Interview: Filipe Paias – General Manager, Baxter Portugal



"Aside from the company's success, Portugal is a fantastic pilot country. Despite the fact that we face many challenges, the way that we overcome these challenges can be the benchmark for bigger countries."

20.06.2018

Tags: Portugal, Baxter, Pharma, Strategy

Filipe Paias, general manager for Baxter International Portugal, illustrates the organizational change Baxter has undergone in the past three years, in both process, strategy, and reputation. In Portugal, Baxter is the market leader in several therapeutic areas, and Paias outlines the plan to build upon this success while consistently adapting and innovating to reach future goals.

What were your priorities when you took on the role three years ago?

Baxter has undergone a profound change process over the last three years, particularly with the arrival of our new CEO, Joe Almeida. Two significant factors prompted this strategic transformation; one, the integration with Gambro AB, a dialysis specialist part of a Swedish multinational, and second, the spin-off of our biosciences arm of operations, Baxalta, which was bought by Shire.

In a competitive market such as Portugal, the most critical objective is to engage with the perception that the services we provide are not commodity products, and indeed, contribute to the sustainability of the healthcare system. In 2015, we realized that the course we followed was not enough to differentiate ourselves from the competition: prices were decreasing, the competition was increasing, and new products flooded the market. As a result, we needed to reinvent ourselves.

The transformation focused on three elements. Firstly, we restructured our portfolio to ensure that we covered the sides of the market most relevant to Baxter and our patients. Then, from an

operational standpoint, we set out to understand how best to execute our strategy with the right people working in the right environment. And third, we reinvented the Baxter brand to switch our reputation from a classic pharmaceutical company to become an innovative, future-focused business.

How successful were you in reworking Baxter Portugal?

Globally, Baxter is well known for its 2020 framework, a global initiative outlining our strategic priorities until 2020. Our focus is to expand and strengthen our portfolio, introduce numerous medical innovations, through transformative innovation that includes prevention to recovery, execution of pipeline opportunities, and geographic expansion. Therefore, we define our goals regarding patient safety and quality; growth through innovation; best place to work; and market leading performance.

One of Baxter’s unique features is our agility—our ability to make quick decisions thanks to our light organizational structure. In three years, we have become experts in launching products quicker than our competitors. If we compare the Baxter of 2018 to Baxter three or four years ago, the change is drastic.

Our evolution from a traditional pharmaceutical company goes to show how Baxter has become a disruptor in the medical technology landscape. Nonetheless, despite that we are now far faster and more agile than before, the Baxter mission has not changed: all that we do is to save and sustain lives.

[Featured_in]

Tell us more about Baxter’s vision.

We are committed to improving the lives of patients and helping our partners meet the challenges and opportunities that come across in the health sector. Therefore, Baxter focuses every day on the delivery of transformational innovations that allow a smarter and personalized service for all.

There is a strong feeling within the Baxter culture that we think with and alongside the patient—as opposed to prioritizing commercial gains above patient outcomes. For instance, at Baxter, if we sell a parental nutrition bag for a baby, we regard the exchange between doctor, patient and Baxter as having treated one baby with a Baxter product. Baxter has at its core the intention to convert what we do into improving patient safety, while sustaining and saving lives. One of the most difficult challenges in the pharmaceutical business world is convincing people that the end goal is health, but Baxter has succeeded.

How is Baxter positioned on the market in Portugal?

We are currently market leaders in IV fluids, inhaled anesthetics, clinical nutrition, home and acute dialysis. Mostly, if we consider the market maps within the Portuguese reality, we are leaders in all of the markets in which we are present. This is a sign of a job well done, and a sign that an integrated approach works well. That said, cycles in the medical technology business become shorter, and we know that despite being market leaders we must continue to reinvent and to innovate.

