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We are optimising internal and external processes while investing in three irreversible forces driving the future of healthcare: advancing smart connected care, enabling new care settings and improving chronic disease outcomes

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Alexander Alonso, GM of medtech giant BD's Benelux affiliate explains the impact of the COVID-19 pandemic on its operations, the company's 2025 strategy, and some of the most significant recent developments in Belgian healthcare such as the creation of hospital networks.

Alexander, your nearly five-year tenure as GM at BD Benelux has included the COVID-19 pandemic. BD played an important role in providing diagnosis tests and syringes. How would you describe that period and the impact it has had on the company?

It was an exciting time, but we were also under a lot of pressure. As one of the largest medtech companies in the world, we focus on diagnosis, the delivery of care, and on supporting discovery. We were at the forefront in each of these areas during the pandemic, helping companies to better understand the pathogenesis of COVID-19, but also to search for a vaccine, and during diagnosis with our PCR, antigen and self-tests, and then also delivering care through syringe needles for vaccination and infusion pumps. We needed to reinvent our way of working, do things we were perhaps not used to and constantly balance our workload.

Obviously, we then entered a very difficult period with a lot of disruptions, cost increases, supply chain challenges and the war. A lot of that is out of our control, but we are the ones who, among others, are not able to deliver on time, or at least not in the same way we have become used to. We were used to receiving requests today and being able to deliver them tomorrow and that luxury

has gone. I think we need to learn to live with the fact that having everything at the tip of our fingers is no longer possible.

You mentioned cost increases and supply chain disruptions. How is BD adapting to these challenges? By adjusting prices and delivery times?

It has become very difficult to forecast trends and because of the current situation, order patterns often change. Because we directly touch the patient with our solutions, we need to think about how to secure supply while ensuring our long-term vision of advancing the world of health.

The current ecosystem now drives us to optimise everything as well as look at the profitability of the company. We need to make the right choices, choices to stop certain things and invest in others in order to be successful over the next few years. Because of cost increases, we are delaying some of our investments and stopping some initiatives that may not be a priority. We are also increasing prices and rationalising, in addition to investing in efficiency gains, i.e., optimising the way we produce and deliver. In short, we are looking at everything we can to ensure profitability.

Now that we have come out of the COVID-19 pandemic, what are the key focus areas for BD and the Benelux organisation going forward?

We still have an extraordinarily strong strategy looking towards 2025. We have seen that it is a strategy that was COVID-proof. The pandemic also brought some acceleration in the adoption of new technologies and in looking at things and organising ourselves in a different way. But COVID-19 also accelerated the use of technologies like virtual meetings. We are now here face-to-face, but there are a lot of virtual meetings still. We travel less and connect with customers in a different way. Face-to-face is still there, but we are looking more at an omnichannel way of communicating. Also, flexible working is something that was introduced, which was sometimes a big debate only just four years ago.

As an organisation, we have been looking into our competencies and how the company needs to grow to ensure sustainable healthcare. Based on that, we see that to be successful in 2025, we need certain competencies we did not think about five years ago. We also need to organise ourselves in new ways and we need to invest in tools like AI and chatbots that will provide much greater efficiency. We have been moving in the right direction, although our plans have changed a

bit due to COVID-19 and current cost increases, the goal remains the same. We are moving steadily towards that goal.

We are going through a constant transformation with a lot of moving parts at the same time. Sometimes it is difficult for people to see the larger picture. But from a helicopter view, we know that the puzzle will come together and at a certain moment people will understand that everything is linked.

You spoke about the BD 2025 strategy. Can you outline the main points of that strategy?

Towards the market, we are looking at profitability, remaining profitable while continuing to invest in the healthcare of the future. We are making sure we have a very strong value proposition focusing on healthcare worker safety and patient safety, and providing technologies to make healthcare procedures more efficient.

Guided by three priorities – Grow, Simplify and Empower – we are optimising internal and external processes while investing in three irreversible forces driving the future of healthcare: advancing smart connected care, enabling new care settings and improving chronic disease outcomes.

We are also looking at the commercial go-to-market setup needed to be successful. I mentioned multiple channels. We are moving our organisation towards becoming more omnichannel and are looking at making sure we balance territories and focus on the right customers. To this effect, we are creating roles like inside sales, something that did not exist two years ago, to cover a certain set of customers, giving other sales teams time to focus on high-level customers. In addition, we are also looking at digitalisation and how to connect with customers in alternative ways. Next to that, it is also a priority to attract, engage and develop new talent in a diverse and inclusive environment..

A number of our interviewees have identified slow access to innovation as one of the main challenges in Belgium. As president of beMedTech, the organisation that unites manufacturers and distributors of medical devices in Belgium, how are you confronting access issues?

From the perspective of BD and as president of beMedTech, we want to improve the access of innovative medical technologies to the market. No healthcare process can be more efficient than technology. However, we see that the current financing situation does not always motivate the use of innovation. We are looking at ways to support a better approach, which could mean tax incentives, changing the financial models or ensuring fast access and reimbursement as some approvals take too long.

