

Andrew Frye - SVP & President, APAC, Baxter



Healthcare is becoming more like a consumer market, with more discerning patients/customers now expecting more from their interactions with doctors and their treatment experiences

14.04.2021

Tags: [Singapore](#), [APAC](#), [Baxter](#), [Medtech](#)

Andrew Frye of medtech giant Baxter outlines his management strategy for the diverse APAC region, how growth was achieved in 2020 despite the drop in non-essential hospital visits and treatments that the COVID-19 pandemic brought about, and the increasing importance of homecare and telehealth post-pandemic.

Can you begin by giving our international audience an introduction to your career trajectory?

I began my career with Abbott in the US, spending roughly 15 years in a variety of sales, marketing, and managed care roles, and had the opportunity to launch drugs in both Canada and the US markets.

Asia has been my home for around 15 years. I spent three years with Abbott's nutrition business in Japan from 2006 – my first exposure to the region – before moving to Singapore in 2008, around the time of the global financial crisis. At that time, I ran Abbott's pharmaceuticals business across Southeast Asia and into Eastern Europe and worked on the Solvay acquisition.

In 2011, I was at a career crossroads, questioning whether I should stick with the same company and move back to the US or diversify my career within Asia. I chose the latter option, taking over business development for services firm DKSH in Bangkok, Thailand. My role at Abbott could be

characterised as ‘an inch wide but a mile deep,’ whereas the much broader general management position at DKSH was the complete opposite! DKSH provided me with a great introduction to medical devices as well as OTC and consumer health products and by 2017 I was running the company’s entire global healthcare business.

Around this time, I received a call from Baxter CEO Joe Almeida, who was looking to reshape the company’s global business under three regions: Americas, EMEA, and APAC. Luckily for me, Joe and I hit it off immediately and I jumped at the opportunity to work for a US manufacturer based in Asia. Baxter’s APAC region covers a huge diversity of geographies and cultures, from India to China, Australia, and Japan. It was too good a role to turn down!

The diversity of APAC is exciting, but also a huge challenge in management terms. How do you set universal priorities across such a large and disparate region?

It all starts with a great management team and having people on the ground who understand our global vision. Taking global marketing strategies from across Baxter’s six business divisions and applying them to local market realities requires leaders who can focus and prioritise well.

As you pointed out, APAC is a region of great variety and stark contrasts. Japan is very different from China, which in turn is very different to India or Australia. However, we have learned a lot from these markets which is applicable elsewhere. For example, because of China’s unique market access and competition challenges, it has been at the forefront of omnichannel and digital marketing via WeChat. This gives us a window into what could be achieved in other geographies. While other companies may separate China and Japan from the APAC umbrella, it has made sense for Baxter – with its differing management approaches in the region – to stay as one.

As well as a diverse geographical spread, Baxter boasts a diverse offering across pharmaceuticals, medical devices, and services in the ER, OR, ICU, pharmacy, and patients’ homes. What talent challenges does this throw up?

We have multiple in-hospital businesses, some of which – like our pharmaceuticals and nutrition products – are very widely distributed and broadly used. For these businesses, account management – including getting products onto formularies, promoting them, and understanding who the key decision-makers and influencers are – is a key skillset.

Some of our other in-hospital businesses, such as the haemostats and sealants needed for advanced surgery, are very different. These products, which deal largely with post-operative blood loss issues, require a very focused sale to surgeons. Baxter identified the need for a stronger strategy in this area and therefore developed a specific business vertical for it.

While each of these businesses sits under country GMs who evaluate the necessary commercialisation skills, we also have dedicated regional teams in areas like advanced surgery in the OR and advanced therapy in the ICU.

We do not look for people to cover all these bases apart from general managers, who have their own dedicated sales and marketing teams. This adjustment is not as easy as in pharmaceuticals, where companies have multiple salesforces and different messaging, but a similar approach.

In some cases, much more of a clinical discussion is had in the ICU, but in our home dialysis business, for example, more of a nursing focus is required. Therefore, we might recruit from a nursing base for our home dialysis sales team, as we might for the ICU where there are many clinical nurses.

We also encourage our employees to learn new skills and expand their experiences in areas across the organisation via the '+Me' program, where they can volunteer for additional responsibilities outside their usual work scope. This is not necessarily 100 percent unique to Baxter, but it does help people get a better overall understanding of the business whilst honing new skills and allows us to broaden our talent base.

Baxter APAC grew by eight percent in 2020 against the backdrop of a global pandemic and a significant decline in non-essential hospital visits and treatments. What strategy did you put in place to succeed last year and mitigate the impact of COVID-19?

One year on, it is clear that no one was truly ready for COVID-19.

