Fahad Al Shebel – CEO, NUPCO, Saudi Arabia



We will continue to diversify our partnerships and expand the geographical scope of our suppliers around the world

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Fahad Al Shebel is CEO of NUPCO, the centralised procurement body for healthcare products to Saudi Arabia's government health sector. In a wide-ranging interview, Al Shebel describes NUPCO's evolution to today provide a broad range of services, its central role in fighting the COVID-19 pandemic, digitalization initiatives, and how its work aligns with the country's overarching Vision 2030 transformation goals.

What is NUPCO and what is its mission in serving the government health sector?

NUPCO, wholly owned by the Public Investment Fund, is the leading provider of healthcare products to the government health sector in Saudi Arabia. It was established in 2009 to meet the urgent need to systemise demand in the healthcare sector and increase the spending efficiency in the procurement of pharmaceuticals, medical equipment, and supplies. It works alongside its partners to strategically improve healthcare facilities, provide effective and sustainable healthcare services, and enable society to attain the highest healthcare standards in line with the goals of Saudi Vision 2030 and the country's aspirations to enhance health security and build a vibrant society that enjoys a good quality of life.

Since it focuses on healthcare and provides modern logistics services and sophisticated supply chains, how did NUPCO move beyond its role as a provider of medical

procurement to become a company that provides a strong infrastructure that serves the government health sector?

Being the largest provider of standardised procurement services to government agencies in the Kingdom’s healthcare sector, NUPCO utilises the power of group purchasing and effective, fact-based negotiation. It also achieves savings that support public spending.

NUPCO focuses on implementing standardised procurement processes through its infrastructure that incorporates modern technologies, keeping pace with digital transformation and achieving business efficiency through systems automation to meet the company’s current and future needs. NUPCO also relies on qualified national cadres to manage all its operational and administrative processes.

What are the main services provided by NUPCO?

NUPCO is a leading company working to develop the government health sector through basic services that include the following:

Unified Procurement

NUPCO is specialised in studying and providing for the needs of the health authorities, in addition to managing the unified procurement processes with speed, quality, and efficiency, ensuring continuity of supply and flexibility through multiple procurement sources. NUPCO’s purchasing power gives it a competitive advantage, enabling it to provide the best prices.

The unified electronic guide represents an approved reference for local and international prices, and it helps in systematizing the procurement process by updating the technical specifications using an advanced technology that links supply contracts with consumer operations.

NUPCO manages the unified procurement of medical items through an electronic system that includes supplier registration, competition processes, bidding, technology and commercial evaluation and contract management, helping government health agencies achieve quality products with competitive prices.

Contract management is yet another service provided by the company. It helps health facilities to set up a system that achieves maximum operational and financial performance through effective

contract negotiation, support, and management of suppliers, ensuring high efficiency that guarantees the rights of all parties.

More than SAR 12 billion in purchases

A review of NUPCO's achievements until the end of 2020 and its efforts to support the government health sector's procurement of pharmaceuticals, medical supplies, and equipment reveals that the unified procurement sector managed more than 157 competitions with a total value exceeding SAR 56.4 billion and provided 38,797 medical items, benefiting 54 government medical agencies. The value of contracts exceeded SAR 12 billion.

Logistics Services

NUPCO is an experienced partner for equipping and managing medical warehouses. It has a strong system for managing medical supply chains and transporting products from the supplier to government health agencies using state-of-the-art technologies, fulfilling customers' medical needs with the right quantities in the right place and at the right time while maintaining high quality. This is done safely and efficiently through NUPCO's strategic inventory management in compliance with the approved regulatory procedures, as well as its unified database of items, suppliers, and customers. The company has the highest standards of medical storage, ensuring the optimal use of medical products while reducing financial waste and safeguarding the quality of medical items using technology.

It is worth noting that the company's logistics services sector witnessed a significant expansion in terms of the number of warehouses. There are nine warehouses at present, with a capacity of more than 162,000 storage pallets. The company delivered 160,000 pallets in 2020 through 1100 access points, with an average delivery time of 48 hours.

Through strategic inventory management, the company works to ensure that the minimum quantities of medicines, devices, and medical supplies are used in the event of a crisis.

Business Solutions

As part of its efforts to enhance its value as a company with advanced infrastructure, NUPCO uses the latest and best business solutions to manage operational processes and provide innovative solutions that achieve savings and increase productivity.

