Stephen Ooi – Senior Executive Advisor, Asia Pacific, Zimmer Biomet, Singapore



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In an exclusive interview with Stephen Ooi, Senior Executive Advisor at Zimmer Biomet, he emphasizes the strategic benefits of the global merger between Zimmer and Biomet and how through leveraging their synergies, Zimmer Biomet will continue to raise the standards of quality and take an active role in bringing musculoskeletal solutions to the region.

As the Senior Executive Advisor for Zimmer Biomet and with over 30 years of experience, what are your objectives and priorities in this advisory role?

The first objective has been to ensure a smooth transition handing over my responsibilities to my successor while the company as such focuses primarily on integrating the Zimmer and Biomet businesses in the region and of course on driving synergies to grow the business. It is my priority to support the review of business plans and provide guidance in terms of strategic direction. Further, the transition of customer contacts and ensuring that they have continuity throughout the aforementioned changes is high on my priority list at the moment. Customer focus is very important for us and our customers need to know that this is not a sudden change of leadership, but instead a smooth handover. Further, I am offering mentoring support for some identified talents as I am a strong believer in the importance of people and passionate about developing a strong talent bench. Lastly, I will draw on my experience and knowledge to identify new business

opportunities and business process improvements to support growth in the region.

In April 2014 Zimmer announced the global acquisition of Biomet in a cash & stock transaction valued at approximately USD 13.35 billion. What was your first impression about the acquisition?

I was and am excited about the merger. I see high potential and great synergies these companies bring together. Biomet brings capabilities and products to Zimmer's portfolio that strengthens our place in the musculoskeletal area. Moreover, the merger brings together a strong fusion of quality talent that benefits the company overall. This talent brings new thoughts, strategies, capabilities, and contacts, which ultimately creates a stronger business base to drive growth in the years to come.

On a global scale, numerous managers in the pharma and the medtech industry went through similar situations, due to the enormous number of M&As in the healthcare sector. What do you think is fundamental in moments of such transition at a management level?

I believe that the most important factor for any merger is the ability to share and align on future visions and goals, which is absolutely the case for Zimmer and Biomet. Harmonising the different corporate cultures is also a very important to enable the talents from both organisations to leverage off each other's strengths and capabilities. Zimmer and Biomet naturally have differences in their cultures, but we found that there were more similarities than differences, which was a good start. Biomet brought agility and liveliness to the capabilities and strengths of Zimmer. It takes time for corporate cultures to unify and it would be naïve to expect otherwise. A merger on this scale inherently goes through growing pains, but in the end it is making the company stronger.

Spanning the healthcare value chain, where do you see Zimmer Biomet's portfolio of products and services adding the most value?

Traditionally Zimmer has always been very strong in the large joints: knees and hips. We are quickly growing in the small joints area as well; shoulder, and elbows. In the musculoskeletal areas of spine, trauma, and sports medicine, we have had a much smaller presence, which will now be

strengthened by Biomet. Overall, this gives us a much larger portfolio to work with.

Particularly across Asian emerging markets such as China or India, where infrastructure and regulatory policies may not be as developed, market access tends to serve as a primary cause for concern. In your experiences, what works and what doesn't work?

In terms of market access, regulators need to be engaged in a sincere and honest way so that all parties can better understand the challenges and formulate solutions accordingly. The key is not viewing the market from purely the company's perspective. For example, there are very fewer regulators in emerging markets in comparison to the number of regulators in more developed markets to address the huge amount of reviews and approvals. At the same time, regulators in emerging markets also need training. That is why for us as a corporation it is much more beneficial to take the approach where we ask ourselves: how can we make their jobs easier and help them to better understand our technology?

