

Ismail Shehada CEO, Tabuk Pharmaceuticals



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Ismail Shehada explains his decision to join leading Saudi firm Tabuk Pharmaceuticals, influenced by its potential for growth and strategic transformation in alignment with Saudi Vision 2030. He outlines the need to transition from consultancy-driven strategies to business implementation, aligning with the national agenda and achieving market leadership.

What prompted your decision to move on from your role as CEO of the pharma sector at Saudi Chemical to join Tabuk Pharmaceuticals?

The decision was motivated by several factors. Firstly, Tabuk Pharmaceuticals was on the brink of becoming a leading player in the market, with a well-established presence since 1994. They had a significant distribution network across the region, with manufacturing sites in Saudi Arabia, Algeria, and Sudan. The opportunity to lead a company poised for growth and transformation aligned perfectly with my professional aspirations.

Tabuk Pharmaceuticals is also undergoing a strategic transformation to align with Saudi Vision 2030's healthcare sector goals. This transformation involved restructuring processes, enhancing governance, expanding therapy areas, and geographical reach. As someone who thrives in leading organizational change, I was excited to join Tabuk Pharmaceuticals midway through this transformation journey. My previous experience had prepared me to navigate and drive such

transformations effectively.

Additionally, Tabuk Pharmaceuticals being a publicly listed company on the Saudi stock markets added a layer of assurance regarding governance, financial transparency, and ethical standards. This transparency was essential for building trust with partners, suppliers, and investors, ultimately facilitating business growth and expansion.

Furthermore, Tabuk Pharmaceuticals's reputation as a sizable organization with around 2,700 employees and its prominent position in the regional pharmaceutical market were compelling factors. The company's strategic focus on innovation and strategy to adapt to the country's vision presented a unique opportunity for me to contribute to its success and growth.

The opportunity to lead Tabuk Pharmaceuticals during its transformation journey, its solid reputation, and strategic alignment with Saudi Vision 2030 were the key drivers behind my decision to join the organization.

How do you navigate the transition from consultancy-driven strategies to actual business implementation, particularly in the pharmaceutical sector where expertise is crucial?

You've raised a critical and sensitive topic. Many companies rely on consultants to shape their strategies and drive transformations, but there's often a gap between theory and execution. While consultants play a vital role in framing transformation frameworks, the real challenge lies in execution. A great strategy is ineffective without successful implementation. Pharmaceutical companies, like Tabuk, recognize the importance of aligning their strategies with the country's vision, but the key is accelerating execution to effectively adapt to national agendas. This is where expertise in running agendas and accelerating execution becomes crucial. Consultants and internal teams complement each other, but execution takes precedence over planning. In our pursuit of market leadership, execution excellence is paramount.

Can you elaborate on Tabuk Pharmaceuticals's approach to navigating market growth and ensuring sustainable leadership in the pharmaceutical industry, particularly in the dynamic landscape of Saudi Arabia?

In the rapidly evolving pharmaceutical landscape of Saudi Arabia, it's crucial for companies like Tabuk Pharmaceuticals to strategically position themselves for sustainable growth. With over 45 approved factories in the market, competition is fierce, requiring us to be discerning about market entry points, differentiation strategies, and market share acquisition. Currently, Tabuk boasts a diverse portfolio of over 350 SKUs across two divisions, generating revenue exceeding 1 billion Saudi riyals and holding a leadership position in the industry. However, sustaining this leadership entails more than maintaining the status quo. We recognize the imperative of bolstering our pipeline and investing in research and development (R&D) initiatives.

In terms of R&D, we have a robust in-house team comprising nearly 100 experts collaborating with local research centers to innovate applications and formulations for existing drugs, as our focus primarily lies in generic medications. Additionally, we engage in strategic partnerships with multinational companies to facilitate the transfer and localization of their products in Saudi Arabia through our contract manufacturing arm. This not only enables us to expand our therapeutic offerings but also enhances our reputation as a reliable and capable manufacturing partner adhering to global standards.