For example, the ‘Wasfaty’ service made a quantum leap in healthcare services as an additional access channel that contributed to linking hospitals and primary healthcare centers with pharmacies, providing patients and beneficiaries with medications and medical needs from the closest participating pharmacy under the service. Wasfaty also contributes significantly to improving pharma guidelines and avoiding medical errors, reducing the frequency of errors in dispensing medication and saving costs for the government health sector.

Wasfaty successfully served 47 government hospitals and 1,103 primary care centers and issued 6.9 million electronic prescriptions through 2,047 commercial pharmacies in various regions of the Kingdom, benefitting more than two million users.

Marketplace

Among the innovative services, Marketplace is emerging as a platform that allows the display of medical products and makes them available to government health agencies quickly, ensuring high quality and competitive prices, through certified suppliers. Figures confirm the effectiveness of the platform in serving the government health sector, as more than 15,000 operations were carried out through it, involving more than 5,000 medical products from 94 suppliers, with a value of more than SAR 1 billion, benefiting 107 medical authorities.

Marketplace, through the ‘Sharek’ program, helps to reduce inventory and prevent wastage by enabling the exchange of additional inventory between government health entities. Marketplace provides reports on customer behaviour and orders and reducing costs.

To what extent is NUPCO considered a technically strong company with sophisticated supply chains serving the government health sector?

At NUPCO, we take pride in our strong supply chain management system that has made us a reliable and experienced partner in transporting medical products from suppliers to the health authorities. In addition to the quality of our manpower, our state-of-the-art technologies, and the systems we have adopted to control and monitor medical stocks, the company is also committed to

maintaining the highest standards of safety and quality in medical transportation by using modern methods including refrigerated vehicles and advanced tracking systems.

Since the company owns top-quality inventory management warehouses, it is considered a valuable supply chain partner with advanced technologies to provide innovative solutions that enhance operations and services throughout the storage and distribution stages. This enables NUPCO to provide healthcare services of the highest levels of quality and transparency. We are now working according to an expansion plan that envisions equipping seven out of our nine warehouses with modern amenities, besides providing medicines, medical supplies, and equipment to more than 335 hospitals across the Kingdom in 2021.

How important is NUPCO to the Kingdom of Saudi Arabia as a medical company that deals with unified medical procurement management?

NUPCO has gained its importance from being a company specialised in providing healthcare products to the government health sector in the Kingdom of Saudi Arabia. As the leading company in its field, NUPCO has the purchasing power that grants it the ability to manage drug procurement processes quickly and efficiently, meeting the aspirations of its local and foreign customers and partners.

Today, NUPCO is taking firm steps to bring about a qualitative leap in the medical supply services field in the Kingdom, through partnerships with health authorities and suppliers, application of modern technologies, and implementation of best practices to reduce the risk of damaged pharmaceutical stock and achieve the required savings. These have contributed to enabling the government health agencies to provide advanced healthcare to patients, besides achieving efficiencies in spending. NUPCO also plays an important role in improving the quality of life of the Saudi community by working to provide sustainable and optimal healthcare options.

To what extent was NUPCO’s role influential during the COVID-19 pandemic?

Considering the knowledge and experience that the company has gained since its establishment in 2009, NUPCO was able to play an influential role alongside the Ministry of Health and other government authorities in addressing the COVID-19 pandemic. The company complied with the directives of the Kingdom, may Allah protect it, and worked to provide for the needs of hospitals and healthcare centers in various regions of the Kingdom in record time. NUPCO also strengthened

its partnerships with local and foreign suppliers as well as with various transportation and distribution companies to overcome the shortage caused by the pandemic. These efforts strengthened the Kingdom’s initiatives to address the pandemic, making Saudi Arabia one of the best-prepared countries in the world to deal with the pandemic.

To what extent has the pandemic enhanced NUPCO’s preparedness?

As a result of the lessons learned from the COVID-19 pandemic, NUPCO has enhanced the readiness of its various departments and its ability to meet the medical needs of the government health sector in normal times as well as during cr s, thanks to the generous support that the company receives from the Kingdom’s leadership, may Allah protect it, and the support of the Ministry of Health and other health authorities. NUPCO’s ability to plan effectively, together with its superior logistics and operational capabilities, state-of-the-art technologies, and high-quality supply chains, ensure the company’s ability to handle present and future cr s with high levels of efficiency, quality, and professionalism.

What has NUPCO’s role been in procuring vaccines and distributing them to the Saudi community during the pandemic?

