Interview: Johnny Tse – General Manager, Roche Diagnostics Hong Kong



"Fundamentally, Roche Diagnostics invests heavily in people to support their growth and this ultimately contributes to the company's success."

21.08.2017

Tags: Hong Kong, Roche Diagnostics, Roche, Diagnostics, Strategy, Healthcare

Johnny Tse, general manager of Roche Diagnostics Hong Kong, talks about the past seven years managing the affiliate, how the company became a market leader, and his aim to position Roche Diagnostic as a solutions provider.

Having managed Roche Diagnostics Hong Kong for nearly seven years now, what have been some highlights for you in that time?

Roche Diagnostics has a very successful track record in Hong Kong and we have been the market leader in the diagnostics market for a number of years now, both in the public and private sectors. With over 90 employees, we also have one of the largest MNC presence in this sector in Hong Kong.

Traditionally, our focus has been on the public segment, which has been a stable growth driver, but in recent years, the private sector has grown significantly in part due to medical tourism from mainland China and in part due to the Hong Kong government's push to redirect patients from public hospitals into the private sector in order to reduce strain on public healthcare expenditures. As a result, while we continue to focus on the public sector, we have increased our resource investment to drive our private sector business. This is also the case in Macau, where we have successfully built a solid business presence in the past five to six years.

This is in line with Roche Diagnostics' performance globally, where we are either number 1 or 2 in the local market. I believe this can be attributed to three factors. Firstly, our competent salesforce is an asset, particularly in this industry. Another key differentiator is that we invest a lot of resources in our support teams to ensure that we provide top-notch service to our clients. This applies whether we are in a direct sales or distributor market, which is something that not all our competitors can provide. Finally, our operating model is also a key factor driving our success, because Roche Diagnostics prioritizes the hiring of local talent in its affiliates. There is an emphasis on adapting the company to meet local customer requirements and local teams are empowered to make decisions by themselves.

Fundamentally, Roche Diagnostics invests heavily in people to support their growth and this ultimately contributes to the company's success.

You mention the increasing focus on the private hospital sector in Hong Kong in recent years. How does this affect Roche Diagnostics' operations here?

The decision-making models in the two market segments are very different. The public sector is driven by large, high-volume tenders, higher price sensitivity and slower pace in adopting new technology and innovations. Public hospital laboratories tend to be very big with clearly demarcated sections. The funding process is also more lengthy than in the private sector. What continues to be positive about the public sector in Hong Kong is that the government is very quality-focused and they value quality products and services.

In the private sector, our main customers are clinical laboratories that tend to be small- or medium-sized that are more integrated, with every function represented in a single setting. They would look for more flexible arrangements and service packages. At the same time, because their decision-making processes are more flexible, they have faster rate to introduce new and innovative products in their hospitals. This is why private hospitals are usually the first customers to have the newest technology and products in Hong Kong. This is a good fit for Roche Diagnostics very well because we launch many new products every year.

[Featured_in]

Roche Diagnostics offers a very diverse range of products, solutions and equipment globally. How much is the global portfolio represented here?

A rough estimate would be that over half of the global portfolio is here. We do a cost-benefit analysis because as I mentioned, our operating model is to offer full after-sales service support so

we want to be sure that we can keep this commitment. If there are sufficient economies of scale and market need, we will launch the product here.

As an example, influenza is a major issue in the region. In Hong Kong, after the 2003 severe acute respiratory syndrome (SARS) outbreak, the government invested a significant amount of money in flu tests. The public was also very concerned about influenza. At that time, existing flu tests were either not sensitive enough or required too long a time to produce results. We therefore introduced our rapid PCR test that has both broad specificity and speed, catering to both the high-volume and small-volume segments. This was incredibly beneficial to the Hong Kong market, and in fact, when we launched it, we expected to see only the relevant healthcare-related departments use it, but other departments like agriculture and import-export saw the value of having these tests. This year, we also launched a new rapid-test that produce results in 20 minutes, specifically targeting private hospitals that may want to have rapid test results to make quicker decisions on patient treatment.

The healthcare system in Hong Kong is seen as one of the best in the world. What challenges and opportunities do you see for the affiliate in working in a market like this?