Regarding partnerships with midsize companies, we aim to leverage their portfolios by facilitating the transfer of their products under the Tabuk Pharmaceuticals brand, thereby broadening our product range and enhancing our market presence. This collaborative approach ensures that we remain agile, responsive, and competitive in the dynamic pharmaceutical market of Saudi Arabia.

Can you elaborate on Tabuk Pharmaceuticals's focus on specific therapeutic areas and its alignment with the healthcare needs and government priorities in Saudi Arabia?

Tabuk Pharmaceuticals places a strong emphasis on addressing the healthcare needs identified by the Saudi government and catering to the prevalent diseases in the population. For instance, Saudi Arabia has high rates of chronic diseases such as diabetes, asthma, and hypertension. Therefore, our strategy revolves around fulfilling the demand for medications in these therapeutic areas, leveraging data published by the government on disease prevalence and healthcare priorities.

Moreover, the Saudi government has adopted an open-door policy, encouraging local companies like Tabuk to focus on manufacturing products that align with national health priorities. Through the local content requirements and the support from the procurement body NUPCO, the government provides incentives for local companies to produce essential medications that may be in short supply or not readily available in the market. As a responsible industry leader, Tabuk Pharmaceuticals not only prioritizes commercially viable products but also manufactures items that contribute to community health, even if the market demand may be limited.

The government's initiatives, such as mandatory listings for local content, ensure that companies like ours receive support and incentives for investing in manufacturing capabilities and expanding our product portfolio. This alignment between government priorities and procurement processes facilitates our efforts to address critical healthcare needs and contribute to the well-being of the Saudi population.

Is Tabuk Pharmaceuticals considering increasing its manufacturing capacity in anticipation of future needs, such as potential collaborations with other companies for contract manufacturing?

The expansion of our manufacturing capabilities is a strategic priority for Tabuk Pharmaceuticals, given our extensive product portfolio and growth aspirations. Currently, we offer over 350 different SKUs, and as we explore new therapy areas and potential partnerships with multinational companies, expanding our capacity becomes imperative.

Our manufacturing capabilities cover various dosage forms, including solid, liquid, semi-solid, and injectables, giving us a competitive advantage in the market. However, we recognize the need to continually assess and enhance our capacity to meet growing demand and seize new opportunities. Without sufficient capacity, we would not be able to accommodate the demand for our products or undertake new ventures in local manufacturing.

Regarding biologics, while it's a part of our long-term agenda, we are actively engaging with the government to align our strategies and explore opportunities in this area. Once we have a solid opportunity and the necessary support, we are fully committed to expanding into biotech as a strategic pillar for our future growth.

The market in Saudi Arabia seems promising, especially compared to regions facing challenges. Do you anticipate competition from aggressive generic companies, particularly from India, entering the market, or will the focus remain on local preservation?

Saudi Arabia maintains an open stance, welcoming regional, multinational, and local players alike. This approach encourages investment and localization efforts, with a balanced allocation of tenders between local and multinational entities. While local production is prioritized, there's still substantial demand for innovative products not yet manufactured locally. This creates an attractive market for multinational companies seeking accelerated registration processes and market entry.

Regarding generics from India, while there may be opportunities for collaboration, particularly in areas like biosimilars, direct competition with local players could prove challenging due to Saudi Arabia's emphasis on quality standards and affordability. However, partnerships between Indian companies and local entities present potential avenues for market entry and growth.

Given the geopolitical dynamics in the MENA region, how does Tabuk Pharmaceuticals approach its regional expansion strategy? Are these expansions part of a cohesive strategy or merely a collection of factories?