Thanks to the efforts made by the various departments of NUPCO, we were able – praise be to Allah – to be at the forefront of the healthcare sector by supporting the initiatives of the Ministry of Health and other health authorities in addressing the COVID-19 pandemic. The Kingdom, may Allah protect it, allocated special budgets, and trusted NUPCO to carry out procurement, storage, and distribution. We succeeded with the support of our local and foreign partners in securing the necessary medicines, medical equipment, and supplies in record time, in addition to awarding bids worth SAR 5.78 billion to procure 846 medical items through 158 suppliers across 37 countries. We still support the government agencies in procuring supplies.

At NUPCO, we are also proud to serve the country by managing to sign multiple deals with numbers of international factories to supply COVID-19 vaccines and were the fourth fastest country globally in terms of vaccine supply during this critical time.

Innovative logistics services to enhance community safety

Given the advanced technologies we employ in our logistics department and the contributions of our highly competent technical staff of Saudi nationals, NUPCO was able to demonstrate a high degree of professionalism throughout our initiative to secure, store, and distribute infection control items among government health agencies. We also increased the number of infection control items to 32, and delivered over 453 million units to more than 50 government agencies since the launch of the initiative last February.

Qualitative partnership with the Chinese giant BGI

Thanks to the deal worth SR 995 million that NUPCO signed on behalf of the Kingdom with the global biotech giant BGI, we have succeeded – praise be to Allah – in providing nine million tests to diagnose Covid-19, in addition to the related equipment and supplies as well as medical staff of 500 specialists and professional technicians. KSA also established four regional laboratories across various regions of the Kingdom, with operational capacities ranging from 40,000 to 50,000, besides a mobile laboratory with a capacity to conduct 10,000 daily tests and comprehensive field checks.

The initiative included supply chain management for the government health sector, which provided the necessary supplies to enable BGI labs to carry out timely and accurate PCR tests to detect the Novel Coronavirus.

Analyzing the genetic and immunity maps

The agreement also included auditing laboratory tests to ensure their quality, as well as training Saudi staff, analyzing the genetic map of samples from within the Kingdom, and analyzing the immunity mapping of one million samples. In addition to this qualitative agreement, the purchase of tests from several companies in the United States of America, Switzerland, and South Korea was also approved. As a result, the number of targeted tests exceeded 14.5 million, covering nearly 40% of the Kingdom’s population.

Active role of Wasfaty and the Marketplace

Wasfaty contributed to the pandemic response efforts and ensured that patients received treatment through community pharmacies during curfew times. It also succeeded in issuing more than 33,252 prescriptions to 33,000 beneficiaries, in addition to delivering 6000 medical

prescriptions across 96 health guesthouses. Wasfaty had also provide a home delivery service to its beneficiaries in all kingdom regions in order to enhance the healthcare for all patients.

Marketplace as a reliable platform to address the pandemic

Marketplace has been active in providing treatments and administering preventive measures in record time, helping the government health entities to provide the best and fastest healthcare services to patients during the pandemic period.

The Sharek program was also activated as a service to enable the health authorities to display medical supplies related to Covid-19, besides recycling them and sharing them with other health authorities, achieving substantial savings and ensuring the availability of supplies at all times.

The Saudi Vision 2030 seems to be an enabler for diversity and progress. What are the policies created by NUPCO to ensure its consistency with the Vision?

NUPCO follows a clear path, in line with Saudi Vision 2030, to support and develop the government health sector while enhancing the company's reputation as an entity wholly owned by the Public Investment Fund. We are considered the leaders in providing healthcare products to hospitals and healthcare centers across the various regions of the Kingdom, and we are constantly working towards meeting the Kingdom's aspirations to provide optimal healthcare to ensure community wellbeing.

State-of-the-art Technology

NUPCO uses state-of-the-art technology and continues to strengthen its efforts in automating the unified procurement processes, offering supply chains that bring about transformation, and providing sustainable healthcare products that contribute to raising spending efficiency, in addition to developing local content and supporting the trade balance. Within the same direction comes our interest in developing our Information and Communications Technology Department, which enabled the company to obtain the international standard for Information Security Management Systems (ISO 27001: 2013). This also strengthened our presence among the list of Saudi institutions that received the Kingdom's support to improve the quality of systems and operational processes in line with the goals of Saudi Vision 2030.

What are the steps taken by NUPCO to ensure that it remains an attractive place to work?

