

## Mark Yang - CEO, GaleMed, Taiwan

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*Mark Yang, CEO of GaleMed, elaborates on the medical device manufacturer's transition from a privately-owned company to being acquired by private equity firm Nexus Point Capital. Yang goes on to explain the new strategic vision of becoming an R&D-driven solutions provider to globally leading medical device companies while simultaneously building their own internal brand value with the ambition to be Asia's leader in respiratory and anaesthesia system solutions.*

**You have had quite an accomplished career working with both top names in big pharma and specialty medical device companies. Can you start by introducing yourself and your journey to GaleMed?**

I am a pharmacist by training who later received an MBA from the University of North Carolina at Charlotte. I have worked in the healthcare sector for over 30 years, the first half of which was spent in big pharma between several of the industry's largest players like Johnson & Johnson and GSK. About 16 years ago I changed directions and joined Hospira for assignment over the spin-off from Abbott to manage their operations in the Greater China region. I spent 11 years in the role, managing both pharma and medical devices, focused on the hospital sector for reimbursement business and certain parts over consumer space on PCA specialty area.

After this experience, I moved to China as a managing director for a Swiss-based hearing solutions company, Sonova, where I spent over two and a half years for their operations include commercial

& manufacturing activities. Finally, I joined Nexus Point Capital, a private equity firm which just earlier this year acquired GaleMed, which brings me to my current position as CEO.

**How have you been managing the transition that both yourself and GaleMed are experiencing?**

The acquisition was completed this April and I took on the role to lead GaleMed about three months ago. As a newcomer, my priority has been to get to know the business, meet my team, and better understand GaleMed's positioning in the respiratory and anaesthesia interfacing system space. So yes, this is an adjustment period for myself, but I am excited about this opportunity and am looking forward to achieving greater success with the company.

**Can you take a moment to describe GaleMed?**

GaleMed had been built up by its original owner for the past 30+ years to be a very reputable player in the respiratory and anesthesiology field. We are an innovative R&D-driven manufacturer and supplier operating at the global level to bring high-quality solutions in this specialty space. We work with globally leading brands to serve hospitals, home care centres, patient centres, and even aerospace – for example by producing the emergency facemask for the commercial air travel sector.

**What is the breadth of GaleMed's product portfolio?**

As I mentioned that GaleMed is a leading strategic partner for global brand respiratory and anaesthesia medical device manufacturers. We offer a full range of products covering the categories of emergency care, manual resuscitation, oxygen therapy, aerosol therapy, spirometry and lung training, sleep therapy, humidification therapy, and breathing circuits, including components and accessories. All together GaleMed can offer its partners varieties of solutions across all nine of these key product categories. Working to improve the care of patients and the ease of administering respiratory treatments, our comprehensive range of solutions is designed to enhance both the patients' and clinicians' respiratory experience and improve clinical performance.

## **What is GaleMed's current positioning within the global medical device market?**

When it comes to the big-name medical device companies, they cannot produce all the necessary products and accessories themselves. Therefore, having a strategic manufacturing partner is essential to their operations. This is why we have positioned ourselves as a world-class partner of choice who can provide a value-added service offering that meets the needs of top tier medical device players.

We have had a long-term working relationship with some of our biggest partners for over 25 years. GaleMed's management philosophy for the last three decades has been centred around serving our customers as a strategic supplier. When it comes to not only quality, but even manufacturing exclusivity, for example, keeping true to the agreements we have established, and the expectations of our partners are the top priority for GaleMed.

On the other hand, since GaleMed is committed to serving the globe, we do have our own product brand. However, we do have territory considerations when it comes to branding and market exclusivity. In the markets which we brand ourselves, finding the right distributor who can represent us well is equally important for our business strategy.

Within GaleMed's operations, about 60 percent of our business comes from our OEM/ODM services whereas the rest comes from the marketing of our own product brand & private-label service. Finding the right balance between these activities is vital to our philosophy of ensuring that the best healthcare products can be made available to physicians and their patients.

