Alex Pombo – Co-Founder & CEO, Nerum Pharmaceuticals



Switzerland has provided a bedrock on which to build a solid supply chain and successful business

12.04.2021

Tags: Switzerland, Nerum, Cannabis, Colombia, Strategy

Nerum Pharmaceuticals, a Switzerland-based start-up, is supplying high-grade cannabis products to nine countries around the world. CEO and Co-Founder Alex Pombo highlights how the company leverages their unique Swiss-Colombia connection, the dynamics shaping the cannabis product industry, and Nerum's role supplying ingredients to businesses in the pharmaceutical, cosmetic and food industries.

Can you begin by discussing your background and how you entered the cannabis industry?

I am American, Colombian, and Swiss and studied political science at the University of Zurich. I was born in Basel, grew up here and began working in different entrepreneurial endeavours from the age of 18. During my studies, I organized events and worked in solar energy and insurance, among other things.

After a couple of years, I was approached by some friends who were asking me about the newly legal medical cannabis and CBD industries. They were based both in Switzerland and Colombia, and some were working in the pharmaceutical industry.

After that, I took a deep dive into the available science and newly published studies about the cannabis plant’s compounds for several purposes, including its medicinal potential. It appeared to be a great way to both create new opportunities in Colombia and benefit European consumers and patients. That’s how I got involved with the industry.

What is Nerum Pharma’s business model and who are you selling your products to?

We founded Nerum Pharmaceuticals in 2018 with the specific goal of developing and commercializing high-grade natural ingredients, starting specifically in the nascent legal cannabis industry. To do this, we entered into an exclusive agreement with our partners in Colombia with whom we have been producing a variety of specific products for our client base, which consists of businesses in the pharmaceutical, cosmetic, food and other sectors that require high quality and consistent ingredients for their products. The agreement with our partners in Colombia was the first Swiss-Colombian strategic alliance in our new industry and we have now been able to supply customers in nine countries.

What was the reasoning behind the Swiss-Colombian connection, was it because of your Colombian roots or is there a business advantage to it?

It was not only because I am part Colombian. Colombia makes perfect sense because it is arguably the best place on the entire planet to produce these kinds of products. Not only are production costs low, but the quality of the products is supreme, and the climate is ideal year-round, allowing for consistent harvests every single month. In addition, the regulatory framework is well designed and robust, and the industry is seen as a benefit for the country across the entire political spectrum.

With regards to Switzerland, there are two key factors: the regulatory framework is clear and very pragmatic, something that has been highly conducive for the industry’s development here, and there is also a great deal of political stability. Switzerland offers possibilities and flexibility for our industry. We have an edge in our production capabilities and the quality of the products due to this combination.

Do you worry that Big Pharma and traditional players have not gone all in in the cannabis industry, given the medicinal applications you mentioned?

On the contrary, there is quite a bit of interesting research that is being done by biotechnology companies, mostly being conducted in Israel, the United States and Canada. I do believe that the indications for medical use are of interest to the pharma industry.

The infrastructure around cannabis-related products is quite new. How hard is it to find reliable suppliers when thinking about the long term?

It is very important in our industry to make sure that the people you are working with are aligned with your values. It is not easy to find them in new industries, in gold rushes.

There are many people who arrive with the idea that they are going to make capital very quickly and base their business models on that, but there are also many people that see real opportunity in the long term.

There is interesting research being conducted, creating great products for all different types of consumer categories. We are planning on doing things with the long term in mind. That is the mindset we have had when selecting partners: how are they doing things? How do they think about things? How are they planning on doing things? What are the goals that they have in mind? What capabilities do they have?

You mentioned that the company is supplying products to pharmaceutical, cosmetic, food and other sectors. What part of the plant's potential attracted you to it, and which medical trends do you believe will still be relevant in the business ten years from now?

I do not just see it with regards to what the medical potential is. For the long term, I see it as a plant with all sorts of different uses for different industries. Nevertheless, for example, I find its potential uses for pain management fascinating, even though there is a lot of competition from other pharmaceuticals. But the fact that it comes from nature and could potentially be used well in combination with other treatments, could change the way we understand pain management. It has the potential to do a lot of good. We will go beyond pharma and cosmetics.

How did you initially finance the business and what is your capitalization strategy?

We started the company really with a small initial capital injection from a business angel and they have been operational ever since. That is how we've been working so far. With regards to the future, we are working on generating more and more capital, our ambition is to successively expand our offerings, volume, and client base.

How does the company cope with the changing regulations regarding the plant across the world?

There's an old joke in our industry that is repeated over and over again: one week in the medical cannabis industry can feel like a year in any other industry. Over the past few years, we have witnessed massive changes in regulations in many countries all across the world, as well as international institutions like the United Nations changing the way they view cannabis as a plant, and CBD in particular.

With that context in mind, Switzerland has provided a bedrock on which to build a solid supply chain and successful business. We are positive that the country will remain the right place to continue operations in the future, the same with Colombia.

Operating our business in Switzerland is much simpler and more cost-effective than one might think. Our Colombian alliance helps with productions costs, of course, but also with quality. We work exclusively with the producer and do product development with them.

Since the regulatory framework is so complex, we help our customers navigate international regulations as well as developing customized products for whatever need they have.

Chasing individual regulations, in particular countries, for specific uses is tiring and hard to keep track of. Nonetheless, the thing that we believe will be essential no matter what the regulations are, for any category in any country, is the demand for high-grade quality ingredients.

You mentioned that some of your partners have a pharma background. How is your team structured?

I'm the second youngest person on the team, which has been a blessing because I have been able to benefit from the transferable skills that they have learned over the years.

Regarding our team, for example, the person organizing our operations is a former US Air Force officer. The person working on business development used to work for Syngenta, Givaudan and has the expertise on ingredients. We also have someone who has been involved in agrotech for a while and understand the science behind the plant. He studied pharmaceutical science and really understands the organic chemistry of the plant and the ingredients that we are producing.

What do you think about entrepreneurship? And what is the model that you would like to employ into your own ventures?

My view on entrepreneurship is that it is an amazing way to generate value, both social and financial. We are creating a new opportunity in rural Colombia where it usually does not exist. We work closely with our partners, who invested in the production, the fields, and 39 families currently being supported by the opportunity. Nerum Pharma has been able to help create good, well-paying jobs in an area that badly needs them. The social impact of what you do is as important as the economic benefit. I see entrepreneurship as a way to create such value.

Something that should be kept in mind regarding Nerum Pharmaceuticals is that we strive to create the best possible ingredients for whatever product an industry is developing while creating new opportunities for farmers in the process.

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