# Filip Standaert – Managing Director Nordics, Johnson & Johnson



***There is still change management to be done together with the [Norwegian] hospitals, but the situation is now changing rapidly, with more and more procurement officers, surgeons, and nurses open to the value approach***

18.12.2020

Tags: Norway, J&J, Medtech, Hospitals

*Filip Standaert outlines the significance of the Nordic cluster to J&J's medical device operations in Europe, how the affiliate responded to the COVID-19 crisis, and the ways in which J&J is aiming to contribute to driving efficiencies within the Norwegian healthcare system.*

**Could you begin by giving our readers an idea of your background and how you came to head up J&J's Medical Devices operations in the Nordics?**

I am an economist by training and have over 20 years of experience working for Johnson & Johnson across the US, Germany, and Benelux. Interestingly, 15 of those 20 years were spent working for J&J's pharmaceuticals arm, Janssen, so I have a perspective including both pharma and medical devices. Generally, people at J&J stay within one of the company's pharma, medtech, or consumer healthcare silos, but as pharma and medtech become increasingly interrelated and the need for integrated healthcare solutions increases, this broader perspective will become more important.

**In February 2020 you took on the role of MD for the Nordic region of Sweden, Denmark, Finland, Norway, and Iceland. What mandate were you given and how important is this cluster to the European group?**

The Nordics is one of the Top seven biggest markets in EMEA for J&J and is geographically huge. Upon taking up the position, I was faced with two main missions. The first was making the Nordics into a healthcare pilot and innovation hub for Europe. The region has all the elements to be able to do that, with very good healthcare systems, a lot of existing data – which is vital for the future of healthcare –, and a general culture of innovation. Based on these fundamentals, I want to accelerate the Nordics as the place to be for innovating, testing, and piloting future healthcare innovation.

The second mission is to walk the fine line between leveraging the synergies between the five Scandinavian countries and respecting country-specific needs. By taking a balanced but Nordics-wide approach, the combined region can become greater than the sum of its parts.

**It is tempting to see the Nordics as somewhat homogenous, but what challenges exist in managing these five countries as one cluster?**

A lot of multinationals operate in the Nordics as one team and so have a ‘Nordic’ organization. However, J&J has moved back to a decentralised model with local organizations and dedicated country directors to cover what are in fact quite different markets. Our experience has taught us that the customer connection part of the company dealing with hospitals and surgeons – which is the most important – works best with local people, local programmes, local language, and local talent.

We do maintain some general functions centrally, such as regulatory, HR, finance, and supply chain, but all the customer-facing and value addition work is now local.

**What have been the challenges of onboarding an enhanced new role in a new country during a pandemic?**

It was a beautiful experience, probably the busiest but most enriching year of my life! As a leader, it was, of course, a huge challenge to join a massive cluster organization with only three weeks to connect face-to-face before everything moved to remote working during the COVID-19 pandemic. J&J immediately implemented safety measures & safe home-working modus in all countries. Therefore, my first 90 days at the helm of the Nordics was done almost totally remotely.

However, in times of crisis such as we were facing back in March, leaders need to quickly step up and take charge. Managing through the past nine months has worked out extremely well and helped create a unique bond between me and my team. It’s a rule of thumb, “every crisis has it’s positives”.

**Globally, the Medical Devices sector has suffered in 2020, with many healthcare systems deferring medical procedures to focus on managing COVID-19. How has J&J responded in the Nordics and what has been your strategy throughout this crisis?**

We lost a significant volume of our business when all non-essential surgeries, such as orthopaedics for new knees and hips, were postponed. Emergency surgeries in oncology and for trauma were, however, still carried out.

Additionally, there has been a drop in the number of cancer diagnoses, which is very worrying. With fewer patients being diagnosed out of fear of going into hospitals, there has the potential to be a backlog in the next year or two.

The biggest challenge for hospital systems in 2021 will be to reduce the waiting lists, which were already long before the COVID-19 pandemic in Norway. Tens of thousands of patients were waiting for treatment due to a capacity problem in the system; a number which has now doubled. Therefore, Norway will have to find a way to be more efficient to treat these patients. J&J has tools to help achieve this and we will offer our full expertise and value to the Nordic hospitals for this.

**How can a company like J&J contribute to driving efficiencies within the Norwegian healthcare system?**

J&J aspires to be a value partner, moving from providing medical devices alone to medical technology more holistically. Instead of only providing components and operational tools, as a true medtech partner we deliver 360-degree value to hospitals in partnership. This is a big trend throughout the medtech industry, but we want to be a frontrunner in providing long-term value to hospitals and driving efficiency.

J&J deploys the ‘Triple Aim’of helping hospital and healthcare providers create maximal outcomes of care, increase patient satisfaction, and reduce costs. Creating maximal outcomes of care is measurable and could mean that, for example, post-surgery patients do not need to come back

after a year for a new knee replacement or return after a week with an infection to a surgery wound.

