Interview: John Simmons – Vice-President Sales & Marketing (Health Systems), Philips Canada



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13.03.2018

Tags: Canada, Philips, Medtech, Homecare, Digitalization

John Simmons, VP Sales & Marketing (Health Systems) at Philips Canada talks about the company's commitment to delivering integrated health technology solutions that provide continuous care across the health continuum.

Can you provide an overview of Philips operations in Canada?

Philips has an integrated operating approach that offers a variety of innovative products in the areas of Personal Health and Health Systems—which includes solutions for Diagnosis & Treatment and Connected Care & Health Informatics—. Within our Health Systems portfolio, we strive to leverage advanced technology, coupled with deep clinical and consumer insights, to deliver solutions that improve people's health and enable better outcomes across the health continuum.

In Canada specifically, our *Health Systems* operations are focused on building relationships with local stakeholders and customers in order to offer value in delivering optimal patient care solutions through our sales, marketing and distribution channels. Our local organization is built to truly support our sales and marketing efforts, which includes sales teams specialized by modality, product specialists who are deep subject matter experts, a team dedicated to applications training and a capable service organization.

What were the highlights for Philips Canada in 2017?

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2017 was a successful year for us in Canada. On the commercial side, we worked on a number of very fruitful partnerships. A key example is our ongoing Managed Equipment Services partnership with Mackenzie Health—a regional healthcare provider serving residents in York Region, Ontario—. This is a strategic, long-term partnership aimed at redefining how quality healthcare is delivered. Philips will be providing a variety of cutting-edge health technology solutions, as well as service and operational support for Mackenzie's existing Richmond Hill hospital. We are also currently working on providing an entire suite of innovative health system products to contribute to Mackenzie Health's new 'smart' hospital in Vaughan, that is set to open in 2020.

Our partnership with Mackenzie Health aligns perfectly with our global Philips health technology plan to deliver integrated solutions across the entire continuum of care—including prevention, healthy living, diagnosis and treatment and ultimately transitioning patients into homecare.

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The number of innovative solutions we brought to the Canadian market last year is certainly another highlight. It is always rewarding to deliver new capabilities and technologies to the health system and observe the positive impact they have. For example, in November 2017, we received Health Canada approval for *Azurion*—our next generation of Image Guided Therapy systems—. The approval quickly led to product sales and installations at the end of 2017. In fact, Peter Lougheed Hospital in Alberta and the Royal Victoria Hospital in Barrie, Ontario were the first two hospitals in the country to install *Azurion* systems. The *Azurion* platform features an enhanced flat-panel detector and Philips' newly developed ConnectOS for the seamless integration of real-time information from all relevant technologies in the interventional lab. All of these components work together to deliver high image quality at ultra-low X-ray dose and real-time image processing on multiple work spots within the interventional lab.

While we are very proud of our 2017 accomplishments, we are excited for the years ahead, where we expect to continue to launch new innovative products and continue to build and strengthen strategic partnerships with all of our valued customers.

What is the importance of the Canadian affiliate for Philips globally?

Philips is based in more than 100 countries worldwide and Philips Canada is one of the top ten affiliates within the global Philips network. Canada is not only a vast, mature and well-developed market but it is also a good point of reference for other developed markets. Canada offers a fertile

environment for Philips to introduce new products, services or capabilities first and use these opportunities to share learnings and best practices with other markets.

A key advantage to being able to launch new technology in Canada is that it allows us to bring exciting, new innovations to the Canadian healthcare market. One example is *AlluraClarity* (*Azurion* ’s predecessor), which was launched in Canada before the USA, due to the fact that we received Health Canada approval before FDA approval. As a result, some Canadian hospitals offering this product became Philips show sites in North America and we were able to feature these Canadian healthcare sites on a wider regional scale.

What will be your key area of focus in Canada moving forward?

