

Interview: Kestutis Liauba – Managing Director, B Braun, Lithuania



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Kestutis Liauba, managing director at B Braun in Lithuania, discusses the evolution of the medical devices sector in the country since the opening of the company's affiliate back in 1996 and highlights the great work that it has done to provide its most modern equipment to healthcare professionals.

Can you briefly introduce the history and positioning of B Braun in Lithuania?

B Braun established its Lithuanian affiliate back in 1996 and it has been growing its revenues by 50 percent since 2007. From the business perspective, the four main divisions of the company are present in Lithuania: hospital care, out-patient market, B Braun Avitum and Aesculap – the division related to surgical technologies such as instruments, implants and joints.

We are within the top-10 players in the local market but, as internal benchmark in the Baltic region, we are actually the smallest affiliate with Latvia taking the first position. However, this ranking can be explained by the business structure separation in Lithuania of B Braun Medical and B Braun Avitum. In fact, if we count them together, we become the first affiliate in the Baltics.

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Our goal is to manage our broad portfolio of products by launching new product groups every year. Our main focus lies in the out-patient market area because it is where I perceive the strongest

development in Lithuania. On top of that, we aim to be a proactive player in the market by answering healthcare professionals' needs and bringing affordable and high-quality products to the market.

What would you highlight as the most significant changes on the Lithuanian medical devices market over the last decade?

It is a fact that there was a substantial lack of funds in the healthcare system. Therefore, medical devices were not on the government's agenda and were lacking on the market. The major changes happened in nephrology and haemodialysis (HD) areas in which, in 1998, B Braun replaced the older Soviet HD machine with a more modern dialysis machine. As B Braun, we had the opportunity to renew all medical devices with more modern equipment and pharmaceutical solutions. Therefore, we provided to the market all types of infusion pumps, intravenous systems, catheter, among others. We were there at the right moment to develop the market and increase the quality of the healthcare environment.

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Another good sign for the sector is that, over the course of the last years, the budget for medical devices has been increasing at approximately seven percent on annual basis. Looking ahead I am delighted to confirm that, few weeks ago, Lithuania's parliament introduced a new state budget for patients of around EUR 1.7 billion -which is an increase of 11 percent this year of the total healthcare budget.

A decade ago, the sector was experiencing a revolution in Lithuania. Nowadays, we are more or less at a similar level as the European average so we are more and more participating in the evolution of the industry.

Most of the medical device companies we have met claim that their tactics for differentiation lie in the services they provide offering a total solution approach. How is this reflected in B Braun Lithuania?

For the last three years, we have been implementing the total solution approach in Lithuania – internally, we name it the “therapy approach.” For instance, the “infusion therapy approach” will include the drug itself but also the infusion pumps, its intravenous system and any other part that will ensure the safest treatment for the patients. By offering the complete treatment package to healthcare professionals, patients are benefiting from a cheaper and safer treatment as it is a closed system.

Therefore, our goal is to focus on the sale of these packs. That being said, an important threat to these products is the specific tender approach used in Lithuania – which represents 100 percent of the market. Thus, the way this tenders operate is by individual product category rather than by the so-called “medical packs” – which is totally against our “therapy approach” solution. To transform such tenders’ praxis, we are favouriting dialogue with healthcare professionals and hospitals in order to communicate directly to them the benefits out from this “therapy approach” approach and little by little lead this transition; nevertheless, this change will certainly take time.

One of the main objectives of the government is to develop an outcome-based reimbursement system based on e-Health capabilities. What are your conclusions of the advancements in this front and how B Braun’s expertise could help the government to advance in this regard?

e-Health is a system that will be used mainly in hospitals and despite the fact that B Braun provides the most modern equipment to these institutions, we do not have enough local expertise to concretely help the government. I would define our business strategy in this arena as a “wait and see” approach in order to understand their needs in this front and subsequently introduce our solutions that could help the country to advance in this regard. Currently, we are waiting the government to introduce the system in the country in order to be able to connect our devices to it and help healthcare institutions to gather information thanks to the patient data management systems.

Medical Education plays an important role in the equipment industry to ensure that the end-users are properly using the devices and taking advantage of their maximum potential. How is B Braun helping its clients to take advantage of such technological developments?

Medical Education is highly important for us. Indeed, in our affiliate, our pharmaceutical division is formed by professionals with doctor education background to ensure the quality of our expertise. Additionally, our medical devices division also welcomes employees with a pharmacy or nursing background. Consequently, half of our team has a medical background, which ensures that both our teams are able to speak the same language as our customers.

On top of that, we are also participating in the education of healthcare professionals by training them on the efficient use of our equipment. That being said, B Braun has created the Aesculap academy that offers training to all doctors and nurses in order to correctly use our medical devices or properly pose an implant.

What are the key objectives that you would like to achieve in the upcoming three years?

In 2020, I would like to have developed and launched new products, especially in the implants division since it is rapidly growing. We will introduce new products every year in the same way we have worked in 2017 by promoting a new infusion pump as well as a new haemodialysis machine – which has been really successful.

In parallel, we would also develop our existing products in order to answer the current needs of healthcare professionals. Indeed, in the country's major hospitals, doctors are using the newest equipment and medical devices but they are constantly changing their habits aiming for better quality and efficiency every time. Therefore, B Braun, as one of the leading medical devices companies in the world, has a responsibility to provide higher quality as well as more efficient solutions to healthcare professionals.

Ultimately, our regional goal is to ensure the profitable growth of our affiliate aiming for a growth around 15 percent in the next three years and, subsequently, become the second largest affiliate in the Baltic region after Latvia.

As a more personal question, what do you enjoy more about working in a global company with a strong family culture?

Globally, we all feel very safe in this family-owned company and this is certainly reflected in Lithuania. In this vein, my job as managing director is to create a similar family-like environment for our employees so they can feel safe as well as motivated. I also want to ensure that Lithuania brings its part to the global company. Therefore, to incorporate Lithuania in the international map of the company, one of my foremost objectives is to ensure that our people's behavior are fully aligned with the mindset of a global company.

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