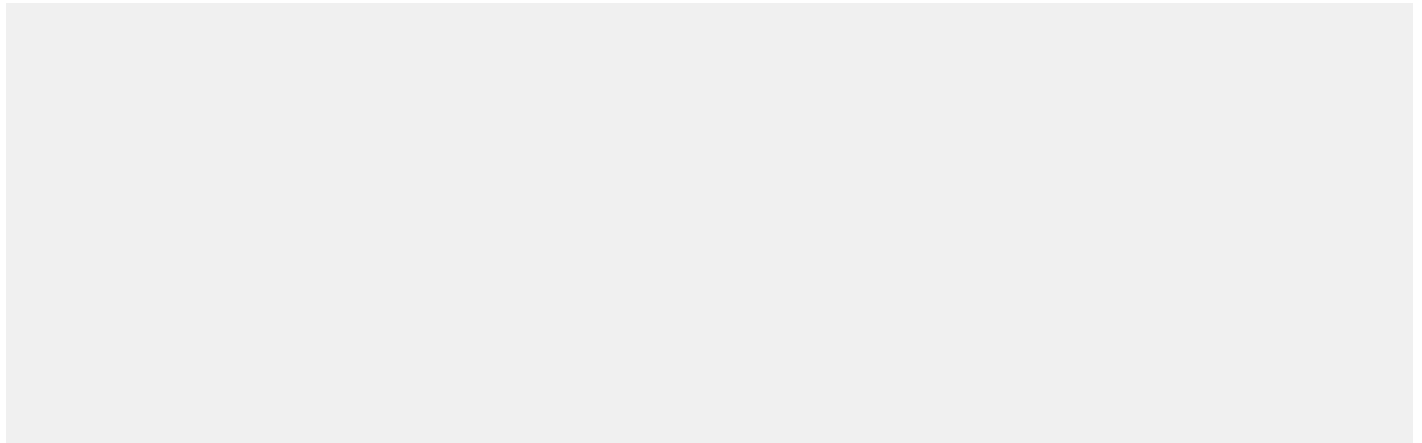


Interview with Patrick Godard, Chief Executive Officer, Amayeza Abuntu (SA 2011)



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Tags: [Amayeza Abuntu \(SA 2011\)](#)

Mr. Godard, you previously worked in Europe for Baxter Edwards Life Sciences, what made you decide to move to South Africa in a smaller company?

It is a purely romantic French story. I met my wife in France 10 years ago during a medical product training session that we had with Edwards Life Sciences; and basically after 2 weeks of knowing each other, I moved to South Africa, which is her country, and we got married. It was love at first sight, but some of my friends called it “mid life crisis”.

I have been in South Africa for 10 years now and still happily married. After 2 years of honeymoon, I joined Amayeza Abantu and have been here since the 1st of April 2004.

South Africa is an enjoyable country and my wife loves it. I have learnt to love it as well. My wife is Afrikaans, she does not speak French but she is learning to do so at Alliance Française. I think we have a much better quality of life here than in France anyway. When I read the news, I definitely do not want to go back to Europe.

I can enjoy the sun and great outdoor activities here and I have met and made a lot of new friends. South Africans are overall very friendly people!

You arrived in 2002 in South Africa then in 2004 joined Amayeza Abantu to become the leader of the cardiac rhythm management division.

Exactly, I joined the company initially because there was a need to develop the cardiac rhythm management side of the business. At the time, we had 5 sales representatives and we were only 10 employees and now we are almost 60 people with 25 sales representatives.

Could you provide to the readers of Pharmaceutical Executive the main milestones and changes that occurred since your appointment as CEO of the company?

Anthony Britz founded Amayeza Abantu. As a true entrepreneur, he took the necessary risks and thanks to his vision, the company took off quite rapidly after he signed our first distribution agreement with St. Jude Medical.

To ensure long-term success, we had then to adapt the organization to a new model, which could put us in a good position to continue growing our business.

As the environment in which we operate was changing we started implementing our new vision for our organization. For instance regulatory constraints that were very limited 7 years ago have now become more and more similar to what one would experience in Western Countries. Fortunately, in that same period of time, we were in a position where we could improve our organization. Similarly we have developed a reimbursement department, as reimbursement is another key element for success in South Africa's medical market.

Last but not least, skilled employees are a rare resource in our country.

We place a lot of emphasis on human resource management and we recognize our employees as our most important asset.

Amayeza Abantu Biomedical (Pty) Ltd was established in 1998 and in 2000 it became the distributor for St. Jude Medical for the marketing and sale of its Diagnostic Cardiology and Cardiac Rhythm Management product range in South Africa. What did this alliance bring and what does it still bring to the company at this time?