There are several areas of focus for Philips in Canada, and we prefer to talk about progress in terms of solutions rather than in terms of products. In the clinical space, we are focusing on delivering integrated solutions—suites of systems, smart devices, software and services—that we put together with our partners and customers to solve a particular problem. In this way, we actively address the challenges that healthcare providers are facing, helping to improve patient outcomes and productivity. This might involve one department or service, an entire care pathway or even an entire hospital.

As hospitals need to drive efficiencies, we present solutions like *Azurion*, which offer substantial workflow improvements, reduced procedure times and, overall, drive better outcomes for patients. Other countries might consider this technology an opportunity to stimulate revenues, while we look at this progression as a way to reduce procedure times for Canadian patients. *Azurion* is still in its early days, but being a leader in image-guided therapy is definitely a source of progress.

We are also increasing our focus on the area of digital pathology, as this technology stimulates enormous improvements for healthcare. Assuming we couple this progress with capabilities in artificial intelligence or machine learning, for example, we will be able to supplement what a pathologist would ordinarily work on, offering tremendous potential and opportunities concerning clinical outcomes, rapid diagnosis and image sharing for second opinions. We concentrate on solutions that drive meaningful long-term impact for healthcare systems that ultimately benefit everyone.

By harnessing the power of digital technology, Big Data and artificial intelligence, integrated health systems can deliver personalized and industrialized care models that herald a new era of value-based healthcare—and we are determined to drive that transformation.

Can you share with us some of the products that you will be bringing to the market?

Globally, Philips has a number of emerging businesses dedicated to identifying, developing and bringing to market breakthrough products and services that will help shape the future of healthcare, such as digital pathology, genomics and connected sensing.

Here in Canada, we are continuously working to bring new innovative technology to the market and I can tell you about some new Philips products that recently received Heath Canada approval.

On February 1st we launched our new product called *Lumify*—a transducer that can be used with any Android device to provide ultrasound images—. This product will change the way healthcare professionals use ultrasound technology and our customers are very excited about the idea of portability within the world of ultrasound. *Lumify* will not only increase ease of use and increase accessibility but will also expand the current market for ultrasound technology.

A few years ago, Philips acquired a company called Volcano Corporation and we completed the integration of the business about 18 months ago in Canada. The acquisition was very complimentary to the diagnostic tools we provide in the image-guided therapy space.

The combination of Volcano's broad portfolio of imaging and measurement catheters and Philips' leading interventional imaging solutions allows us to provide our customers with an integrated solution to improve procedural outcomes at a decisive stage in the health continuum.

Where do you see room for improvement in the Canadian healthcare system, especially within the approval and procurement space?

Philips Canada offers various technological solutions that span across various areas of the healthcare continuum.

Health Canada is currently working to ensure they can optimally meet deadlines for submission turnaround times, which will help remove a barrier to implementing new innovative healthcare solutions in this country. As an organization, we deal with 13 different healthcare systems in Canada and we sometimes face challenges in province-to-province dialogues and the procurement that these discussions entail. There is consolidation across some regions, which drives a certain level of efficiency while also resulting in increased price pressure and complexity.

Canada typically lags behind in terms of pricing and reimbursement compared to other developed markets and introducing innovation and receiving fair reimbursement can be a challenge. But it is important to note that the Canadian healthcare system faces similar challenges to any developed

global market: an aging population and the needs that come with it and the demands on healthcare systems are escalating, which creates significant pressure on our healthcare system's funding.

Overall, we continue to have good dialogue with Health Canada officials on some of the issues that cause delays in approval cycles, enabling the industry to provide cleaner submissions. And we look forward to continuing to work with our customers and regulatory agencies to offer new and innovative solutions to address the system's challenges.

How do you communicate the value of your products to the healthcare authorities?

It is our responsibility to provide data and information to substantiate the positive impact that our technology brings to the healthcare system. Despite some of the challenges we face, there are many encouraging signs that stakeholders are starting to acknowledge the value we bring to the system, and ultimately to Canadian patients.

