineral supplement market with a market share of 40 percent.

**You refer to Nerhadou as the house of innovation. In collaboration with Biotron laboratories USA, you have introduced Chelation, a next-generation approach to mineral nutrition. Can you tell us more about this technology and why it is unique?**

Our purpose is to improve patients' health and lives by promoting and developing new innovative concepts. Chelation is the next-generation approach to mineral nutrition as the process grants better absorption of minerals. The amino acid complexes used by us are unique special minerals, which increase bioavailability while minimizing uncomfortable side-effects often associated with mineral supplements. Hence, our products behave essentially like mineral-rich foods, where the mineral is held in place chemically until it can be released at just the right time for absorption by the human system.

The second innovative technology, which is currently bringing on the market now, is oral dispersible film (ODF), a new drug delivery system, which did not exist in Egypt before. The films are designed to dissolve upon contact with the tongue within a few seconds so that the patient will need no additional liquid to take the product. The system has the potential to improve the onset of action and lower the dosage, while it is enhancing the efficacy and safety profile. So far, we have launched two products, one for ED treatment and one antiemetic, but we will launch 39 products in various treatment areas within the next two to three years. These areas include prostatic hyperplasia, migraine, allergies, cold and sleep disorders. The hard files have already been submitted to the Ministry of Health and we are waiting now for the final decision of the authorities, to see when we can launch the products. Most of the prices have already been approved, while we still in negotiation for some products.

Thanks to the rapid dissolution and superior patient compliance, we have seen the system being perceived well, so we are aiming for a market share of at least ten percent for ODF-based products. We produced 45,000 units for the first launch two weeks ago, which have been sold already, so we are looking now to increase our manufacturing capacities.

**As one of the few pharmaceutical companies in Egypt, your new facility holds the GMP certificate according to the FDA Food standards. Can you tell us more about your manufacturing capabilities and how you achieved to receive this prestigious certification?**

We have made a significant investment when building our new facility, as quality is our highest priority. Hence, in 2016, Nerhadou established its own state of art manufacturing facility on 15,000 $m^2$, that conforms to GMP according to the FDA and EMEA food standards. Contrary to competitors, we have decided to go for high-quality machines from German companies like Siemens and Harro Höfliger, which do have a high price tag but fit our ambitions for international certification. We are

actively working on getting the FDA approval for pharmaceutical products, as this will significantly facilitate exports. We are proud to say that our fully automated production line has the highest production capacity in the MENA region with 430 Million capsules per year. The site is ready for preparation, filling, packing, storage and analysis of hard gelatin capsules, sachets and ODF, which we need for our products. Since 2015, we have received four ISO certifications, including a laboratory accreditation for good laboratory practice.

**What is Nerhadou's international strategy?**

Currently we are exporting to 23 countries, mainly in the Middle East, Africa and the Caucasus, including countries such as Saudi-Arabia, Libya and Russia. Our export revenues have accumulated to USD2 Million in 2018, but this is just the beginning of our journey. After receiving the FDA pharmaceutical approval, I will be able to export to Europe and the USA as well. We are looking for distributors in our export markets, which have strong infrastructure and capabilities and the willingness to spend money on marketing our products. We treat the products like our children, so we are looking for partners with the same mindset.

**What is your vision for Nerhadou for the next five years?**

Our goal is to reach EGP2 Billion (USD115 Million) and be within the Top Five pharmaceutical companies in Egypt. For our new ODF products, we are aiming for a market share of at least ten percent, as this will allow us to reach our financial goals. Our products stand out because of their quality so we are very positive that we will grow further and even reach a better position.

**Having built Nerhadou from scratch, you managed to become Egypt's leading nutraceutical company. As a first-generation entrepreneur, what would be your piece of advice to our international readers that would like to follow your path?**

As my three kids are working with me in the company as vice presidents, one thing I teach them is the importance of having a strong team. Nerhadou has now 700 employees, with 90 percent under 30 years old. We offer many incentives, such as an attractive salary, great career prospects, transport and healthcare coverage for the whole family. We are a local company working with a multinational mindset and investing in our team is one of the cornerstones of our success.

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