

Interview: Michiel van der Veen - CEO, GenKey, The Netherlands



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Michiel van der Veen, CEO of GenKey, a global player in biometric identity management based in Eindhoven, explains how both the healthcare industry and public health schemes could benefit from biometric identities to cut costs and improve funds allocation, and how GenKey aims to become the “Google of digital identity” in Africa.

You worked in various roles in Philips before founding priv-ID in 2008. What was the market niche that you identified when starting your own company?

Working for Phillips’ semiconductors branch, which is now NXP, I headed a group of scientists developing new technologies working on biometric passports, which had not yet been introduced in those days. Our research was mainly focused on developing a way to store personal data in the most secure manner possible, which is a kind of “holy grail” of our industry! Thanks to the incredibly talented people working on this project and to the technological know-how and world-class facilities of Phillips, we were to design the desired technology.

Nevertheless, when NXP was spun-out of Philips, this biometric activity didn’t really fit anymore with the Philips’ core activities, which are mainly concentrated on lighting, healthcare and consumer electronics. This mismatch between our activities and the Philips strategic targets became the starting point of Priv-ID, which I launched in 2008. As with other pioneering companies,

our cutting-edge technology developed within Philips research labs was indisputably an inestimable asset, but when we launched the company we didn't have a single customer or a marketable product, and even the European market was not ready to welcome such an innovation.

It must have been a very exciting journey, what were the main challenges you faced when starting your own company?

Every step was obviously a challenge, but finding our first customer was probably the trickiest we faced! Every single person on Earth is unique, and biometric technologies aim to provide people with a digital identity; unifying digital and physical identities.

When looking for our first customer, we first considered European markets before realizing that emerging countries' public administrations were particularly interested in our technology to address serious issues related to identity schemes, with regards to elections' voters lists or healthcare systems. Working with the Electoral Committee of Ghana to prepare the 2012 elections was our first substantial project and represents a milestone in our company's history. We helped the government to register the digital identities of 14 million voters, ensuring that public authorities would have access to a trustable voters list, with every voter registered and not a single duplication.

What was your experience in managing the merger between priv-ID and GenKey in 2011?

GenKey was a competitor of Priv-ID, although Priv-ID was probably more technologically advanced. GenKey was however particularly active in emerging countries and had a great product portfolio, the potential match between the two organizations were thus quite obvious. We thought that this merger would allow the newly created organization to quickly bring the technology developed by Priv-ID to the market network already built by GenKey, and this is exactly what happened!

How precisely do your solutions help to combat medical fraud and identity theft in healthcare services?

After starting with political elections in Ghana, we realized that healthcare systems were also affected by identity issues, with emerging markets being more affected than European markets. Our biometric solutions are particularly interesting for the financial authorities in charge of the healthcare system, specifically those in charge of reimbursement decisions. As a matter of fact, the number of healthcare subscribers and the cost related to treatments are increasing dramatically, while public spending is unfortunately not evolving at the same pace. Governments realized that

important amounts were embezzled through different fraud schemes, such as patients giving health cards to their relatives or doctors submitting unjustified reimbursement claims. These issues lead to a situation where healthcare funds are swindled by fraudsters instead of benefiting the patients.

To tackle these identity issues, the first step is to create patient digital identities and biometric health cards, as we are currently proceeding in Ghana for the National Insurance Scheme and its 22 million users. Health cards and fingerprint devices will then allow public authorities to ensure that only the patient matching the expected digital identity will have access to the necessary treatments. As soon as we start implementing our technologies in a country, fraud rates reduce dramatically. Even if governments are quite reluctant to provide precise figures, we estimate that identity fraud usually declines by 30 to 40% thanks to our technology.

In a sector such as ours that is linked to personal and vital concerns, ensuring data protection and continuous service access is an absolute priority. Fortunately enough, these elements were at the core of our functional specifications when we originally designed our technology.

On the healthcare side of your business, with what kind of organizations or countries do you partner with?

We for instance started to collaborate in June 2015 with Kenya's National Hospital Insurance Fund (NHIF), with an initial target of creating six million digital identities. When implementing our technologies on the field, we always partner with a local company that will conduct operations management on the field, while we obviously remain available to support the implementation of our services or to assist in regards to any kind of technical issue. Our main targets for future projects are National Health Insurance Schemes of emerging countries, as we have already managed to build a robust expertise on this side, thanks to the ten past projects all around Africa that we have already successfully implemented.

In the near future, GenKenya is mainly looking for new opportunities on the African continent, but obviously Latin America or Asia, where the same issues are replicated, are logical steps. Our strategic plans include expanding beyond Africa in the mid-term, but this will not occur before the end of 2016. Regarding Western countries, biometrics technologies still suffer from concerns about privacy protection, especially when it comes to healthcare. However, as biometric identity technology becomes more and more accessible and more people more use it, we will consider targeting more developed and mature markets. As of now, we have offices in Ghana and Chicago to ensure a firm international grounding.

What stake of your overall business activities are currently related to healthcare services and what growth do you foresee for these services for your company?

The healthcare sector is one of our main growth drivers. Furthermore, healthcare projects are generally more sustainable than those related to elections, as healthcare insurance schemes are meant to be enduring while elections are extremely short-term. Healthcare-related projects already represent more than 30% of our activities, and this share is increasing extremely quickly. Improving the identity management system of a national insurance schemes indeed has virtuous effect on the overall health level of the country, as public authorities are thus able to save money by tackling fraud and to reinvest these funds to efficiently help patients in need.

What are the competitive advantages which make GenKey the partner of choice for biometric identity systems?

I would undisputedly say our technological lead. Safety, data protection and above all continuous service access are the key determinants of success in our industry. GenKey is the only player in the market to offer state-of-the art back-up options by using different biometric representations, which can only be used independently and offer the upmost safety guarantees.

We nevertheless refuse to rely on past technological breakthroughs, and more than one-third of our budget is dedicated to R&D, which is now entirely conducted in our in-house facilities. For instance, we are working on adapting our technologies to the most exigent conditions of use, with a special focus on products' lifetime or ergonomics.

Given the fact that you took that leap of faith to start your own company, what piece of advice would you give to young entrepreneurs looking to do the same thing?

Just do it! I think that one of the main pitfalls is believing that you know everything, especially for younger entrepreneurs. Talking with the right experts and above all gathering the right team is absolutely crucial, particularly in terms of seniority. This is the only the way to avoid naïve mistakes!

What achievement are you most proud of so far in the GenKey journey?

I think that rather than pinpointing any specific milestone, what really makes me proud is the company's evolution since we started this journey. We launched the company with six people and now have 56 employees with three offices in the US, the Netherlands, and Ghana. Furthermore, we have been profitable for several years now. Our revenues are growing between 50 to 100% a year. Indeed, we are almost growing faster than we can handle, but this is the only way to reach our

objective, being recognized on the global map as the “Google of digital identity”.

Ultimately, what makes me the proudest is undoubtedly that we provide people with a legal identity, which is essential to participate in society, hence our slogan: “Identity for all”.

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