Interview: Steve Gundersen – President, BD Canada



"Health Canada is moving in the right direction, bringing forward value-based, packaged and integrated procurement systems."

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Despite Canada's provincial approach to healthcare, Steve Gundersen, president of BD Canada's operations, praises the collaborative spirit of healthcare stakeholders at all levels in order to overcome the challenges, such as a decentralized system, and to make a meaningful difference to Canadian patients.

Having spent most of your career with BD in the United States, how did you find the Canadian ecosystem when you arrived two years ago? What surprised you?

The overriding goal of both systems is very similar—to get better healthcare quality at a lower overall cost—. However, there are, of course, specificities to each. In the US, the market is very much driven by the consumer, whereas in Canada, the government is the main driver. Both models present some challenges, but in both locations, our focus and motivation are centered on how we enhance the patient experience and how we create a positive impact on healthcare overall. The most surprising fact to me was Canada's provincial approach to healthcare, in particular how much influence regional authorities have in driving healthcare outcomes forward.

What is BD's footprint in Canada today?

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In Canada, we have both commercial and manufacturing operations. With the recent acquisition of Bard, we now have approximately 700 employees in Canada.

In particular, our manufacturing facility in Québec is specific to our BD Diagnostic Systems business, and we have over 200 associates working in this facility. By manufacturing locally, we are able to leverage the great Canadian talent and expertise needed to make an impact in healthcare.

It may surprise people that we have such a high number of associates here, but BD is very well-established in Canada, and we continually look for ways to expand our operations as well.

Speaking about the integration of Bard, what has been the impact on the Canadian operations?

The integration of Bard's operations will be very complementary in terms of our overall product offering. Our full suite of medical devices, diagnostic systems and biotechnology can be found virtually everywhere: a typical patient visit to any Canadian hospital will include the use of at least one BD product. Now, with the Bard portfolio, our reach within the healthcare system is even broader.

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We are uniquely positioned to improve both the treatment of disease for patients and the process of care for healthcare providers. This builds on BD's leadership in medication management and infection prevention, with an expanded offering of solutions across the care continuum.

From an organizational perspective, we are already seeing a great cultural fit and look forward to making an even greater impact on the Canadian healthcare system.

What were some of the other highlights in 2017? How did the company perform?

BD Canada performed very well in 2017, not only from a financial perspective, but from a societal perspective.

As a region, we strongly believe in giving back and partnering with associations on important social responsibility activities, including Leukemia & Lymphoma, Canadian Red Cross, Health Partners International of Canada, and Juvenile Diabetes Research Foundation. This plays a key role in the reason why people like working at BD.

How do you differentiate yourself from the competition and where do you identify room for growth?

BD's products, technologies and solutions can help address today's most pressing healthcare issues. Being a larger organization allows us to deliver a positive customer experience, whereby we

can help reduce costs and improve quality for patients throughout Canada. The breadth and depth of our portfolio is a key differentiator because it allows us to partner with hospitals to create solutions through a suite of offerings to solve problems, versus just looking at individual products to sell.

In terms of growth potential, we are driven by the fact that there is a need for better healthcare in Canada. One example in where we have applied this approach is in the realm of medication safety and our automated dispensing products (i.e. units situated on nursing floors that contain pharmaceutical drugs). There is a network in place to ensure that those products are appropriately dispensed to the appropriate patient at the appropriate time. Without this network, hospitals would have to determine their inventory of expensive drugs on their own, which could potentially result in the lack of important safeguards or an increased risk of diversion.

Canada is, generally speaking, quite underrepresented in automated dispensing units for pharmaceuticals. There is opportunity for growth in our automated dispensing platforms through greater investment from Canadian healthcare providers.

For BD, we feel we have a responsibility to create awareness for this need, as our solutions can act as an enabler of electronic technology that benefits Canadian patients. Most importantly, in this pursuit, is the collaboration with a variety of stakeholders, including thought leaders, doctors, nurses, and hospitals, to help drive change.

How do you define the importance of market access and public affairs within BD?

Our approach to the healthcare system is two-fold, as we are working with both direct and indirect stakeholders. Direct stakeholders include: hospitals, healthcare providers, doctors, nurses, all of which have their independent budgets and frameworks within which they operate, including the observance of their policies, environment, reimbursement pathways and market access. Indirect stakeholders involve academia, policy makers and those people who are determining the healthcare system construct for the entire country. Bridging the gap between these two groups requires a lot of health economic evidence (i.e. clinical data).

The goal is to find a way to communicate with policy makers in order for them to shape an environment that both fosters the adoption of innovation, as well as improves clinical and patient outcome efficiencies. It is a balancing act between people who are directly at the frontlines, and individuals who are shaping the future of Canadian healthcare.

Our value-add is that we engage policy makers on a variety of issues, such as patient safety and impact, efficiencies, better access and better outcomes, while simultaneously trying to improve and engage in policies that foster healthcare excellence.

Typically, the issue of health outcomes is much more prevalent in our discussions with pharmaceutical companies rather than medtech organizations. How has this doctrine evolved within BD and how are you bringing innovative solutions to the authorities and healthcare providers?

We reached a huge demand supply gap in our healthcare system, in both pharmaceuticals and medical devices. This is due to growing disease patterns, average population life expectancy and finite resources. All this has led to a culture where the discussion is very centered on costs and whether you can increase the budgets available or find ways to be more efficient. We are at a particular inflection point where the future will be driven through efficiencies and value-based outcomes. Compared to the pharmaceutical industry, I think that the medtech sector is catching up, driving the discussion around value.

BD Canada is a center of excellence for HEOR (Health Economics and Outcomes Research) and we pride ourselves on being able to contribute to change in the healthcare system.

This is another example of a stronger offering through a BD and Bard combination. Bard has traditionally focused on improving the treatment of disease (outcomes) and BD has traditionally focused on improving the process of care (efficiency and cost). The combination brings a strong alignment on value for both outcomes and efficiencies.

In which areas could the Canadian authorities improve when it comes to access to innovation?

Change is required in order for Canadians to have access to the latest technologies within the healthcare system. Currently, technology is developing at a rapid pace, but the procurement processes have not kept up with this pace.

Health Canada is moving in the right direction, bringing forward value-based, packaged and integrated procurement systems. Moreover, we see the appointments of chief innovation officers in certain provinces and others who are catching up in this regard as well. We are at a very exciting time where you can see the healthcare system has realized that it is being outpaced by the rate of innovation and the growth in demand.

How would you assess the quality of interaction with authorities in general?

Generally, there is good access to authorities and a lot of general interest in being progressive. There is a strong collaborative spirit between the ministry, health networks and industry. We observe a lot of collaboration that we can harness to move healthcare issues forward effectively. There is a willingness and appetite to listen to better ideas and learn from other people's experiences, especially from the US and European markets, but the speed is sometimes not what the industry wants it to be. It is often not a question of 'Yes' or 'No', but more a question of 'How?'

However, we have to take into account that the Canadian healthcare system is rather large and will need time to catch up, especially because it is decentralized with many different stakeholders involved at all levels.

The environment in Canada is very positive and receptive, and I believe that this is the reason that has kept Canada as one of the leading healthcare systems of the world.

What importance does Canada hold for BD?

The Canadian market embraces a spirit of collaboration. Given our size and access to authorities, we have an opportunity to implement unique programs that others can learn from. Canada embraces a public participation model, where the voice of the patient remains at the center and is taken into account.

Whether helping to create patient safety legislation or mobilizing during medical emergencies, BD Canada provides the knowledge, products and support to ensure a healthier, safer society for all Canadians.

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