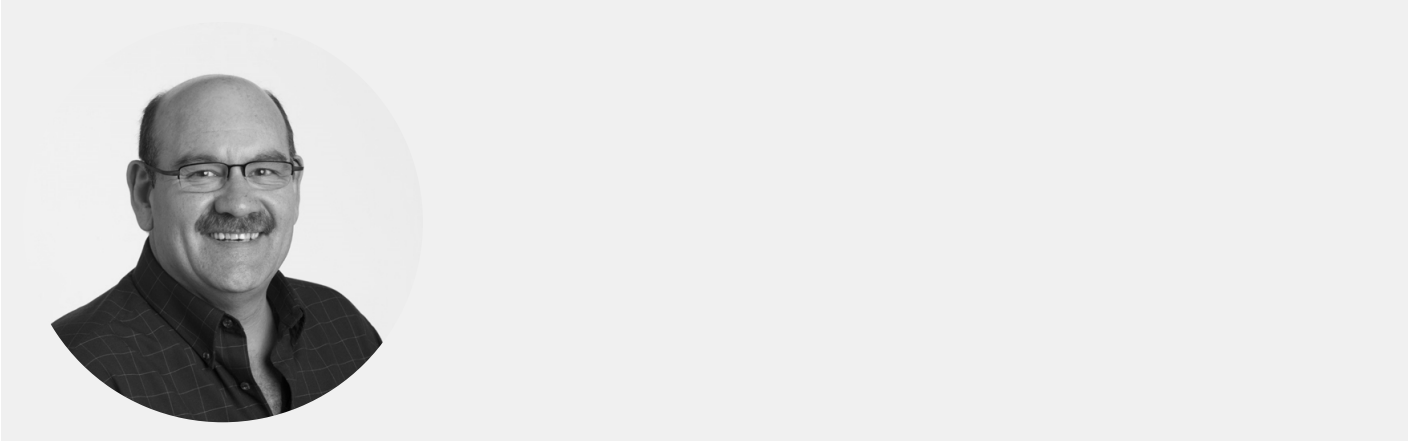
Interview: Charl Louw – Vice President Africa and Middle East, Acelity, South Africa



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Charl Louw, Vice President Africa and Middle East at Acelity discusses the challenges of a two-tiered health system for Acelity, the significance of South Africa for the company's global portfolio and shares his personal key factors for success.

Can you please provide some insight into the organization's history within South Africa, and also describe exactly how far the affiliate has progressed under your leadership until now?

Acelity is a global wound care and regenerative medicine company created by uniting the strengths of three companies, Kinetic Concepts, Inc., LifeCell Corporation and Systagenix Wound Management, Limited. We offer a full wound care profile and ADM's (Accelular Dermal Matrix) used mainly in Breast reconstruction and Abdominal wall repair as part of our Regenerative Medicine portfolio.

Personally, I joined KCI in 2008 and in the last 8 years we've seen a compounded annual growth rate of approximately 26%. This success is due to various factors, of course. The company per se was originally based in Johannesburg in 2001. Since 2007 we've opened additional branches in Mpumalanga, Rustenburg, Natal, Durban, Port Elizabeth, East London, Bloemfontein and Cape Town. Evidently, we have greatly expanded our geographical footprint in South Africa.

Acelity caters for the two-tier system in South Africa, we serve both the public and the private sector that exhibit very different characteristics. Considering the acute market for example: the private sector is predominantly home-care based whereas the public sector very much focuses on hospital care.

Bringing Acelity's products into the equation; as soon as a patient goes on advanced wound care they can get discharged from the hospital and taken into home-care, which has had a major impact on reducing costs in terms of hospital days. Acelity then provides private nursing practitioners that will provide these patients with home-care services on a contractual basis. Naturally, we have an extensive network of logistics to provide this care throughout the country. On the other hand, in the public sector you are confronted with a part of the population that cannot necessarily always go home due to either transport issues or the environment that they live in, which results in a prolonged hospital stay.

What is the significance of South Africa to the company's global portfolio?

The South African market is a strange mixed market of first and third world characteristics. Historically, we have always adopted first world standards in the medical sector, for example the world's first heart transplant was done in South Africa. The country has always been an entry platform to the rest of the continent. Exporting from South Africa to the surrounding countries in sub-Saharan Africa is much easier, as we have the logistical infrastructure.

Wound care is linked to basically any disease, any type of surgery and medical condition. The growth drivers of our company therefore directly tie into the change in demographic composition, whether that is an increasingly older population or changing disease profiles.

In your opinion, especially from the perspective of a multinational, does the current model in South Africa adequately reward innovation and the launch of new technology platforms?

I believe it is fairly easy to reach the 8.5 million insured people with innovative new products. Moreover, the adoption rate in the public sector in the last 24 months has ramped up considerably and I am sure companies like Acelity have contributed significantly to that because we are very much focused on education. We provide a lot of CME: continuous medical education. We subscribe through various bodies in the country where people obtain their CPD points (continuous professional development). To embrace education we offer 24 CME's per annum in the public and 12 CME's in the private sector per annum across the country. These sessions go beyond the basics and cover topics like advanced wound care technologies.

From your experience, have healthcare practitioners been quick in adopting these technologies?

There is a big difference between private and public sector adoption. The adoption happens a lot quicker in the private domain because market access is easier due to the non-regulated market environment in South Africa. Generally speaking, the private sector is more focused, has more clinical data and increasingly first world operational standards.

Contrarily, the public sector is a more tender type of system where we are competing against more affordable Asian and Indian products. In order to differentiate ourselves from the competition, we spend a great deal of effort clinical evidence and patient outcomes in the real world clinical setting.

This two-tiered system is certainly not sustainable and the country needs to put in more effort to change the system. Nevertheless, the last 24 months have been great for us as a country and the industry because we have seen the government take steps in the right direction.

On a more personal note, the organization has experienced almost 30% capitalized annual growth in recent years. What success factors do you attribute to this growth from a leadership perspective?

I believe the days of autocratic businesses are over. Nowadays and especially in the South African environment, businesses rely on open discussions, teamwork and partnership type of structures. My staff is very important to me. Indeed, my turnover in the last 8 years was less than 2% for me. This is the result of a lot of education and training starting with the junior staff. We get them into quarterly reviews so they understand the business, the vision and the company’s values.

We certainly emphasize staff development. We hold three internal education sessions annually with our already highly qualified healthcare professionals. In order to maintain market leadership you need a professional attitude, well-trained staff, great products, and ongoing innovation.

In the next 3-5 years, what are the most fundamental things you would like to accomplish?

Currently, the private sector is maxed out. Private insurance is getting very expensive for people: a significant amount of people have lowered their benefit schemes in the last three years. We have seen the private sector grow at a rate of 1-3%.

What I would personally like to see is continued education. I want to see a public system that is comparable to the private system, providing quality healthcare to a bigger part of the population.

Of course when I make this statement I want to realize this not just for South Africa but also for sub-Saharan Africa.

On a personal level, what has kept you motivated during your career in the industry? What makes you excited every day?

My motivations have changed over the past 30 years – that's how long I've been in the industry. Actually, I've adopted an acronym that I learnt a few years ago called PRIDE. It stands for Passion, Respect, Innovation, Development, and Execution. I apply PRIDE within my own environment. It's not just about products, it's about people and developing people has been a major part of my life. The word PRIDE and its meaning has been driving me, my passion for life and for people.

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