

Stéphane Regnault - President, Vygon, France



One of the biggest challenges that Vygon is facing is that the health authorities know very little about medical devices

29.04.2019

Tags: [France](#), [Medtech](#), [Vygon](#)

Stéphane Regnault, president of Vygon, shares how the company has grown in size and international footprint over the past several years as a leading domestic French medtech. Regnault goes on to offer his expert opinion on the current dynamics impacting the industry and the French healthcare system.

You have now been in this industry for nearly 20 years, you have been the president of SNITEM for more than five years and president of one of the few French mid-sized medtech players. Looking at the global medtech landscape, what would you identify as the most important trends pertaining to the sector?

The first most important trend we have seen is the globally growing demand for medical devices overall. There is a slight stagnation in developed countries, but in South America, Asia, and other emerging regions there is a dynamic health market. In North America and Western Europe, there is still a positive demand trend, but prices are going down.

Through the *My Santé 2022* program the government is intending to move away from a singular reimbursement scheme to develop a strategy for reimbursement which is more adapted to the patient journey, taking into account new decision tools such as quality indicators. What is your view on this reform?

This is a very positive initiative and I am pleased so far with what has been said by the authorities in the presentation of this plan. At this point, the industry is waiting for concrete steps to transform these promises into a real evolution of the market. France is a unique country and often, it is difficult to change things without a real revolution, which can sometimes be painful. Therefore, we hope to see this program to be able to bring improvements to the system without drastic measures.

Today, the entire health system is under a lot of pressure. Not many people have a clear view of where the system is going, in particular, it is difficult to measure the cost of treatment for one patient of one disease across the entire value chain. One of the major objectives of *Ma Santé 2022* is to establish a process from which this figure can be extracted. This program will play a major role in improving our ability to manage healthcare within France and also break down some of the walls that exist within the system currently.

What challenges is Vygon facing in today's current healthcare environment?

One of the biggest challenges that Vygon is facing is that the health authorities know very little about medical devices. A medical device is anything but a drug – which is a very wide and diverse definition which makes it very difficult to define a single way of dealing with the industry. However, the commonality is that each device is a tool which needs training.

When complications arise with medical devices, the industry is always blamed as guilty. Yet if you dig deeper, more times than not, the way the devices were used is what caused an issue. In the medtech industry, tools are being purchased and if professionals do not know how to properly use these tools, they will face many issues. The necessary training was for the most part included in the price of products, but the reduction of spending has made it increasingly difficult to fund the crucial training practices.

In many western countries, there is a perception that health professionals should interact with the industry as little as possible which is a huge mistake. Without professionals, it is impossible to innovate the tools which will be used by surgeons, physicians, and nurses. Innovation in medtech comes from the collaboration between doctors and engineers. Furthermore, if our people are unable to reach healthcare professionals directly, they will not be able to deliver the necessary training needed for products which of course will result in major problems.

What is the current R&D capacity of Vygon and what innovations does the organization bring to the medical device sector?

Going to the roots of innovation in the medtech industry, any new methodologies or technologies can have some kind of application for healthcare. Therefore, Vygon is open to any kind of innovation that can be extracted from every and all areas of technology. We try to identify the most breakthrough trends in the market and apply them to medical devices.

All the innovation we are bringing to the market is aimed to ease the way healthcare is provided to patients. Vygon strives to reduce the complexity of treatment for health professionals, offer more comfort to patients, lower health risks, and increase the overall safety of products. For example, we have identified that the level of contamination in oncology wards are typically very high. Therefore, Vygon created a solution to connect drug delivery systems which avoid the leakages which result in contamination.

How is Vygon positioned in the market and what have been the key developments in the company's global presence?

Today Vygon has achieved EUR 325 (USD 367) million in turnover, making us the second largest domestic medtech player. We have pursued strong development in South America and Asia while also growing in central Europe on a smaller scale. There has been a stagnation in France and unfortunately a decrease in sales in the UK. However, the UK continues to be our number one market closely followed by France despite the lower profitability we were hoping to achieve.

In the UK, like in France and other western European countries, we were able to offer a very high level of the product along with in-depth training services for health professionals. The products themselves are a key part of health solutions, but best practices are also a critical point. However, as health systems are looking to decrease prices, payers are only interested in the products themselves and not the entire solution. We are worried that this mentality will lead to another rise in medical complications and infections caused by the lack of knowledge and expertise when using medical devices.

Emerging markets today are very demanding, especially when it comes to knowledge. We expect major growth from these countries and are well positioned in key markets such as Brazil and China through a trusted network of distributors.

What implications do you believe Brexit will have on Vygon's operations?

There are two major issues we face with Brexit: the registration of products and import logistics. Vygon has already registered some of its business with a notified body, but many of these organizations are saturated with high demand. Additionally, we are preparing by building our stockpile within our UK subsidiary in preparation for whatever is to come. Overall, Brexit is shrouded in uncertainty and it is difficult to anticipate what the outcome may be; therefore, the only solution is to prepare in advance for any situation.

How would you today describe your external growth strategy to truly double the revenues of the company by 2022?

If we want to achieve our goal in doubling Vygon's turnover within ten years, we absolutely need some external growth. We are primarily driven in M&A activities by portfolio expansion rather than geographical, as this is something which can be done alone relatively easier. Due to the increasing stringency of regulations, much of the company's resources are being applied to this area which has slowed down our external growth activity.

Looking forward, what are your key strategic priorities?

We have two primary objectives: to continue our geographic expansion and to revitalize our R&D. For the time being, Vygon is a European company active in the Americas and Asia, but our ambition is to become a worldwide organization. With the refocus we had to make on our regulatory team, I believe we are now well positioned to bring back more resources into R&D because, in the end, innovation is always at the core of Vygon's competencies.

[See more interviews](#)