

Interview: Ramzi Lebbi – General Manager, mc PHARMA, Tunisia



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Ramzi Lebbi, general director and co-founder of mc PHARMA, a Tunisian medical information and promotion agency, describes the company’s evolution since its foundation 15 years ago, its service provider activities for multinational companies, and the potential expansion of its portfolio of services

Mr. Lebbi, looking back at mc PHARMA’s creation, which elements of your background motivated you to found the company?

Initially a veterinary graduate, I never practiced the profession, but following the 1990 law that allowed only pharmacists, doctors of medicine (human, dental and veterinary) to be medical delegates, I started my career as such, working for Merrell Dow. I then became responsible for the marketing and management of Glaxo’s North African OTC portfolio. After a period of nine months without a job, similar to a pregnancy, I was able to open mc PHARMA.

Like any young entrepreneur, I was looking forward to earning money by focusing on my passion as my own boss. Furthermore, being an unemployed householder for nine months became unbearable. After having explored the medical promotion market’s potential, opportunities and threats, I built mc PHARMA’s business model.

Every cloud has a silver lining. Even if I had wanted to, I could not have arranged for a better timing to be unemployed and launching my company. mc PHARMA came on the market in the most

favorable environment one could think of.

What have been the major steps in mc PHARMA's history?

I started the company in 2004 with the ambition of becoming one of the five largest companies in the market. Today mc PHARMA's revenues, including those generated on behalf of our clients, place us as the second largest company in the Tunisian medical promotion field. Furthermore, our sales force of over 150 people is the largest in the country.

My partners lists boasts around 20 entities such as Sanofi, Biodim, NovoNordiskm UCB, GE Healthcare Celgene, Janssen, Grimberg, Lundbeck, Zoetis (Pifzer's veterinary branch), Fidia, Eumedica, Sodilac, Hormonium Pharma, and Opalia Curium among others.

mc PHARMA started with a mere three laboratories as clients. By 2006, with regards to the company's development and the constant evolution of our operating environment, we had to restructure the company into a group composed of four companies. mc PHARMA provides a wide range of services, mc DISTRIBUTION distributes para-pharmaceutical products, mc Plus conducts medical promotion activities and faces increased demand for specific services such as providing medical promotion workforce, Caram is a company dedicated to car rental for the three companies of the group and its 150 employees. The structure put into place guarantees the complementarity between the group's different branches whilst preserving the autonomy of each entity.

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Which services does mc PHARMA provide to its clients?

Initially, mc PHARMA provided classic medical information and promotion services. For more profitability, stability, and better competitive advantages, the company rapidly diversified its services. As a result, mc PHARMA now proposes, amongst other services, market studies, market access, regulatory affairs, tender registration, supply chain, pharmacovigilance and compliance advising services. We also give our customers access to audited logistic infrastructure for storage purposes of all types.

We have multiple partnership formats that can fit both companies' needs and always follow a win-win principle. The most employed partnership types are outsourcing, representation, hosting of or provision of medical delegates.

I always look to create sustainable growth. Apart from the events management subsidiary under development, I am currently investigating the possibility of developing mc PHARMA's own pharmaceutical products. This could be done through the acquisition of a production plant in collaboration with an international investment fund.

Some of your clients are leading companies with an international reputation, four of which rank in the global top ten companies in Tunisia. How have you built this partner base and how will you maintain it?

Before coming to any type of agreement, we jointly clarify the objectives. Having done so, mc PHARMA and its potential partner discuss which collaboration types are acceptable for both parties as well the complementarities sought for. And only then do we look for a balanced agreement and follow up on it. Mutual engagement grows with mutual understanding and trust.

We have worked with Sanofi, Janssen and Novo Nordisk for ten, five and four years respectively. Unsurprisingly, mc PHARMA is regularly audited. The quality of our execution is undisputed and our

company can leverage its solid reputation as a consequence of the extremely positive results its partners obtain following collaboration with us. Moreover, we invest one million TDN a year to train our staff and are accredited on a biannual basis.