We see clear efforts in Ontario specifically, with the appointment of the Ontario Chief Health Innovation Specialist, William Charnetski, to drive pathways to enable companies to bring innovation to market and put the respective funding in place. We have been fortunate to be able to work with the Population Health Research Institute, who is the recipient of this type of funding and is utilizing our Early Warning Scoring system called *IntelliVue Guardian Solutions*. Alberta has made a similar investment through Strategic Clinical Networks (SCN), as a path to introduce innovation in the market. These partnerships are essential for us to drive innovative solutions in Canada.

Integrated solutions require a full understanding of healthcare strategy, a mastery of design and technology, a tenacious ability to integrate disparate parts and strong program management. At Philips Canada, we build strong ties with our customers, we speak their language and we have the world-class capabilities to design and develop—in a process of co-creation—the solutions that meet their evolving needs.

Leveraging our expertise and experience in both the clinical space and consumer technologies, we're helping healthcare providers, patients and companies address the challenges they face, by applying our unique ability to develop and deliver solutions that span the health continuum. As we address healthcare as a 'connected whole' in this way, we can unlock gains and efficiencies and drive innovations that help improve people's health and enable better outcomes at lower cost.

Philips provides homecare solutions and the former federal Minister of Health made homecare a priority for her tenure. How can these solutions contribute to a more

sustainable system overall?

Providing patients with the ability to make a seamless transition from acute care to homecare is another priority for Philips. This is a significant issue for the Canadian healthcare system because if we can decrease or manage the time patients spend in hospitals and effectively transition people into the homecare environment, we can increase efficiencies and as a result, free up hospital space for patients that really need it. Ultimately, we know that if patients are in their homes, surrounded by loved ones and cared for with the right clinical support, outcomes are generally better. There are reams of outcome data that demonstrate the clinical benefits of homecare, and it is encouraging to see increased spending for homecare on federal and provincial levels.

In Canada, Philips has pilot projects underway that investigate homecare solutions, leveraging models that have been well developed in the US through a number of partners. These pilots are focused on providing a bi-directional communication framework between health care practitioners and their home-based patients to document and trend physiological data, provide education and support and other necessary elements to manage chronic or acute conditions.

Additionally, Philips' Lifeline personal response service continues to transform the aging experience, by providing easy-to-use personal response service that lets a user summon help any time of the day or night. By delivering personalized services and solutions, Philips Lifeline allows seniors to live independently with grace and dignity in a place they call home.

At Philips, we are ideally positioned to help consumers on their health journey and to connect them to their caregivers for the right intervention, at the right place, at the right time.

Where do you see room for growth in the Canadian market?

Philips' core focus is on delivering innovative health technology solutions to our customers. Fortunately, we are uniquely positioned in that we have an unparalleled breadth of products, services and solutions that affect all areas of life: from health systems technology to oral healthcare products, mother and childcare, healthy eating and personal response monitoring. With this service offering, in a mature Canadian market, we choose to create new markets and solutions, whether it be digital pathology, image-guided therapy or others. Being able to address unmet needs in the market is particularly exciting.

Philips Canada is very active in our customer-oriented focus; we are well structured in our approach to the market and we always keep the customer in mind. Our goal is to be intimate with our customers and understand what they are trying to accomplish and work with them to develop

solutions to their problems. We are not just another vendor that sells equipment. A great example of our solutions-oriented approach is our partnership with building the new Mackenzie Health hospital, where we are deeply embedded in their strategy and intend to integrate and achieve their vision, as they work to build a ‘state-of-the art, fully integrated smart hospital.’ Size and scale afford us this progress; we are large enough that we have the depth of resources and expertise across the organization, but small enough to build long-term effective relationships with our customers.

Our Health Systems business offers innovative solutions in the areas of diagnostic imaging, image-guided therapy, patient monitoring and health informatics, as well as in consumer health and homecare. Our Professional Healthcare and Consumer portfolios are increasingly connected and data-driven. As healthcare needs in Canada continue to change, this opportunity for growth positions us to better serve consumers, patients, clinicians and caregivers in an increasingly connected world.

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