Interview: Jean-Yves Leroux – CEO, Medelys, Canada

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Dr. Jean-Yves Leroux, CEO and founder of Medelys, lets his entrepreneurial fiber shine through in this interview as he talks about the beginnings of his company in 2006, the initial challenges, and the prospects for collagen-based natural health products in the treatment of joint pain resulting from arthritis and osteoporosis in Canadian and international markets. Medelys is the first company in Canada to obtain a registration for liquid collagen.

Dr. Leroux, what drove you to found Medelys in 2006?

I am a learned immunologist with a doctorate in biochemistry. All my studies were directed at some day working in research or at biotechs or Big Pharma, which I did for a while. At some point however, I came across a series of articles about the nutritional benefits some macromolecules can have on the maintenance of healthy joints, skin and connective tissues in general. As I had worked on the topic of arthritis during my studies, I was familiar with the concept of trying to understand the mechanism of degradation of cartilage and other tissues. In those lectures, I discovered a lot about the nutritional value of collagen and thought that there might be a way to formulate a product that could help people suffering from joint pain.

Although there were some products based on collagen out there on the market, none were living up to the expectations I had from a health supplement based on this molecule. I thus decided to study the question and find a solution that would help those suffering from conditions such as osteoarthritis.

In parallel to this scientific approach, I carry entrepreneurship in the fiber of my being—so to speak!—coming from a family of entrepreneurs of over five generations. I had the drive to follow in that line and left the research domain to combine science and business.

A decade after Medelys' establishment, what would be some of the main highlights of its development?

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There were a series, starting with the construction of our own Good Manufacturing Practices (GMP) certified production laboratory in 2010. We actually built the laboratory ourselves, as we had the necessary expertise and experience in terms of the design specifications and requirements. The venture into in-house manufacturing was a very new step for me, but one we took successfully with the necessary amount of creativity.

Then, in 2014, came the next important step for Medelys. We acquired Gryd, a natural health company marketing Krilex®, a krill-based powder. We manufacture it through the lyophilization of krill, which dehydrates the water and retains only the active enzymes and vitamins. The result is a 100 percent Canadian health supplement.

What were the initial challenges you encountered when setting up your business?

We faced challenges mainly regarding regulatory aspects when first trying to launch our products. Our collagen-based products are considered natural products and health supplements. In Canada, since 2004, you need pre-market approval from Health Canada to be able to launch such products.

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Then in 2010, the pharmacist order of Quebec announced it would not allow products that did not have a National Product Number (NPN) to be on the market. This was a challenge for Health Canada since it had such a backlog of approval requests within the natural health products space that it was impossible to ensure the approval of our products in the appropriate delays.

Nevertheless, I was lucky enough to be familiar with registration procedures from my time in the industry. Hence, Medelys was the first company in Canada to obtain a registration for liquid collagen.

Further, we were able to successfully navigate some of the challenges inherent to the Canadian system. In Canada, it often happens that when you launch your product in natural health stores first — as we did in 2006 — and then introduce it in pharmacies, the natural health stores would

drop its distribution. Therefore, when we launched our collagen products to drug stores in 2008, we changed its format and packaging so that this other channel of distribution do not compete with the natural health stores.

What are the opportunities for natural health products compared to more conventional pharma products in a country such as Canada?

In accordance with the global trend towards natural products especially in the sector of health, Canadians follow with a rising enthusiasm for such products. The trend is especially strong in Asia and some European countries like Germany, as well as in the USA, where natural health products are a cheaper way to seek treatment than conventional drugs, especially for those without health insurance.

As the baby boomers' generation ages, the demand for products to keep them healthy and active without any negative side effects will increase. For such cases, natural health products are an excellent alternative.

The people also want to be informed about the products they are consuming, and it is part of Medelys' mission to provide such information.

Truly, our mission is twofold: we are responsible for finding the best formulation possible to address unmet needs, while empowering people to manage their own health. This is why we have designed a new project, Medelys learning and care center, which aims at educating the sales personnel in charge of distributing our products in stores through 30 minutes webinar. Medelys already has a good standing in Canada, selling the number one product for joint conditions in health food stores.

In natural health products, the marketing strategy is more of a push strategy. Therefore, it is essential the service personnel be educated about our products, something we plan to put in place through webinars on various topics such as ingredients and action mechanisms, and the distribution of technical sheets. Thus, for the end consumer to be reached by our product, we need to ensure those they will be directly acquiring the product from are well informed about its benefits.

Further down the road, we also plan to extend those education programs to the end customer by offering presentations or information campaigns within the stores to educate the consumers. We can train up to 1000 attendees at the same time and everybody can register at medelys.ca

Are there any upcoming product launches that you are excited about?

Medelys is always up-to-date, and in the treatment of joint pain and skin regeneration, there is still room for improvement in the formulation of our products. Collagen constitutes 30 percent of our body weight, and is a glycoprotein, regenerates itself internally – but this process slows down with age. The first external signs are wrinkles, but it also affects inner parts of our body such as bones, joints and cartilage equally. Our technology PROTEOCOLL® allows the body to reactivate part of its collagen production and a new formulation will enhance this effect. The exact formulation of our new product is still a secret, but we are looking forward to seeing it launched soon.

In 2018 we will present the first premium beverage with collagen in North America with NPN number for the health and beauty markets, articulation, joint and pain formula. Functional beverage and food industries are in our target for the next decade.

How do Medelys' international ambitions present themselves?

We were present with our products Supreme Collagen® and Nutra Collagen® in China, but had to leave the market again as the struggles in facing the regulatory issues were too important. China remains a very protectionist market, and in order to ensure this, there are high levels of bureaucracy. We were submitting dossiers that were as thick as a research thesis and still did not succeed in keeping our products on the market. Since that experience we have developed our knowledge and capacity for certification and homologation to get approval with the different legislation. With that new focus Medelys will become the reference for premium collagen formulae around the world. Our Vice President of marketing Pascal Rathé has over 20 years of experience in international trade and he's looking to open 10 new countries for distribution in the next two years. All requests from quality collaborators will be seriously considered with strong support of sales.

Nonetheless, we are going back to China. In parallel, we have other requests and we will be targeting countries like USA, India, Malaysia, Morocco, the UAE, Mexico and Peru

As someone with the entrepreneurial fiber who has successfully created his own company, what advice would you give to someone wishing to follow the same path?

First and foremost, it is important to keep going. The adventure of entrepreneurship is comparable to being a captain on a boat. You will be going through heavy storms, but you should never despair. Building a good team to drive the boat over all oceans still the key of success.

Innovation and passion for what you do still the basic formula for success and that is clearly in all Medelys formulation.

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