NUPCO is proud of our employees who adhere to its established values and form its true support by working within an integrated system, performing their roles with mutual satisfaction and appreciation, creating an ideal environment based on trust, and enhancing the spirit of creativity. Thanks to this harmony and cooperation, our company has been recognised as a 'Great Place to Work' in the Kingdom, by the global organization Great Place to Work®, an organization specialised in employee satisfaction surveys and evaluation of work environments.

The official recognition of NUPCO as a motivating and attractive workplace is a testament to the company's constant efforts to create a positive, flexible, and creative work environment. It also represents a huge leap towards its certification as "The Best Work Environment" in the Kingdom of Saudi Arabia. The global authority on workplace culture, Great Place To Work, since its launch 30 years ago, has been providing advice to institutions and companies to build work environments based on trust and appreciation of employees. The organization issues an annual list in accordance with international standards featuring outstanding companies in terms of their work environments.

The recognition represents an important achievement in our continued efforts to develop healthcare services in Saudi Arabia and deliver the best service quality in the government healthcare sector, in line with the Vision 2030 goals that aim to enhance community safety and quality of life.

What is the role played by digitization and smart supply chains in facilitating NUPCO's work and supporting transformation?

By adopting digitization, NUPCO continues to accelerate its strides towards providing smart supply chains that keep pace with transformation and meet the requirements of our customers and partners. In addition to our advanced digital systems such as the Geographic Information System (GIS), we also study and analyze data from digital maps to electronically map the points of our distribution network, creating a special database that contributes to making our services fast and reliable.

Technology Incubator and Modern Paths

NUPCO has always been keen to open modern technology paths to provide high-quality services. We also work to link effective technical solutions with the highest global standards of healthcare. To this end, we have distinguished several initiatives that have proven successful, including the WASFATY system which has enabled a quantum leap in the relationships between patients, hospitals, and government health centers.

The Kingdom’s Most Advanced Warehouse

At the same time, the company’s warehouse in King Abdullah Economic City is the largest in Saudi Arabia. With an area of 300,000 square meters, it is considered the most advanced among all our warehouses and is a fully-automated warehouse equipped with the latest technologies and logistics services.

The current capacity of the warehouse exceeds 50,000 storage pallets. The warehouse has an operational capacity of more than 3,000 pallets per day and is equipped with more than 56 gates for loading and unloading containers. Its parking areas can receive 180 trucks at a time, which makes it the largest logistics center in the Western Region as well as the Kingdom.

The warehouse operates in partnership with the private sector and represents a qualitative addition to the Kingdom’s health sector. It has been built and equipped according to the latest international standards and has advanced mechanisms to facilitate storage, distribution, transportation, and added services. These features make it a leading integrated warehouse for managing and storing the strategic stock of the health sector of the Kingdom, particularly the Western Region.

What are the new investments and technologies that represent the future direction of NUPCO?

Looking forward to the future with confidence, NUPCO has set its sights on opening new investment horizons that will strengthen its current and future local and foreign partnerships. We are also keen to promote investments and stimulate the private sector’s participation in the development of the drug industry. NUPCO strives to support local talent with the aim of enhancing the Kingdom’s health security, in addition to providing jobs to competent and qualified citizens and raising their

capabilities to keep pace with modern technologies.

As it progresses in the field of healthcare, the Kingdom is striving to further increase its capabilities in this area. What does it mean to build international partnerships?

The Kingdom of Saudi Arabia, through NUPCO, is keen to establish international partnerships to open more supply outlets for healthcare products. This is evident in the agreements that we concluded with the Chinese company BGI Group, as a result of which NUPCO has become the most prominent partner to the global laboratory giant. We will continue to diversify our partnerships and expand the geographical scope of our suppliers around the world, which will provide us with more options to enhance our competitiveness and achieve our objective of providing high-quality healthcare products at competitive prices, enhancing our spending efficiency in government procurements.

What is your concluding message to our readers, who include executives and policymakers?

We thank you for the opportunity to appear in PharmaBoardroom. This is an important platform to highlight the efforts and achievements of NUPCO and the significance of its role as a specialised company supporting the development of Saudi Arabia’s healthcare services. We also consider this an opportunity to get closer to executives and decision-makers in pharmaceutical companies around the world, which in turn would provide us more opportunities for partnerships and cooperation with renowned suppliers, ultimately strengthening our efforts to provide the best quality healthcare products and apply the best practices across our operational and logistical services.

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