An example of how corporations can work with governments to improve healthcare and market access is when Zimmer first bought a company in China to manufacture local products. The government wanted to understand why and what our main purpose was in buying said company. We could have just responded that it was part of our strategy in entering China; however, instead we opened a dialogue with the government to understand their concerns, which revolved around reaching underserved patients who could not afford expensive imported product lines as well as accessing these patients without providing lower quality goods. We were then able to assure the government that our goals in China are to produce affordable, quality and market appropriate products and work with the government to serve the large number of ageing population to improve their quality of life. By showing regulators in China what good manufacturing practice looks like, we are encouraging the government to raise quality standards for all local manufacturers in China. This benefits the people, the patients, and the companies. Just this one example shows that when you have a conversation with the intentions of being honest, building trust and looking at the challenges holistically, it helps the company to ultimately grow sustainably.

Like pharma, R&D and innovation is obviously a pivotal driver of top line growth for medtech companies. In what ways do you believe that emerging markets can serve as sources for innovation?

I am a big believer in emerging markets as a source for innovation. Emerging markets innovate because they have urgent needs for solutions. Some emerging market innovations need to be more focused on gaining value rather than creating high prices. This “frugal innovation” can have an enormous impact. As such, Western companies sometimes use what I believe is an incorrect approach when they take existing innovations and just reduce the number of features. Instead they should be addressing the specific concerns of the populations that need the product and build the product around these needs. Innovation needs a ground-up approach.

Further, I am convinced that innovation in Asia Pacific will only grow. Markets in this region are adopting and embracing digital technology very quickly, which will make healthcare better for everybody in the world. Post Biomet and Zimmer merger we are doing a lot more in bringing designers and engineers from the Western world to see what is happening here in Asia Pacific and they are truly amazed of the developments in this region.

What do you see as the most prominent needs regarding collaboration within the MedTech industry in Asia?

The recent Asia Pacific Medtech forum was an opportunity to bring together different companies to one location where we could openly discuss and share ideas on how to improve healthcare in the region, while putting aside our corporate differences and proprietary information. We need to stay focused on the patient and improve access to care and innovation. I see APACMed, the first and only regional medical technology association headquartered in Asia, as playing a significant role in this endeavour.

How does Zimmer Biomet differentiate itself from other MedTech companies in this consolidating and competitive industry?

Zimmer Biomet is a leader and very focused in the musculoskeletal space. I think that the big differentiator is our strong focus on customer engagement and driving to enhance positive brand experiences when using customers partner with us. We truly make an effort to understand our customer needs holistically. We strive for excellent quality of care when surgeons are using Zimmer Biomet’s products and we want them to feel so confident and comfortable with our devices and services that they can fully focus on their surgeries and patients.

Supported by good surgeon training and programs, we are pleased to contribute to improvements in the quality of surgical care and outcome over the years. We believe that our products, surgeon education programs, professional sales teams and service support have contributed significantly to reducing surgical times and improving reproducible surgical outcomes of Joint Replacements. Joint replacement surgeries today has improved to the level of a day surgery care which will significantly improve access to many more ageing population who will benefit from it.

What is the significance of Singapore for Zimmer Biomet?

Singapore offers a very positive and stable business environment that is very supportive of what we are trying to do for the region. We do not look at Singapore for its small market, but instead we look at how we can use Singapore as a springboard to access the region. In addition, Singapore has very well protected intellectual property rights. The Economic Development Board and A*Star are very supportive in encouraging companies to innovate, whether in manufacturing or R&D. Zimmer Biomet is looking at the best ways to leverage what Singapore has to offer and I find R&D and innovation to be the most exciting areas here right now.

Looking to the future, what are you most excited about for Zimmer Biomet in the next 5 years?

I think it will be most exciting to see how Zimmer Biomet expand our position in existing as well as penetrates new markets with our extensive portfolio. I look forward to integrating non-traditional innovation that we see is available in the region and in Singapore. We want to work more increasingly with digital technologies in order to better service patients even pre-surgery, such as using digital devices to collect patient data in order to match the most appropriate products. Even more exciting is the post-treatment area, because when patients do not comply with their post surgery care it causes significant problems, especially in orthopedics. With digital technology they can receive reminders and be made more aware of how to take care of them after being released from the hospital. Zimmer Biomet is embracing this broad space of technology and care for the patient. Of course I am also excited for the development of our people here at Zimmer Biomet and I hope that they stay continuously connected and feel that their role has an impact in helping people lead a better life.

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