Holding the number one spot in our therapeutic areas carries a serious responsibility. Healthcare authorities expect more than simply the provision of high-quality products. Anecdotally, I recently happened upon a phrase that resonates with my work here at Baxter: the importance of 'value-based change that presets expectations.' I used the phrase during a hospital association group meeting to illustrate that Baxter is an innovator and aims higher than holding the number one spot in our therapeutic areas. Equally, hospital and healthcare authorities understand that market leaders must lead the way in driving innovation, and promoting value-based change that presets expectations. What's more, being number one on the market provides legitimacy in promoting discussions on innovation, with an intention to mitigate, and in some cases, eradicate underfinancing problems through efficiency.

To what extent is the government open to discussion on tackling financial issues through improving efficiency?

Government engagement is directly correlated with the ability to demonstrate the execution of what one puts forward. Not only do we need to prove the innovation for which we advocate, but also we need to illustrate the impact and value of that change, using real-world evidence. The credibility we built in bringing real-world evidence of our successes to light, and in bringing in innovation puts Baxter in a better position for these sort of debates. Furthermore, we see companies nowadays who seek to make a profit from the healthcare system, by taking more value from the healthcare system than they inject; whereas Baxter's innovation pursues the creation of value.

What is your assessment of the market access environment for medical devices in Portugal?

The system could benefit from improvements. Firstly, we must be clear in not grouping the pharmaceutical and medical devices market together. The life cycle of a product in pharmaceuticals is over ten years, and in medical devices, it is two. Therefore, from a healthcare

perspective, we cannot use the same methodology that we use for pharmaceuticals on medical devices, when in practice, the pharma methodology is shoehorned into the medical devices world.

Regarding procurement, replacing products every two years is a prolific rate and represents a serious challenge for producers, and we must therefore serve to promote the understanding that medical devices are a different environment pharma. Baxter is one of the most credible voices given Baxter's status as a diversified company: we have pharmaceuticals, medical technology, services, the whole value chain. However, the way that authorities by each segment are the same. Moreover, we need to operate at a faster pace. We must create conditions that provide access to patients sustainably.

What case do you put forward to headquarters to advocate for investment into Portugal?

Firstly, we are market leaders in several therapeutic areas, proving that we lead the way in what we do. Aside from the company's success, Portugal is a fantastic pilot country. Despite the fact that we face many challenges, the way that we overcome these challenges can be the benchmark for bigger countries. We can therefore test and mitigate part of the solution in Portugal, a smaller market, before translation to larger economies.

[related_story]

Regarding the talent pool, the Portuguese workforce is very well prepared and always finds a way to make things work. Through a combination of resilience, flexibility, and creativity, the Portuguese are world renowned for their drive and results. Also, historically speaking, the Portuguese have built up a reputation for being the country where fading ideas are given new life.

What do you do to attract and retain the best talent?

One of Baxter's primary intentions is to increase diversity, whether that be through gender, age or background. Baxter features as one of the best places to work in Portugal which is in some part thanks to our projects with millennials, whereby we actively encourage communication between senior management and younger employees. We also host leadership roundtables for women once a quarter where specific topics and opportunities are identified with an eye to implementing the result of these discussions. Over 55 percent of our team is women, which is rare for a biotech company. And, given our reputation as a promoter of disruptive change, the average age at Baxter is roughly 43 years old, and Baxter often hires young. Indeed, I was pleasantly surprised to join Baxter in my 30s and personally, I respect the daring nature of young people in wanting to learn, to

take risks provided that, as our global CEO states when they fail, they ‘fail fast and fail forward.’ The balance between the youth and experienced, mature employees brings value and a dynamic vision to the company. Many of the results we see today are thanks to our engagement of both young and old because above all, Baxter selects competency over any distinguishing feature.

What is your strategy looking forward?

We will continue to build upon our reputation for being an innovative, exciting and surprising company, that delivers change in a speedy and agile way. The execution framework that we have at Baxter: ‘perform, accelerate and transform’ will guide our path in maintaining our position as market leaders in Portugal.

See more interviews