Historically St. Jude Medical has had a presence in South Africa for many years. Originally St. Jude Medical was purely a heart valve prosthesis manufacturer and started in 1976. From the year 1994, it started to diversify through the acquisition of several companies in the field cardiac rhythm management and invasive diagnostic cardiology.

Anthony Britz managed to secure this new part of St. Jude Medical's portfolio to distribute for South Africa in 2000. This is how it all started. The St. Jude Medical valve business is still with the historical distributor in South Africa but all the "new" St. Jude Medical products are with us.

Our distribution strategy has always been the same. St Jude Medical is such a fantastic company to have the rights to distribute for and it is one of the few multinational companies that are not direct in South Africa.

This is why we have chosen to focus and work with them almost exclusively. We have a couple of other product ranges that we distribute as well but only because they create strategic advantages and synergies with the St. Jude products. We will never take on a distribution if it does not make sense with the St. Jude Medical product portfolio and strategy, and if it does, I will still discuss it with St. Jude before I sign any new product distribution agreement. Furthermore, St. Jude Medical has shown a large appetite for acquisitions in the last few years and it does not make sense for us to do our own acquisition of products that could potentially be in conflict with what St. Jude is doing. Therefore our priority is the promotion and development of the St Jude Medical brand in Africa.

Over the years the company has developed substantially, becoming a leading provider of Cardiology solutions in Africa. At this time what are your main challenges? Who are the main competitors?

Our main competitors are all multinational companies that have been represented directly in South Africa for many years.

Our main challenges are mostly to ensure our organization is always effective in driving sales growth and business execution in a fast changing healthcare and economic environment. We cannot put "la charrue avant les boeufs", what I mean is that everything has to come together with the proper timing and cohesion and that is always a challenge. Another big challenge is to find skilled people. There are very few South African people with the appropriate skills and knowledge; here I am talking about sales representatives and clinical support personnel. In the device industry as opposed to the pharmaceutical industry, we need sales representatives with a very strong medical background. At least this is the successful model that I was used to in Europe and I think that it is also applicable here. There are very few South African people that can fulfill the requirements. Many left the country after democracy in 1994 that is why we have strategized to retain the talent at Amayeza. I am proud to say that we have grown the number of employees to almost 60 and in the 11 or so years in business, we have only lost 1 sales person. We have a very low staff turnover which it is not generally the case in the industry in our country – something that we really wanted to do because it is very difficult to replace quality sales people.

Fortunately, some skilled South African nationals are now returning to their home country and we try to identify them early in the process and then hire them.

Mr. Motsoaledi was saying that the lack of skilled people was one of the main challenges that the healthcare and the pharmaceutical industry were facing in South Africa. Do you agree with him?

Yes absolutely; it is even harder to find those skilled employees, yet comply with our Black Economic Empowerment (BEE) rules. Following the BEE rules we need to attract, develop and retain previously disadvantaged skilled employees in our industry, which is very difficult.

Talking about the BEE scoreboard how did you manage to reach level 6? Which strategy did you implement to obtain those results?

It has been an effort of 4 years at least. Initially to obtain a BEE score, you needed previously disadvantaged people as shareholders.

We considered this aspect very seriously as we did not simply want to pay lip service to the legislation as a responsible company and employer of people; we actually failed twice to sign an agreement because it did not feel right at the time to contract with a partner that would not be contributing skills to our skills based business. Many deals have been made this way in South Africa just to be able to prove that there is compliance with the BEE legislation.

We then strategized to contribute meaningfully and in a sustained manner to genuine Black Economic Empowerment and to social advancement of previously disadvantaged people by:

- Preferential procurement from black owned businesses
- Skills development of our own employees with a view to promoting our own talent
- Development and promotion of black owned enterprises aligned to skills development in Cardiology
- Corporate Social Responsibility: provision of bursaries and our products to needy and deserving previously disadvantaged people

For example, we have employees that are not fully literate, so with the use the ABET (Adult Basic Education and Training) program here, their literacy and numeracy have improved. All of our employees, who have not had a meaningful education, have been enrolled in this program and we also interact on a personal level with our employees by providing in - house mentors to ensure the success of the program.

The fourth major disease affecting people on the African continent is cardiac disease: you have acted to improve people's knowledge about this disease. You have set up a training facility in Pretoria already; do you plan on opening other facilities?

At this stage our training centre in South Africa has been developed for educating the African medical community such as doctors or healthcare providers and our current employees in practical Cardiology skills.

