Interview: Leslie Chua – General Manager Asia Pacific, Solutions Division Hitachi Medical Systems, Singapore



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20.12.2016

Tags: Singapore, APAC, Hitachi Medical Systems, Pharma

In an exclusive interview with Leslie Chua, the General Manager of the Solutions Division at Hitachi Medical Systems, he elaborates on how the division is building on the synergies of all the business units in order to provide healthcare solutions and reach a broader market in the APAC region.

As the general manager for APAC's solutions division, could you introduce yourself to our executive audience as well as the scope and priorities in your role?

I have been working in the medical field for close to 30 years. Over the past few years especially, Hitachi has had many mergers and acquisitions and we have been focusing on building synergies between the different divisions. Obviously over the previous couple of years we have been very focused in modality. Recently, the move has been to create solutions for the customers in the region, being more than a medical equipment provider.

What exactly does "creating solutions" involve?

Creating solutions involves a holistic approach. It is about connecting all the business units under the Hitachi umbrella. For example, we provide hospitals with everything from their medical equipment to their power supply. We are becoming a one-stop shop for our customers.

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Hitachi's portfolio is spread across 1500 business units that service transportation, power plants, infrastructure, IT and increasingly, healthcare. We provide solutions to our clients, which means fully understanding their needs – not just within the department, but also on a hospital wide basis. IT is changing the way people work and operate by adding efficiencies and automations.

Hitachi is based in 12 different countries within the region, what is the footprint of the solutions division in particular?

Within APAC we separate the region into the developed countries, including Singapore, Australia and New Zealand; then we have a group of developing countries, including Indonesia, Thailand, Philippines; and then we have another group that we call the emerging markets, including Myanmar, Laos, Cambodia and some parts of South Asia. We do have a large footprint in the developing and emerging markets because the idea has been to make healthcare accessible to the majority of the people whom currently do not have access.

How do you tailor your product portfolio strategy to the different markets?

The initiative taken by Hitachi for product development is to address the value segment where we are looking at increasing our market share while at the same time providing affordable solutions. Of course this means providing more affordable equipment to doctors so that they can reach more patients. At the same time we will set up training centers for doctors to be trained both clinically and on the equipment.

We are also exploring utilizing digital technologies to promote and link telemedicine. There are many places in rural areas that lack clinical expertise. We are training technicians to send images to a regional hub where qualified doctors can diagnose and decide whether to send the patients to the larger institutions, which may require them to travel for many hours. We are embarking on some projects where we are talking about installing basic equipment such as x-rays and ultrasounds to reach the patients in a van. We have already begun these initiatives in Thailand and in some parts of Vietnam. We are focusing on the less developed areas where it is of benefit to bring medical care to the people instead of the people to the medical care.

What is Hitachi's strategy in terms of building its product portfolio in the region?

We collect information through sales people that are on the ground, in particularly through distributors' networks where we try to include feedback and requests from clinical doctors so that we can design the next generation of products that are aligned with what the consumers can afford and that provide the capabilities that are the most clinically useful. There are concerns within the

business that we want to go to a more patient-centric design than for a technology top down approach.

As an innovative company we have research and development in markets where they can most afford this high advanced technology and then we are looking for ways to lower costs in markets that cannot afford the same level of equipment. One of the ways we have done this is by manufacturing in India and China. We have increased our production in China so that these particular products can be positioned at a more affordable level, but the quality control and designs are all transferred from Japan.

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What are the most salient trends in the region right now on a clinical level?

Across every country throughout the region we notice that users like to have all the bells and whistles that new technology can provide, even when they do not have the know-how to use this type of technology. We see a challenge that end users want all features available even when they might only need 10 – 20 per cent of the equipment.

Therefore, there should be a balance between the cost and performance of a system, considering which aspects will be of key importance to the patient.

What is Hitachi's role in providing solutions to this problem?

We are providing educational programs to our customers that focus on how to achieve the best results possible with their equipment by demonstrating how to operate the equipment and provide the necessary information about the product, our clients will be able to make an informed decision for their purchase.

The Asia-Pacific market is the largest regional market for medical ultrasound devices, and the region as a whole is an area of growth for MedTech. What is the significance of this region for Hitachi Medical?

In the past several months particularly, with Brexit and the elections, our growth numbers in Europe are affected and plans are being delayed in those areas of the world. This has led a large shift of attention directed to Asia. Market research from everyone is highlighting that APAC has the highest growth potential. About 20 years ago, half of the revenues were coming from the Japanese market and only 50 per cent were from the international market. Right now, the proportion will probably be 65 international to 35 domestic and we are targeting the international market to reach

70 percent. We see a shift within Hitachi from local to global. Over the years as the market shows, the Japanese market has been flat.

What do you see as the major growth factors in the APAC region?

For Asia Pacific and ASEAN the population has been here, but the reach is new. We do see that in the developing countries and the emerging markets a lot of attention is being channeled to providing healthcare to the whole. The developed countries are looking to improve the quality of the clinical services provided to the patients. The developing and the emerging markets are looking at quantity, where they are trying to push medical care equipment to reach the patients that are spread across to the outskirts and not just in the cities. In the big cities you will find the first class facilities because the middle class is growing in APAC, but the poor need more attention and care than they are currently getting. We do see a lot of initiatives from different governments in different countries where they are looking at supplying the equipment, but the problem is that there are also not enough clinical professionals and the patients are forced to travel to the larger cities in order to receive the therapy.

What role do you see healthcare playing for Hitachi in the future?

Hitachi has identified that healthcare is going to be a very important pillar for the social innovation aspect of the business and resources are being shifted to reflect this.

Internally within Hitachi’s Healthcare Business unit, our vision is to provide affordable healthcare and reach a broader number of patients. We hope that the recent shift and attention to focus on creating less costly equipment, we will be able to reach more patients and offer them a better quality of life.

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