Interview: Marius Fourie – Country Manager, Dräger South Africa



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Marius Fourie highlights implications of the recent merger between the company's two subsidiaries and the unparalleled levels of value and service the consolidated organization will offer. He also illustrates the affiliate's strategies in navigating the country's dual-model healthcare system and the ways in which effective education and training can benefit all stakeholders in the value chain.

To begin, Marius, can you please illustrate the goals you set for yourself when initially assuming the position of Country Manager, and also describe exactly how much progress has now been made in relation to those goals?

The task given to me was to merge the two subsidiaries—medical and safety—and streamline different workflows to optimize synergies. We moved to a new building at the end of last year, and from then on, we performed a legal merger and rolled out a new ERP system. This was a huge operational undertaking that has focused on making this subsidiary much more agile and focused. Now, we only have one marketing team, one finance team, one logistics team, and two separate sales teams to cater for the specific market requirements. So, my leadership directives have been focused on consolidating our operations to form the new Dräger and getting the proper internal structures in place to support our activities in South Africa, which is very important to Dräger, due to it's geostrategic location—especially as a springboard into SADC countries.

We are not just a medical or safety company anymore, but a technology company—truly embodying our slogan “Technology for Life.” We’re just putting a new angle to the business in South Africa, which can clearly be seen in the new building that we just moved into. It’s a testament on behalf of Dräger to the potential that we see in the country and the continent.

Multinational companies bring new technology into any country that they have a presence in, but perhaps more important than new technologies, is skills transfer. We have an auditorium and a design center—running multiple training sessions for nurses and other healthcare practitioners. Although we are selling devices and providing solutions in the country, we’re dedicated to the development of local professionals to help move the country forward—and also to ensure the future sustainability of Dräger in South Africa.

Can you provide some insight into Dräger’s historical presence within the country?

Dräger Medical was originally represented in the country through distributors during the apartheid years. The medical entity came back to South Africa as a full legal entity approximately 12 years ago and began rebuilding the trust of our stakeholders. Since then, we have experienced tremendous growth year-on-year, strictly due to the reliability of our technology and comprehensive backup services we provide. Many of our technicians have 10 to 15 years of experience within Dräger, and we make every effort to maintain that tenure to fulfill our customers’ expectations—which is not always easy considering our distance from Europe; just getting spares into the country takes a considerable amount of time and logistical planning.

From a consumer marketing approach, how have you gone about adapting the company’s high-tech line of products to specificities of the South African environment—especially considering the current disparity between the public and private healthcare systems?

We have evaluated the South African market to determine its needs and then customized our portfolio accordingly. For example, one anesthesia device can consist of many different configurations. Based on our conversations with healthcare practitioners, we selected the most pertinent models to most effectively address their needs. There are certain device configurations that we do not offer in the South African markets, and that is a consequence of thorough market analysis – identifying the true drivers of demand.

Regarding the current state of South Africa’s dual-model healthcare system, the private sector has a tendency to use its devices more efficiently than the public system. Regulations are also driving the availability of certain devices. For example, in the private sector, devices must have billing

functionalities or else these private facilities cannot claim full imbursement from health insurance companies. Collectively, these are the factors we considered to determine which devices we will promote where.

Up until two years ago, the composition of our portfolio was split equally between public and private business. Now, it's more weighted towards private—contributing 60 to 70 percent of our turnover—with public comprising the remaining portion. Several factors are forcing the governmental sector to focus more on primary healthcare with good reason however; other parts of the health system are now suffering. I believe the growing prevalence of day clinics are slowly but surely bridging this gap and I am sure we will see additional innovative ideas developing.

Which operating segments have displayed the most promising growth prospects?

Aside from anesthesia, incubators and warming therapies have served as key growth drivers, which may be attributed to the renewed focus that lasted on the millennium development goals—specifically in regards to reducing child mortality and improving maternal health. Also, due to all the greenfield hospital projects, infrastructure has been a tremendous contributor to growth. This need has been a direct consequence of the lack of skills in running and maintaining existing hospitals. On the safety segment side, we have experienced similar scenarios. This all comes back to education and training—two areas that are desperately needed if these industries are to develop in the most sustainable and productive manner.