## **As an experienced leader in the medical device space, what would you identify as the top trends impacting the sector globally and how are you building GaleMed's strategy in this context?**

Going from being an individual-owned company to being acquired by a PE firm, we are re-evaluating our strategies moving forward to examine how we can best maximize our unique positioning within the respiratory market. Therefore, we will further examine our strategic manufacturing offering while also investing in more R&D projects and continue to build our expertise in respiratory and anaesthesia.

Turning to the threats of the market, there are many products and services in this sphere being commoditized due to new players emerging from markets like China and India. However, GaleMed is dedicated to our corporate philosophy to maintain quality and follow global standards for medical

devices. We will not sacrifice quality in order to compete in highly commoditized markets where a low price is the only competitive advantage. While pricing pressures are a reality which we must face, our strategy is to invest more in innovation to offset competition from lower-priced manufacturers.

Furthermore, I would like to highlight that in the medical device industry regulatory bodies around the world are becoming increasingly stringent, particularly in the European market. The European Commission is transitioning from a medical device directive to new medical device regulation (MDR) requirements which will have to be met by May 2020. This will be a major hurdle for any player entering into this market but in particular for those who are solely competing on price. For GaleMed, we see this more of an opportunity to drive forward our own offering and standards while improving our strategic positioning.

### **What would you consider to be the advantages of having your operational HQ in Greater China region?**

As a Greater China-based company, we have access to a great pool of talent at a more competitive human cost point compared to the western market. Our employees both in China & Taiwan are all highly educated, hardworking, and committed to bringing their company's business to an international scale. Additionally, the IT and manufacturing infrastructure in the Greater China region are one of the best in the world. As a medical device company in this market, there is ample opportunity to have conversations with R&D experts to consider how these advanced technologies can bring new value to our portfolio or service offering.

### **Are GaleMed's operations being impacted by the current US-China trade war?**

Overall, each industry is being affected by this political situation. Although GaleMed does have a manufacturing facility in China, we have managed to control the few small hiccups we experienced due to the trade war between the US and China. Despite political contexts, when it comes to healthcare and patient-centred sectors such as medical devices will be prioritized or even excluded from such conversations.

**Even in the medical device sector, the impact of Industry 4.0 is a widely discussed topic. Between the merge of ICT and medical devices, how do you expect to see digital innovations shape the sector?**

In order to move forward and bring more innovative solutions to the healthcare industry, being able to embrace digital trends is key for any company in the sector. In particular, IoT will have a major impact in this space and especially here in Taiwan we already see ICT players collaborating to varying degrees with medical device companies to create new digital capabilities. Additionally, in the hospital management sector, there is a sizable potential opportunity to help reduce costs and minimize errors. The era of smart hospitals will see digitized communication channels, an increased generation and utilization potential of patient data, and even automated monitoring and drug delivery systems. In the future, all of these combined aspects will result in an increased quality of care that is even more patient-centric.

**What international strategy have you identified for GaleMed?**

Considering our current product portfolio and service offering, we aim to serve more international players. We would like to also work with regional brand manufacturers who have their own product offering as well, this way we can work together to create tailor-made system solutions for them. China as the core of GaleMed's growth engine that we will look for more opportunities to expand our market penetration by collaborating more with a nation-wide distribution partner. As I mentioned, looking into potential acquisition targets will also help to grow our product portfolio here in the Asia region.

Looking forward, GaleMed will be positioned as a Greater China-based player serving international clients. Our goal is to be the premier Asian strategic partner for the global respiratory and anaesthesia market.

**As a newly appointed CEO, what corporate vision are you looking to set for your team?**

As a matter of fact, we have just completed our GaleMed 2.0 corporate workshop to determine the future vision and mission of the company. Our vision is to be the preferred strategic partner who will provide varieties of solutions to the respiratory care space. Our new mission statement also set forth based on our vision that is to improve total respiratory care quality through best-in-class products and customer-centric services.

**What advice can you offer young professionals entering the healthcare industry for achieving success?**

Persistence as the key to success is not only healthcare but any industry. It is important to keep your belief close to you and lead your team towards a shared goal. I would also say that constantly learning is equally important hence my progression from pharmacy to MBA education and big pharma to medical devices in my career.

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