Interview: Stephanie M. Franco – Managing Director, Fresenius Medical Care, Philippines



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Stephanie Franco, Managing Director of Fresenius Medical Care in the Philippines, emphasizes the strategic importance of the Asia-pacific region to Fresenius Medical Care's future growth and outlines her goals for the company and its role within both the renal space and the Filipino healthcare ecosystem.

We have seen an increased level of commitment to expanding healthcare access and coverage in the Philippines over the past few years, PhilHealth being the prime example. How has this impacted your operations here in the country?

There are a significant number of Filipinos that would not be able to afford dialysis if PhilHealth was not around. Like other developing nations, the Philippines has invested in universal healthcare in the hopes of achieving further improved patient outcomes. As universal healthcare in the Philippines is now in its fourth year, this is an important question to be asked for the sake of all stakeholders: PhilHealth, DOH, the Filipino people, reference hospitals, and industry stakeholders as well. Fresenius Medical Care is supporting the renal community by providing dialysis products and services, and now we actively support the determination of long-term goals for best possible patient outcomes. Dialysis is a large expense for PhilHealth, estimated at P6 Bil in 2015. At the end of the day we need to ask and measure the return on that investment in terms of benefits to patients, for example, are they getting healthier, are there fewer hospitalizations or are patients able to go back to work. For Fresenius Medical Care our key aim is to ensure an improved quality of

life for dialysis patients.

Recently Fresenius Medical Care developed a research facility in China and has shown an increased commitment to the Asian-Pacific region. How has that benefited your operations here in the Philippines?

Asia Pacific is considered one of the key growth region for Fresenius Medical Care, with highly populated nations such as India and China, and Southeast Asian countries like the Philippines, Thailand, and Vietnam contributing to that growth.

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The R&D Center established in Shanghai is a demonstration of Fresenius Medical Care's commitment to the science of dialysis and to the global renal community in general, and to the Asia Pacific community in particular. As a renal company, we are committed to continue our leadership role in creating innovative solutions and to be more affordable so that patients suffering from chronic kidney disease can benefit. There are quite a number of innovative solutions for dealing with this disease condition, including nanotechnology, stem cell science, implants, to name a few.

The Philippines is at the stage where the core business of dialysis still has a lot of scope to grow, whether in the product area, or in the patient services area. The vision for the next five years is to continue the strong growth trajectory by providing high quality and affordable products and services that add value to the Filipino renal community. Having the R&D Center in Shanghai helps the Philippines in the journey towards that vision whilst preparing for potential mindset shifts in both the science of dialysis and in the business of dialysis. We always ask ourselves the basic question of how best to address the multiple needs of the renal patient and what do we need to do as a company to deliver the highest quality care for them.

How have you leveraged your extensive experience in various pharmaceutical companies throughout the region within the Philippines?

My background in pharmaceuticals has provided a sound foundation in addressing the multi-layered issues in running a business like Fresenius Medical Care that deals with both a Product business as well as a Patient Services business. On the product side, I am familiar with what it takes to bring ethical medicines, vaccines, generics, and medical devices to market and make these grow. In the case of Fresenius Medical Care, we continue to sustain leadership in the dialysis product market amidst steep competition, and commoditization of consumables.

The provider or patient services side of the business, on the other hand, is both a challenge and privilege for me. Dialysis treatments offered directly to patients add a new dynamic that come with directly delivering a customer experience. We can learn very quickly whether a patient is satisfied or not. Feedback is immediate. We will know based on whether they come back again for the next treatment. Our mission of providing high quality care to our patients has additional challenges in the Philippine market due to lower reimbursement and pricing pressures. Nurses are the primary care providers of dialysis and in the Philippines there is significant level of brain drain of nurses who relocate to first world countries where they can earn much higher wages. We recognize this as a challenge and we understand that our employees are critical stakeholders of our business. How we regard our employees, impact how patient services are rendered.

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During your first 10 months in your leadership position at Fresenius Medical Care, what is your most proud accomplishment?

I bring a fresh perspective. There are two things that I am most proud of accomplishing, thus far. The first is a higher level of stakeholder engagement. This involves dialogue and collaboration with policy makers such as the DOH, PhilHealth, and the Philippine Society of Nephrology, as well as the patients from our dialysis centers.

The second achievement is internal, because we had to strengthen the organization. This is a recent accomplishment with the country leadership team just completed in July 2016. One of the objectives is to find the right talent. I do not believe in recruiting for the sake of populating a gap, instead we look for high quality people with the right values and leadership experience. As Managing Director of this organization, my main goal is to ensure that this company is a lot stronger when I leave than when I started. In order to do this, recruiting and developing talent is so important. I emphasize strong performance management and succession planning, a values-based culture, operational excellence, and working towards becoming employer of choice.

When we come back to the Philippines in 5 years to update our report, where will we see Fresenius Medical Care?

In five years, Fresenius Medical Care will have become bigger and better and organizationally stronger. The PD First Policy of the DOH should already be in place and Fresenius Medical Care is market leader in the Home Therapies space. We intend to be fully engaged with all stakeholders in the renal community helping to shape and enforce policies that help empower and support the Filipino CKD patient.

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