The second arm of the ‘Triple Aim’, patient satisfaction, means making sure that patients are happy. This is also something that is measurable.

The third is cost; we want to provide the best outcomes and have happy patients, but the economic reality is that this must be done at the best cost. We at J&J need to offer solutions and be part of the overall story, not only the outcomes. On average, only eight percent of a hospital budget is spent on medical devices, while the remaining 92 percent is on overhead, structural, and organisational costs. This means that there is a huge opportunity within that 92 percent. Reducing those costs by only ten percent gives a company enormous leverage.

**Could you give us an example of how this more holistic offering works in practice?**

For example, we are the market leader in joint replacements, where we have very high-tech devices for replacement hips and knees. What we are offering to hospitals is not only these highly safe and innovative implants, but also an operating room (OR) efficiency system. Through this system, all 150 steps of an operation are standardised on a computer screen and the entire surgery team is helped to operate more efficiently. As an example, by using this system in the OR, nurses can know five steps in advance when they need to prepare something for the surgeon.

At the same time, this system includes measurement of the timings of every step in the operation and any complications that arise. At the end of the operation an automatic report is created, as it is for all other joint replacement operations within the hospital, which standardises the quality and the steps that need to be taken for these types of surgeries. This makes it independent from specific teams or risks with new staff members, the quality is increased, everything is better documented, and healthcare becomes more standardised.

The ‘Triple Aim’ approach ensures that all the outcomes – measured via the system – are better, patients are happier because there are 20 percent fewer complications, and the costs are reduced because the same team in the same OR are able to operate on one extra patient a day. Given the long waiting lists in Norway, you can imagine what an impact this can have. This also represents 20 percent more operations from that OR.

On top of that, we also provide a patient tool app, ‘Care4Today’, which helps patients to prepare themselves before an operation and coaches them on recuperation and recovery post-op.

**How receptive do you think Norwegian stakeholders are to these types of holistic solutions that might involve a higher initial outlay, but can in the long term represent big savings for healthcare systems?**

Traditionally, there has been very little interest from the hospitals in these sorts of solutions, as decisions were taken in a very decentralised manner. There is still change management to be done together with the hospitals, but the situation is now changing rapidly, with more and more procurement officers, surgeons, and nurses open to the value approach.

There are still differences between regions and hospitals within Norway and different speeds of embracing the value approach. In terms of the cluster region as a whole, Finland is probably leading the way, with the other countries having some catching up to do.

**Although the Nordics has been earmarked by J&J as a pilot destination for new solutions, how much have you actually been able to achieve in 2020?**

In times of crisis, these kinds of solutions are often the last thing on the minds of hospitals, meaning that introducing them in the Nordics and in Norway has been challenging.

The challenge in Norway and across the Nordics is that 80 percent of the hospital business is tender-driven and these tenders are often focused on procuring just one part of a device or one solution. Additionally, these tenders are very price-focused and the quality, efficiency, and value addition solutions that can be provided are not always captured. In order to make Norway and the Nordics into an innovation hub for international companies, there needs to be a move to value-based procurement with a more open tender process.

For example, our solutions could help a hospital treat an extra thousand more patients a year, reduce infection rates by 15 percent, and increase patient satisfaction by 20 percent. When these types of outcomes start being valued in tenders, we will have more incentive to invest in win-win long-term partnerships. However, as long as the tender process stays the same and regions and hospitals do not look towards long-term, integrated, value addition solutions, it will be lose-lose. I am however positive that Norway is starting to understand that this is the way forward and developing new partnerships with large healthcare players.

**The Nordics boast a growing number of innovative medtech startups, complementing the region's excellence in basic research. How do you assess Nordic innovation today and what role is J&J as a big multinational looking to play within this ecosystem?**

J&J has changed its innovation model globally and started the JLABS program, bringing in external innovation and creating room for small start-ups to be part of that hub and access venture capital funds.

In the Nordics that is also our vehicle, screening the market for high potential innovative start-ups that perhaps we can fund or can help. The challenge for Norway and the Nordics is to create a business climate that rewards quick innovation that can easily be brought to market.

This goes back to the need for a more dynamic tender environment which allows innovative new solutions to be trialled, launched, and rewarded. J&J is ready to invest in start-ups, but Norway can accelerate the country's innovation level by allowing regional hospital tenders to be more 360° value and innovation-driven.

**You seem like a motivated leader; what motivates you on a daily basis?**

Firstly, what motivates me most and gives me great energy is working with motivated, driven people. I love building teams and leading people. Secondly, the medtech industry itself and the potential to shape the innovation of the future is also very cool and a great motivator. It's a good moment to be in medtech.

**See more interviews**