Sofiane Achi – GM, El Kendi, Algeria



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Sofiane Achi of El Kendi, one of Algeria's leading pharma manufacturers, discusses the fresh ideas he has brought back to the company following a stint at Boehringer Ingelheim, manufacturing upgrades, and the country's readiness for biosimilars.

You decided to return to a company that you already know very well. How does it feel to be back, what are your immediate priorities, and where do you see the challenges?

I was indeed part of the original team when the company was first established back in 2007 and when the plant entered into operation two years later. We had to plan everything more or less from scratch, we were a start-up and nobody knew the El Kendi brand because, despite our external funding from the Middle East, there was no footprint beyond Algeria. I firmly believed, right from the very start, that this company could mature into a major player in Algerian pharmaceuticals production, both because of its ambitious vision and the state-of-the-art, manufacturing facilities that we were implementing at that time. It was a huge adventure to be part of this journey: creating the plant, the image of the company, its portfolio, the brand strategy, and the recruitment of the personnel.

I left essentially because I was presented with a unique opportunity to join a renowned and iconic multinational biopharma player in the form of Boehringer Ingelheim. That said, I always kept close personal ties with the El Kendi leadership and team. Finally we agreed that I would return as General Manager, with the commitment that I would bring fresh ideas with me and not seek to merely recreate the lod formula of the past that I was familiar with. Even if I knew the people and

the company, they wanted me to come with new eyes, as if I were joining a new team, because by this time the firm was in another phase of its development trajectory.

Tell us about the performance of El Kendi.

Today, El Kendi stands as number two on the market. We are still very proud of being the first private investment actor in pharmaceuticals production and have been building further upon this legacy. Last September, we extended our facilities and opened a new plant, we are doubling production capacities in solids and we will be able to produce three times what we are producing currently in semi solids and liquids.

Currently we have a market share of 8 percent, with a goal to reach 9% by the end of this year. We are going to continue our growth, and our ambition is to assume a leadership position within the Algerian market. It will not be easy, but the hallmark of people working in El Kendi is that we are always up for a challenge. You know the saying “target the moon, if you don’t reach it you will end up in the stars”. So let’s target the moon and we’ll see.

I am very excited about my transition from Boehringer Ingelgeim to this new role within El Kendi. I believe that I can contribute a lot of experience, which will complement the very talented team of young professionals here. They are the future of our company.

Tell us more about these upgrades to your factory. When we talked 4 years ago, the company had set an objective to go into injectables, how is that progressing?

We are working on it, there will be an announcement in the upcoming weeks about this. For the time being, we manufacture solids, semi solids and liquids. The strength of El Kendi is that from the first day we decided to go for cardiology, CNS, urology and other areas of significant unmet need. That is very distinctive, because Algeria is undergoing epidemiological transition, and we deliberately targeted areas where we identified gaps in the market for chronic disease therapies. When the company was created, we decided to go unquestionably for specialisation. It was of course a challenge, because manufacturing these products implies having considerable expertise and know-how.

On top of it, we had to “shape” the market, because doctors and patients were not aware that generics were a viable option to treat these conditions. It was not an easy job. We worked to develop the usage, informing doctors and patients about generics, about the quality of our products. Today when I see millions of our products sold every month, it is a testament to the success in getting into the market. Algerian patients are now completely confident in the products that are locally manufactured.

The next obvious step would be to go down the route of biotechnology, in the sense of biosimilars. What's your vision for that?

The first step was to manufacture locally everything that the country needs, everything that is important to the Algerian people's health. I think that this goal has been achieved, for the most part. Second step will be to go for our own products. To develop new compounds, etc. Biosimilars will be of course one of the major categories to introduce in our portfolio. Today the importation bill of biologics is weighty. We are stauchly committed to bringing to the market qualitative biosimilars, so as to help the authorities to reduce the national drugs bill and so as to help render the Algerian health apparatus more financially sustainable. We are evaluating different options, how to transfer part of the added value related to manufacturing this type of products in the country. At El Kendi, we evaluate a lot before we decide, and then we proceed very, very quickly. My advice is to watch this space because I forsee a lot of progress in the coming months and years.

What kind of time frame are you looking towards? what would that mean in terms of gaining new competencies working with international partners to be able to get that and transfer that technological know-how?

We are indeed signing contracts with international partners, and we will introduce new biosimilars in the coming months. We will bring quality products with attractive prices, to meet the objectives of the government. In parallel, we will finalize a comprehensive evaluation of the market, and decide of the potential investments that we will make. In terms of timing, framework is about 3 years, to be realistic. I am not at liberty to reveal the names of our international partners yet. We will announce in due time.

El Kendi indeed played the lead role in shaping the Algerian market for generics. Presumably the same processes will have to be gone through with biosimilars. Will El Kendi be playing that shaping role again? How ready do you evaluate Algeria to accept biosimilars, both in terms of regulatory frameworks, and in the sense of the physicians and the patients, preferences and behaviors?

First, we needed to train our people: if you do not have experts inside your ranks, you cannot play such a role on the market. We focused on training our people very seriously.