Our role is to establish partnerships which are considered by all stakeholders as win-win situations. Multinational companies around the world have an increasing tendency to outsource the activities that are not part of their core business. This allows them to build new perspectives aligned with their growth objectives while controlling their budgets and reinforcing their competitive advantage by focusing on their core businesses. As a partner of choice for these multinational companies, we strive to deliver a set of services that match the needs of and rules set by multinational companies. In some cases multinational companies impose themselves a highly ethical business code of conduct, applicable to outsourced activities, despite negative effects on their business performance market share-wise.

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Flexibility and the application of these standards have helped us establish a sustainable and profitable presence in Tunisia on behalf of some of our partners. As a matter of fact, our partnership with UCB has triggered annual revenue increases for the company of between 22 and 52 percent. Grimberg, another partner with no prior presence in Tunisia, started with us from scratch and now close the year with a turnover of around USD 2.95 million. Curium, a contrast agent company is leading the category in Tunisia thanks to our services.

We also pay particular attention to the molecules we chose to promote. We prefer to avoid entering overly competitive markets. Thankfully, our presence in the Tunisian market is now strong enough that we can refuse to engage in the promotion of certain molecules to focus our efforts and resources on more profitable segments of the market.

What do you see as the next big opportunities for multinational companies in the country?

In 2017, multinationals slowed down their drug registration rate. Multinational companies have no guarantees of being placed on the reimbursement list even if they successfully register for a marketing authorization. Given the fact that most multinationals are now counting on the development of their chronic disease treatments, and the success of these types of treatment highly depends on the level of reimbursements, multinational companies need to make sure their product will be place on the CNAM (National Insurance Fund's) list and estimate the return on investment before addressing the market. Unfortunately, reimbursement decision processes remain opaque. Therefore it is impossible for them or us to forecast the return on investment of a new molecule.

Nonetheless tremendous efforts have been made by the public institutions to improve the situation's sustainability. Indeed, the marketing authorization appraisal time has been sliced from three years to less than one as a result of the joint collaboration of the LNCM (National Laboratory for the control of Medication) and the DPM (Pharmacy and Medication Agency). The next main area of progress remains the Central Pharmacy of Tunisia's (PCT) untimely payments because of the economic situation characterized by an increasing public debt and currency devaluation.

These elements, coupled with the public's increasing fondness for generics and biosimilars, are partially affecting multinationals' operations in the country. It is widely accepted that biosimilars are the future of the pharmaceutical industry, both in Tunisia and abroad. It appears essential that multinational companies are ready for this transition. In fact, I would enjoy promoting biosimilars on behalf of a Tunisian company provided I am not already promoting the biotechnology. Trustworthiness is my foremost priority.

As a successful entrepreneur, what advice would you give to someone looking to set up their own business in Tunisia?

Founding one's company is an extremely ambitious and demanding project no matter where you are. It is a journey full of obstacles and enormous challenges. And even more so, if this is your first experience, you must prepare physically and morally because it is a real challenge. I would advise anyone looking to establish a business to surround themselves with experts, develop a solid network, and find the right financing capacity.

The business world is sometimes vicious and so competitive that even companies with several years of activity still struggle to position themselves. I recommend consulting with experts who will help to establish the company and who will subsequently accompany its development. The specialists will direct best practices for market research, fundraising, legal status, business plan planning and completion of formalities.

Businesses need strong relationships to develop and possibly enlarge the network of people supporting it. Leveraging such relationships will help experience exchange and ensure a solid base to start the business. Only a young entrepreneur will really find it hard to put his project on the line, hence the importance of previous professional experience.

A company is a long-term investment and without the material and financial means a young entrepreneur will not be able to start his activities. More importantly, if he thinks he will use bank financing or an investor, his contribution will always be required. So one must analyze his financial ability and start the process only when confident his treasury is able to meet the first obligations.

Finding the right collaborators is equally important. Partners help share the risk, making the investments for contractors less burdensome. Eventually, diversifying the base of skills of associates will maximize the company's efficiency and credibility in the eye of clients. In the case of mc PHARMA, I chose to collaborate with an expert versed in market access and regulatory affairs to complement my abilities in financial management. This decision consolidated mc PHARMA's positioning and image, which in turn helped me develop the company soundly. I am grateful for those who accompanied me on my entrepreneurial journey.

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