Medical skills transfer is definitely needed in Africa but we need to be aware that it is going to be a long process. We are not going to change the face of South Africa overnight and the challenge in transferring skills in Africa is immense, so we just try to do as much we can to go in that sense.

For this reason, and to create regional centres of cardiac excellence, we have developed additional medical education centres in Tanzania and Kenya.

Going back to your business model, Amayeza Abantu is comprised of four divisions: Cardiology, Cardiac Rhythm Management, Atrial Fibrillation Management (Electrophysiology) and Neuro-modulation. What is for you as a CEO the main important domain that you need to develop? Which of them brings you the most in term of revenue and market share?

Currently, Cardiology, Cardiac Rhythm Management & Atrial Fibrillation Management are the three core revenue providers to our business. We either hold first or second position in these market segments. Neuromodulation effectively started only 18 months ago so it is still in its infancy. We have however invested substantially in this new division and have already started to see the benefits in the segment of spinal chord stimulation, where we have already gained approximately 30% share of the market.

Your main focus is on cardiology and to expand to other African countries is that right?

Our focus is equally spread over all 4 divisions. We also have an agreement with St. Jude medical to distribute all their products into Sub-Saharan countries. These are totally different markets but we already have enjoyed success in some of these countries.

We presently only focus on offering cardiology and cardiac rhythm management products in the countries and entities that we deal with, because they simply do not have the specialists and resources to perform complex electrophysiology or neuromodulation cases. Furthermore, the continent has more pressing priorities like AIDS, tuberculosis, malaria and other infectious diseases.

You are already offering products and services in a lot of African countries such as Nigeria, Kenya, Tanzania, Mozambique, Botswana, Namibia, and in the process to extend to others such as Ghana, Cameroun, Uganda, Zambia, and Zimbabwe: Do you plan on using the benefits of the BRIC alliance to expand your presence overseas?

We do not plan to expand our offerings to countries outside of those identified countries in Africa and can thus not leverage the BRIC alliance to do this. First because we are not permitted in terms of our contract: St Jude Medical either already has direct representation in other non - African countries or it has distributors in such countries, so this is not an option. Secondly, there is a lot to do on the African continent itself in terms of medical skills transfer and service provision and it is going to take time; it is also something where as an organization, you have to be patient.

What is your main focus for the next years?

Africa is one. The way we approach the continent is through skills transfer, and this is also why we have our training centers. To date we have trained about 70 doctors from Africa. There is a big need for training, because it is a developing continent lacking skills, resources and access to training on "first world technology." Just speaking of performing angiograms or the need to implant pacemakers in patients, they hardly ever perform any of these procedures in their own academic institutions; so we are providing training, we send people to Europe for training as well. We also send our own people or sometimes facilitate those South African specialists and support staff travel in Africa to perform necessary clinics and training. We therefore have a big focus on Africa and for the rest, St Jude Medical keeps us very busy launching new products regularly.

Our local strategy is centered on trying to play a more active part in the changes occurring in our healthcare market and particularly in the healthcare funding in South Africa. It will be foolish to try to ignore the changes happening and we need to influence it; I am talking obviously about NHI.

Mr. Fagan was saying that he felt privileged to be a part of the change and not reading them on a newspaper, are you sharing his point of view?

I completely agree with him. We try to be a part of the change. Currently, in the medical device industry, the companies with the most influence are all multinational companies, and I would like local South African companies like ours to have a bigger voice there. I don't want to describe the international companies as the devil but clearly they have other interests than we might have as a local company, so it is important that we manage to secure representation and our own lobby group so that, we can be a part of the drive for change.

Do you have a final message to address to the readers of Pharmaceutical Executive?

South Africa is a country like many other developing countries, which offers a lot of opportunities and also presents a well-regulated business environment.

Doing business here is enjoyable and rewarding.

Implementation of regulations is sometimes a problem but the regulations are actually well defined, so it is a regulated market but yet one still has a lot of freedom to be creative and to take opportunities where they lie.

In terms of business, the challenges ahead are clearly big but every country is facing challenges. I tend to believe that because of those changes and uncertainties there are a lot of opportunities that can arise as long as you stay in touch with what is happening and you stay proactive.

The future for the SA medical industry, in my opinion, is bright.

This was a tough business year but that does not mean that now I have to become negative and say that it is not going to work; on the contrary I think that it is when you have to take time to rethink on how you approach the business and how to correct your mistakes.

We shall never give up, some days are more difficult than others but as we say in French “après la pluie, le beau temps”. My goal is to bring the company where it should be, a true and recognized leader in the medical industry. I think that we have developed something really great and we need to keep on growing and attract more performing employees.

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