From then on we have been playing an active role locally to support the different stakeholders of the health sector to understand better and take the right decisions. When it comes to biosimilars, there are different regulatory models, and the Algerian authorities are putting something in place inspired from these models, but more adapted to our local context. We have contributed a lot, and we will continue to do so. We want to enrich the debate, and play our role in raising the awareness

of the users, doctors, pharmacists, authorities, and patients. 2 to 3 years ago, biosimilars carried a big question mark and seemed unrealistic. Nowadays there is a much better undestanding and a clear roadmap going forward. El Kendi has positioned itself fight at the vanguard and we seek to play a lead role in shaping the new environment.

We hear that the target of meeting 70% coverage of domestic needs by Algerian implanted firms is gradually becoming a reality, but that the part of the market dealing with classic, synthetically produced small molecules is reaching saturation. Does this imply that local companies will have to start doing biotechnology as well if progress is really to be made?

The pharmaceutical industry in Algeria is a good example of success. 10 years ago we were importing almost everything. That changed, thanks to the efforts of the government and the investors. Currently, we are above 50% of local coverage. The target of the government is to reach 70% of local manufacturing. El Kendi surpasses that, since our local production represents 95% of our business in Algeria and importation represents 05% only. Now when we import, we import medicines that are not manufactured in the country, with high quality and affordable prices. We will continue in the same direction. Going down the route of biologics is the natural next step for the most sophisticated cohort of indigenous Algerian pharma manufacturers. Given that El Kendi was constructed here on Algerian soil, we are somehow local as well despite the fact that our ownership derives from abroad. Our aspiration is to be leading the pack as a locally implanted entity that clambering up the value chain and entering the world of biologics.

Tell us about challenges and ease of hiring the human resources that you need to achieve these objectives. How good is the labor pool here?

At the beginning it was not easy to source the right profiles. It was not easy either to attract them, as we were a new brand on the market. People preferred to work for more established companies with global brand names. However we proved ourselves adept at surmounting that barrier. We invested a lot on training our people.Today we have gathered together a very important pool of expertise. Now we are well established, it is much easier to attract people. But we still have a strategy of internal promotion, we always give a priority to the people who have been in the company for years. We help them develop their skills, and external hires are limited. Of course we require“new blood”, so we also hire people with external experience. The average age of our managers, however, is eyecatching for the fact that it is below 40 years. We are proud to promote youth and bright minds.

How would you describe El Kendi's social and national impact, as the second largest employer in pharma? You are a role model in terms of addressing modern diseases, in terms of quantities produced but also in terms of rising up the value chain…

We surely add some value to the Algerian market. We have 1200 employees, plus, when you take into account indirect employment, you end up with a figure more or less three times that. We pay taxes and are happy to do so, as it is our contribution to the country's wellbing. We pay for energy and other services. We favor local suppliers and service providers because we consider that priority should go to the local market.

We also possess a strong sense of social responsibility, therefore we try to support local communities, at various levels. We interact with everyone, and not only physicians and pharmacists. We help the student for instance, we provide them with tablets, books, etc.

Our programs also include the training of doctors, pharmacists, the sponsoring of local scientific congresses, outbringing the development of general knowledge that is necessary in any developing country.

You also deliver different offerings to patients, don't you? A lot of your products are very patient-centric, you develop modified-release formulations and unconventional galenic forms…

We always try to bring the best in class for the patients. We introduced a lot of modified release formulations. We make that extra effort to bring an added value and cultivate incremental innovation. A lot of our products have specific formulation, so we bring something new to the patients. We try to reduce the number of pills taken every day for instance. We are proud to possess an R&D department, that is continuously expanding. We started with generics, and now we want to develop new compounds. That is the logical next step.

What are your star performing products and therapeutic categories?

We are leaders in cardiology, and we perform very well in hypertension and CNS. Then you will find urology, and we are working on developing our presence in oncology and diabetes. There is a good fit between what is needed on the market and what we provide.

What products are you planning to launch?

First of all, we will launch our new plant and optimize our industrial capacities. We will continue to invest in the same therapeutic areas. We are also manufacturing products for hospitals. We are now launching products for the PCH. For me, the new challenge is to go for new formulations, and to launch them successfully in the country.

What do you see as your biggest obstacle ahead?

We shall not stay in the comfort zone, we need to find a new energy and stay innovative. The biggest risk when you have been successful is to start resting on your laurels. We are adamant that we will not allow complacency to set in. We need to review our plans and work on our different projects with a new momentum. My role is to keep what is positive, improve what needs improvement, wherever necessary, and to bring about a new vision and a new strategy that will take the company to new heights.

What are your personal priorities for the next 4 to 5 years?

El Kendi will assume leadership of the Algerian market, with new compounds, new products and new solutions for the patients. I also think that El Kendi will come to be seen as a preferred partner of choice. I will also definitely work on developing our people’s talent, because they are the ingredient by which we will achieve our targets.

It is not easy to keep our leadership whilst we continue to grow because we are used to growing very fast, at a 30 to 40% rate. There are great expectations for this to continue, from our shareholders, from the people of our community as well. We cannot and will not rest.

What made you come back to El Kendi personally?

The challenge! I like the challenges of a growing company like El Kendi, it requires personal agility. One needs to observe and listen carefully, be adaptive and then take strategic decisions. My ultimate objective is to add value to El Kendi and contribute actively to its success.

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