The MENA region presents a dynamic landscape across industries, including pharmaceuticals. Tabuk Pharmaceuticals recognizes the need for agility in its strategy, given the region's geopolitical complexities. For instance, while we had operations in Sudan, temporary closure was necessary due to safety concerns amid regional unrest. However, we continue to supply medication to the region through alternative sites. Our expansion plans encompass over 17 countries, primarily in Africa and the Middle East, with a goal to further extend our reach by 2024. Each expansion is meticulously planned, considering strategic viability, distribution models, and localization opportunities. For instance, we've undertaken localization efforts in the UAE and Egypt to enhance market access and competitiveness. Our strategy is tailored to each country's unique dynamics, accounting for factors like currency fluctuations and governmental incentives, ensuring a nuanced approach to regional growth and market penetration.

How does Tabuk Pharmaceuticals build a brand that appeals to healthcare professionals (HCPs) and consumers across different regions?

Building a strong brand presence is pivotal for Tabuk Pharmaceuticals, particularly in fostering trust and credibility among healthcare professionals and consumers. We prioritize engagement with HCPs through scientific gatherings and advisory board meetings, where we facilitate discussions on medical advancements and gather insights into regional healthcare needs. By collaborating closely with physicians from various countries, we ensure our products are tailored to address specific therapeutic demands. Additionally, we conduct market research and engage in extensive fieldwork to grasp the intricacies of each market. Our branding strategy involves not only promoting our products but also establishing Tabuk Pharmaceuticals as a reliable partner in advancing healthcare. Through partnerships with regulatory authorities and medical societies in the Middle East and Africa, we aim to strengthen our brand presence and further our commitment to improving healthcare outcomes in the region.

How do you plan to ensure the successful completion of the transformation at Tabuk Pharmaceuticals, especially considering the challenges of keeping pace with the rapid changes in the industry and ensuring alignment across the organization?

As a leader, my primary focus is on people and fostering a culture of growth and excellence within Tabuk Pharmaceuticals. Firstly, completing the transformation of our human capital is paramount. This involves attracting top talent, enhancing capabilities through training and development, and implementing robust recruitment and retention strategies. Secondly, we are committed to cultivating a corporate culture aligned with multinational standards, recognizing that culture is integral to strategy execution. While this is an ongoing journey, our recent certification as a great place to work validates our progress. Thirdly, we aim to differentiate ourselves through a focus on quality, not just in product manufacturing but also in governance processes and ethics, making us an attractive partner for multinational collaborations. Fourthly, to ensure sustainable growth, we are expanding our product portfolio, leveraging the synergy between departments to execute product launches effectively. Lastly, our business development efforts are crucial for securing new pipeline projects and attracting multinational partnerships, bolstering our position in the market. Overall, the success of our transformation hinges on alignment across all facets of the organization and a relentless pursuit of excellence.

You’ve spent a significant portion of your life and career in Saudi Arabia, a country that has been generous to you in many ways. Can you share a few words about your experience in Saudi Arabia and your perspective on the opportunities and commitments it offers?

Saudi Arabia holds a special place in my heart, as it’s not just a place where I’ve spent much of my life and career, but also where I was born. The country offers unparalleled opportunities and facilities for its residents, regardless of their background. I’ve experienced firsthand the security, incentives, encouragement, and lack of discrimination that characterize life in Saudi Arabia. It’s a place where individuals have the opportunity to grow and thrive.

Moreover, I believe that with the generosity and opportunities provided by the country, there comes a responsibility from expatriates like myself to contribute positively to the local community. That’s why I’m deeply committed to initiatives such as knowledge transfer, skills development, and supporting the professional growth of Saudi nationals within our organization. This commitment stems from a deep sense of gratitude for the opportunities I’ve been afforded in Saudi Arabia.

Furthermore, I’m impressed by Saudi Arabia’s ongoing transformation efforts, particularly its focus on attracting talent from the region and beyond. Initiatives like offering permanent residency to qualified individuals demonstrate the country’s commitment to investing in talent and fostering a diverse and dynamic community.

Saudi Arabia is not just a place of residence or work for me; it’s a home where I’ve found tremendous opportunities and where I’m committed to giving back and contributing to its continued progress and prosperity.

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