How would you evaluate South Africa as a platform for launching new medical technologies?

In South Africa, we've tested several products that have been developed and earmarked for emerging markets. For example, we trialed ventilators across three different hospitals to obtain crucial data and feedback, which helped us successfully, launch these products in the emerging markets. Though, from my perspective, all of the emerging markets have similar needs. What's happening in India, for example, has a lot of bearing on what's happening in South Africa— one of the reasons why South Africa is a part of the BRICS countries. We can learn a lot from each other in that way.

From your experience, how receptive have African hospitals been in adopting more innovative and advance solutions?

In Africa, I believe that technology is needed even more than in any other region of the world to bridge the gap in healthcare. We also see, especially in Africa, the trend of device dumping, where

companies or institutions would donate near obsolete devices at the end of their lifespan. Contrary to popular belief, such actions create no benefits, have limited service capabilities, and might actually create their own set of complications and problems without the ability for maintenance. This also effectively tarnishes the reputation of multinational companies, from which we have firsthand experience. After extensive use in hospitals, a few of our anesthesia devices had been taken out of commission, sometimes refurbished, and actually shipped to an African country. When the new users were looking to us for maintenance services, we were left empty handed and unable to provide any spare parts due to the outdated nature of these products. So, unfortunately, this trend has been inhibiting our ambitions of “Technology for Life” and the positive impact that we strive for to impose on people using our products.

Aside from quality and added-value technology, a crucial component for the sustainable development of South Africa’s medical device industry is simply education and awareness. To this end, what are the most relevant topics in the industry today in your opinion?

We need to make sure that the end user understands what they’re doing. For instance, if healthcare practitioners change the setting on a ventilator, they need to understand the type of impact it will have on the patient—whether it’ll expedite recovery or cause further damage; and if it causes further damage, will it be permanent or constitute an additional two weeks of bed rest? Many of our service calls have actually been a result of operator error and their unfamiliarity with the causal relationships between the devices and patients. Improved education and training of end users will effectively reduce the number of bottom line service calls, which I believe will have improved patient outcomes.

What initiatives is Dräger pursuing in this regard?

We are currently in collaboration with one of the leading universities in South Africa for simulator trainings using mannequins. There is also a scholarship for one of the doctors conducting research in teaching software. We also provide training for ventilation, anesthesia, architects, ICUs, and all lateral topics associated with these areas. Then there are road shows that we perform all over South Africa to discuss the latest global trends in, for instance, remodeling operating theaters and promote skills transfer. Additionally, at certain times, we also provide learnerships for junior technicians—allowing them to work for six months and subsequently receive their practicals.

Having spent the majority of your time at Dräger under the medical division, what are the most challenging aspects of your role as country manager, which encompasses both

safety and medical?

In the beginning it was a challenge to understand the safety products and solutions; however the nature of the customers and the dynamics of customer relationship management stay the same. The safety segment is a much larger market with its own set of intricacies. For example, ships that boast the latest advancements in mobility and fuel-efficiency actually constitute a 30% increase in safety requirements. It's a different setup between medical and safety: one side has blue-collar customers such as professors or surgeons, while the other side has professionals dressed in safety gear performing work that exhibits the same level of danger. Accommodating both of these parties is where the challenge comes in, but if done properly, it can produce a very unique set of synergies—which is what we've strive for here at Dräger.

In terms of reputation, capabilities, and performance, where would you like to have positioned the company in the next three to five years?

Dräger South Africa will be even better and stronger than today. In my view the strategy of one Dräger, where we pool resources, is definitely the right path to follow. But to effectively operate as one collective, requires agile, flexible, and lean decision making. There really isn't any space to carry deadweight, and the more we can train our people and give them opportunities to develop further, the more we will flourish as a company. Compared to mature countries, South Africa is still a place that truly thrives on creativity and entrepreneurial thinking—especially given the lack of resources in the country. The tendency to constantly seek new and novel ways of creating value is what makes South Africa a truly formidable market.

How will you measure your own success moving forward?

I will measure my success by the newly consolidated Dräger in terms of seamless and superior functionality, and by continuing to position Dräger South Africa as a prominent leader in medical and safety technologies, while at the same time providing space for colleagues to grow and develop personally and professionally.

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