The government has invested heavily to build a functioning and efficient healthcare infrastructure in Hong Kong. Nevertheless, healthcare expenditures are becoming an increasing burden with rising life expectancy, an ageing population and increasing prevalence of chronic diseases. It is projected that 1/3 of the population will be age 65 or above by 2044. Cancers, pneumonia and heart diseases are the top 3 leading cause of death in Hong Kong.

There is always the pressure to manage resources and spending effectively. Providing quality healthcare has always been an important priority for the government and hence influences the decision-making process for high quality medical technologies and systems.

Healthcare professionals understand the value of diagnostics in making clinical decisions. General public has lower awareness because this is a rather technical field. That said, we have participated in a few awareness promotion initiatives to communicate the value of diagnostics in the past few years. Last month, for instance, we worked with the Hong Kong Association of Medical Laboratories to launch a public-facing event with media coverage and editorial on what the medical laboratory professionals and diagnostics industry do! Public awareness is definitely higher than five or ten years ago but there is still some way to go.

[related_story]

With such a large organization in Hong Kong, what do you motivate your staff?

We emphasize to our staff our mission and vision to improve healthcare provision in Hong Kong. We hold the strong belief that diagnostics plays a very important role in healthcare decisions. If an instrument does not work, the patient sample cannot be processed, the clinician cannot have the test result on the patient's condition and the right treatment decision cannot be taken. Our mission is to support healthcare professionals to treat patients by providing good medical results.

Roche also really places diversity and inclusiveness at the core of the company. We have different nationalities represented in this affiliate and everyone understands the importance of accepting and respecting any differences. This applies in terms of culture differences and also generational differences. For instance, we know that the millennials work in a different way compared to Gen X. We conduct training and workshops to help our staff understand different working styles and personalities to facilitate a more conducive work environment. We also have focus groups to hear our staff's concerns and feedback, and to explain our own positions and rationales if we have to implement any staff policy. For instance, we have implemented flexible work arrangements, which are beneficial to our employees.

I personally encourage my leadership team to lead by example by exhibiting the traits of inclusiveness and good communication.

Hong Kong has the reputation of being one of the most efficient countries in the world. How does the affiliate here live up to this reputation?

I think local Hong Kong people have grown up with a very efficient culture. We walk very quickly, for instance!

Fundamentally, at Roche Diagnostics Hong Kong, we always try to improve or simplify the way we do things, whether it relates to hardware or software or processes – to reach a better way of doing something. It is a continuous effort. We are always thinking of new ideas and we really encourage everyone to contribute and offer suggestions. For instance, we provide all staff with work laptops instead of desktop computers so that they have autonomy over when and where they work. This was because one of the key pieces of feedback we received was that people were spending too much time on long commutes. Hong Kong may be a small city but travel can still take up a lot of our people's time, so this was something we implemented to help them work more efficiently.

Diagnostics is a long-term business. What are your key priorities for the next 4-5 years?

I recently established new market access functions in this affiliate, which is something rather new to the diagnostics industry. Typically, only pharma and to a lesser extent, medtech, companies have market access functions, but the purpose is to accelerate the adaptation of innovative products in the Hong Kong market. As I have mentioned, a lot of new technology, tests and products available on the global market are still not found in Hong Kong. Bringing these into the local context will definitely benefit patients here, so it is a worthwhile endeavor.

It is a long road because it does not simply depend on our internal processes as suppliers but also local regulations. But as a market leader, we need to work with institutional stakeholders here to promote a better understanding of the products available and the best procedures to assess the value of these products.

Furthermore, I would like to facilitate the transition of Roche Diagnostics Hong Kong from being a supplier of products and services to be a solutions provider. At the end of the day, the point of diagnostics is to generate the data necessary for laboratories or clinicians to make healthcare decisions for their patients. It is not to provide machinery or reagents.

On a more personal note, what continues to motivate you every day after so many years in the industry?

It is a very meaningful industry to work for. While we do not treat the patients directly, we play a critical supporting role in the care pathways and we support healthcare practitioners and patients. In addition, diagnostics is a very diverse industry. Just looking at our portfolio, we have a range of traditional to innovative and cutting-edge technology. The pace of innovation is also so fast that there is something new to learn every day! This is very exciting for me. I hope to be able to continue to support Roche Diagnostics in bringing new technologies from the research lab into the clinical environment.

See more interviews