Lee Kyoung-Ryul, Chairman, SCL Healthcare Group, South Korea



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Lee Kyoung-Ryul has served as Chairman of SCL Healthcare Group since 2007. He discusses the diagnostic service providers' extensive network in Korea as well as their ambitious plans to export their systems to China.

What has been the most important long-term goal for you since you started?

The most important goal has always been to be the number one player in the domestic market in terms of market share.

What challenges do you face in 2015?

As you already know, it is mandatory for Korean citizens to receive health insurance and its benefits. Thus, the form of business for diagnostic services for hospitals should be closer to that of a non-profit organization rather than a corporation.

I founded BioCore, which covers pharmaco kinesis and pharmacodynamic analysis using mass spectrometry across the country.

In SCL, we examine about 30 million cases per year. The examinations are done in Seoul, and the following morning we send the results to every hospital, 365 days a year.

In order to succeed, it is essential to obtain sufficient investment to implement technological innovation and advanced quality of service. That is why BioCore is in a relationship to offer investment aids to R&D in SCL which should be managed as non-profit organization.

We have started exporting diagnostic services to China since 2014, and our main challenge in 2015 is to maintain our competitiveness there.

In general, how would you describe the environment for diagnostic production in Korea? What are the competitive advantages of this country?

Korea’s competitiveness in this area is highlighted by our outstanding human resources. Korean doctors related to practical diagnostic services and human resources in Medical Technology are outstanding.

SCL has been using large sized equipment that is used by big multinational companies. However, as a number of biotech companies have been founded since 2000, SCL has been producing its own excellent diagnostic products and medical devices since 2010.

How have you worked with medical technology companies to produce the tools and solutions that company like SCL needs in order to function properly?

This process is very similar to pharmaceutical companies. We license-in when we see good technologies in Korea and in foreign countries. We also license-out our technology to partners in China as of 2014.

What is your general export strategy in terms of branching out to new markets? What is the potential for SCL in terms of becoming a regional player throughout Asia?

SCL was the very first laboratory to be certificated by CAP in South Korea, in 1997.

Because what we offer is not a product that can be visible, but rather a service, all individual employees have computerized their information and experiments as data. In 2003, we successfully completed the creation of a process map that displays all information easily.

We have a very good MD network with Mongolia since 2002 and with China since 2014. We train people there, and transfer our technologies through this MD network.

What other countries are you looking at as potential places to expand your services?

We have many countries in the pipeline but Vietnam and Indonesia are countries where we are particularly focusing on for now.

SCL also runs an R&D center which focuses on areas like bioanalysis, molecular biology and genome research. What are this center's most important activities today?

As this is a diagnostic center, we deal with non-patients (healthy people), as well as patients from all of Korea's hospitals. SCL takes all the information we get from every patient to a data warehouse. Thus, in other words, data implementation business is our most important research business today.

The data we have covers broad range of information. It is panoramic data compared to other organizations. It is also excellent material to make partnerships with many pharmaceutical companies and research institutions.

What are some examples of partnerships you have with pharmaceutical companies in Korea to help provide them the data that they might need to carry out a clinical trial?

Projects with pharmaceutical companies only involve conducting CRO assignments. However we are in the progress of developing biomarkers with research institutions.

What are the most exciting biomarker projects in which you are currently engaging that could potentially become diagnostic products?

In the late 1990's, the invention of mass spectrometry allowed us to see if newborn babies have deformities. With one drop of blood, the technology exists for us to be able to determine the status for 56 different congenital metabolic diseases.

The birth rate in Korea has dropped significantly in recent years, with currently only 470,000 newborn babies annually in the country. As central laboratory, SCL Lab screens 30 percent of clinical specimens of total newborn babies.

Nowadays, we are developing a method to link all genes that are relevant to biochemical tests to obtain faster and more precise results than biochemical tests. For this, time is of the essence.

SCL is partnered with everyone from Yonsei University and Mayo Medical Labs to the Ministry of Environment. What makes you the partner of choice for these companies?

Technology is undoubtedly important, but ultimately people are the ones who make technology possible. Having a human network in an organization like SCL is essential. When we establish relationships with other organizations, we take 'trust between two parts' very seriously. SCL is a trustworthy partner, and I believe this has become well known.

In order to gain that trust, it is of course important for a company to have only the very best talent. As such a large and extensive organization throughout Korea, how do you find retain the very best talent?

It is not as if we are doing everything all by ourselves. We have to collaborate with many other people who have different licenses in their sectors to bring accurate results. SCL plays a role to create numerical value that reflects each person's environment by analyzing clinical specimens. This is a big part of evidence-based medicine.

It is important to organize the responsibility of every individual in this organization, and to train new employees within the boundaries of the company no matter whom the person is. I believe that maintaining this management is the best way to maintain quality and increase productivity.

SCL also established Korea's first central lab, dedicated to clinical trials for new drug developments. How important has this laboratory become as part of your daily operations?

We do put some emphasis on CRO assignments. About 93 percent of that work is diagnosis for patients in the hospitals and the other seven percent is work for research and clinical trials. Moreover, Seoul is well known for its excellence in conducting many clinical trials.

It takes enormous amounts of investment to develop innovative new drugs for all pharmaceutical companies. What we can offer to those companies is time saving in terms of obtaining results from analysis. It takes a very long time to register clinical trial results with the Ministry of Food and Drug Safety. SCL provides precise and accurate analysis even faster than companies would expect. Once again, time is money.

SCL operates the largest diagnostic network in Korea. How are you able to leverage this market leadership to ensure a safer and healthier Korea?

As I mentioned, the fact that we have the largest market share in Korea signifies that we have a significant amount of data. We are planning to cooperate with pharmaceutical companies, institutions, and biotech companies in Korea and abroad with this well-organized data. We have a plan to invest more in computer data relevant to big data.

On a personal level, where would we find you in 5 years?

We consider China as a very important country for our future ambitions, especially given its geographical proximity. As you know already, China is now the number one consumer in the world,

and of course this implies high demands for medical consumption. Between 2015 and 2020, China will go through dynamic changes in medical expenditure and consumption, as Korea has done for the last 20 years but within a compressed time period. Korea will play a role in transferring our experiences and recreating them in China. Having visited China several times, I feel that our experiences could contribute so much to ‘Evidence based medicine’ in China, in the same way that Korea developed evidence based medicine for traditional Korean medicine.

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