An idea is to change the payment system to a bundled payment, which means instead of receiving payment now for certain items, we would move towards a “payment for performance” model that would enable people to invest in something they know will add value. Under the current payment model, they may not want to pay for something because they do not see the value or the return on investment. This is a model that has been proven in other countries and that has enabled them to integrate more technologies.

At BD, we are also looking at challenges in the market where we can add value. One of the biggest challenges currently is a staff shortage, which is a European problem. There is a European report (McKinsey) that just came out showing that out of a working day, 27 percent of a nurse’s time is spent on non-value-added activities, such as searching for a patient dossier. Another 40 percent is spent on things that could be optimised through automatization and standardization. We have staff shortages with almost 20,000 open healthcare positions in Belgium, but when we have the staff, their work is not optimised. That is where companies like BD can add value. We have a lot of solutions that can add value to that process, to help healthcare practitioners be more efficient and work in a safer way.

While Belgium is known for its fragmented healthcare system, the last time we spoke you mentioned the trend of the country’s hospitals merging to create hospital networks. How has that progressed and what is the commercial impact for BD?

Belgium is not like the UK where you have the NHS and through the NHS you deal with everything. It is very fragmented with different providers. However, in Belgium, we have gone from over 90 hospitals to 25 networks. We can see the impact of that. For example, some networks are taking into account the fact that certain hospitals will be merging and are making investments that can later be used by all of the hospitals in that group. And, if they need to build a new laboratory, they are not going to build one in every hospital, but centralise it in one. That is already happening, and I think it is a move in the right direction because Belgium is a small country and the population is

not that large.

Moreover, every hospital has its emergency room and its oncology centre, etc., which means that every hospital in Belgium has the same features. In the end, I believe that specialization will be key to ensuring a high-quality, and affordable healthcare system.

BD is working in the areas of healthcare process optimization, healthcare worker- and patient safety. While these issues have received more attention in recent years, is there still a certain lack of awareness?

These issues are very important, and they are getting a lot of traction at all levels. A lot of companies are entering that space, a space where BD, with for instance our focus on healthcare-associated infection prevention and treatment support, helps support safety in healthcare environments.

Patient safety is being reinforced and already in certain countries hospitals have set KPIs. I believe that in certain countries with bundled payments, an infection can influence payment. In Belgium that is not the case and maybe that is why certain innovations are still not introduced. But in other countries, like in the Netherlands, they invest a lot in prevention. If something happens, it is at the cost of your bundle and your bundle is pre-set. If you need to treat an infection on top of what you are already treating, you will not have any money left. That is a financial model that works.

Going back to COVID-19, I think in one way or another it brought a certain awareness about how things can spread from person to person. Even now shaking hands feels like a bit strange and I still tend to go and wash my hands afterwards. It is the same case with infections. And that is an area where hospitals are investing massively and companies like BD are investing to provide support.

Since we last spoke, the former Minister of Health (MoH), Maggie De Block, has been replaced by Frank Vandenbroucke, who has presented a new roadmap to improve access, increase transparency and involve patients. Do you see these developments as positive?

The government changed at a time in the COVID-19 pandemic when there was a lot of disruption. I believe that there have been some things that have moved in the right direction. For example, we were talking about the consolidation of hospitals, which is a plan that started during the Maggie De

Block period and is still ongoing. I also believe we have a strong Minister of Health now and Pedro Facon is an excellent leader in the National Institute for Health and Disability Insurance (NIHDI). They have the right vision, but it is exceedingly difficult in the current political environment to move initiatives forward. Processes and protocols are set up in a way that requires so much effort to change anything. Nonetheless, changes are happening.

My fear is that although there are a lot of plans for reform now, elections are coming up in one year and that may change everything. If things keep advancing, then I think we are gaining momentum. But if there are changes in the government, some of the current initiatives may stop. However, I do believe some great things are happening nowadays. The plan from the MoH, Frank Vandebroucke, is a strong roadmap, supporting much easier market entrance for innovative medical devices.

In 2024 Belgium will be taking over the EU presidency. With respect to the EU's impact on policy, what would you like to see Belgium bring to European discussions?

Belgium has one of the top ecosystems for healthcare, medical devices, innovation, and pharma. There are some tax models behind it that are an advantage for certain things, but not for others. For example, there are a lot of great innovations coming out of the country, yet production does not take place in Belgium. We should motivate companies fiscally and with respect to taxation to make sure they keep investing in Belgium.

The automatic 11 percent indexation of salaries in January was massive. We have 1,000 people in Belgium, so BD is now paying for an extra 100 people without having those people. In a corporate environment, you need to justify that, and it also means that you will have to stop some other things and maybe innovation will be delayed. These are issues we need to look at as a country, and I hope that more and more we will be looking at them in a European context.

Do you have any final message you would like to share with PharmaBoardroom's international audience?

BD has an unbelievable purpose. We are committed to sustainable healthcare. We are advancing the world of health and with COVID-19 that was proven. Everyone at BD knows that at the end of everything we do, there is a patient and more than 30 BD products are used per second in Belgium, which is massive.

We are getting ready for a new era in healthcare and a lot of things are changing. Companies are innovating much more and we are investing a lot in innovation. We need to be prepared to bring that innovation to the market and support patients.

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