I still recall landing in Singapore on February 6th after meetings in Australia and seeing the alert about the country's escalation to 'DORSCON Orange' ('Disease Outbreak Response System Condition'). It felt like China was very much under siege, and we were already working around the clock to get our plants back up and running – it was a moment when I realised the issue went far beyond China's borders, and that this was going to become something much bigger.

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Following that, Baxter's leaders in Singapore and China developed a playbook for employee safety, which was shared with our leadership teams around the world in early March. That was a great example of Asia leading the way and showed the strong, collaborative spirit of the business.

In terms of COVID-19's impact on our operations, initially, some of our business lines became extremely hot commodities. This was the case for medication delivery – the pumps that sit by the bedside and IV fluids. Countries were requesting months' worth of additional products in anticipation of being potentially overwhelmed by large numbers of COVID-19 patients in their hospitals. The question then became one of allocation. These are lifesaving products and so we had to make difficult, ethics-based decisions on how much to allocate to each geography.

The initial rush on IV fluids evolved throughout the year into higher demand for acute therapies and blood purification solutions. At the beginning of the crisis, there was a rush for ventilators, but as COVID-19 patient treatment evolved, the demand for blood purification solutions skyrocketed. When a patient has COVID-19, they get a cytokine storm which can behave like a septic shock syndrome. Blood purification in the ICU allows some of those extra white blood cells to be removed and became an integral part of treating COVID-19 patients.

As demand for certain Baxter products grew, it plummeted for others. This was the case for anaesthetic products for surgeries, as well as our haemostats and sealants business, with fewer patients receiving elective surgery.

Where we really pivoted was around home dialysis, one of our largest businesses. COVID-19 forced a rethink on the importance of home care, to keep patients safe at home, and reduce any burdens on already overstretched healthcare systems.

We ran a "Safer at Home" Campaign to raise awareness among governments and policymakers, and start a dialogue around how to best build up the infrastructure to roll out those therapies. Only 12 percent of patients on dialysis are receiving home dialysis, so there are many opportunities for growth in this field.

Lastly, in Australia, we have a large compounding business, where certain pharmaceuticals or APIs are mixed with an IV preparation to give to the patient. This can be carried out in the hospital or outsourced and scaled as Baxter Australia does. As hospitals evolve and put nurses and pharmacists to better use, they outsource more of their compounding requirements. Therefore, the Baxter Australia compounding unit played a large role in helping hospitals manage their workload through COVID.

To what extent do you foresee the homecare/telehealth trend continuing in the longer-term post-COVID?

Healthcare is becoming more like a consumer market, with more discerning patients/customers now expecting more from their interactions with doctors and their treatment experiences. The conversation has evolved beyond video calls taking over from in-person interactions to a more holistic view of digital health. We want data to drive better patient outcomes and have already seen drastic improvements, even in our technical service teams who work remotely with nurses to help find solutions. Moreover, there has been an impressive increase in home health visits; in many ways, you could say we have made ten years of progress in just one year. However, a lot more can still be done. COVID-19 forced many of the fence-sitters on digital to come on board and now there is no excuse!

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As a company, we are seeking to get the right data at the right time to help us make the right decisions. Sharesource, essentially a data capture technology in Baxter's home dialysis machine, is one example of this. Many patients still log their dialysis treatment manually in a notebook before showing it to their doctor at the end of the month. Given these patients are logging this in multiple times a day, we can expect a certain margin of error, be it intentional (so they do not look bad when they have missed a cycle) or unintentional (when they simply cannot recall the details of their last cycle). However, this means that potential problems are sometimes not flagged quickly enough, or at all.

Sharesource communicates this data with the clinic automatically, creating a much richer and more responsive dialogue between patient and healthcare practitioner and allowing problems to be identified earlier. Additionally, through mining the data generated by Sharesource, we can detect potentially problematic actions that may lead to problems down the line.

Given the diversity of the Asia-Pacific region, how do you manage expectations and choose where to introduce these types of solutions?

Asia has a diverse base of economies and hospital systems. For Sharesource we see markets like Taiwan, Korea, Japan, and Australia as early adopters, largely because they have 'developed' economics to support this. There are additional costs that come with some of these systems so we have to choose carefully in which countries we allocate resources.

Another aspect to consider is doctor usage. We can claim to have a solution in a particular country but there can be a wide disparity of uptake between clinics monitoring their patients. Part of our remit is therefore to help clinics better understand the technology in order to meaningfully leverage the data.

An additional piece of the puzzle is reimbursement and policy. Some governments are pushing for remote care more than others. The last point is infrastructure support. Lack of reliable electricity on remote Indonesian islands, for example, can be a challenge for the implementation of these solutions.

Regulatory harmonisation between countries in APAC has been talked about for a long time without much progress. How far have things evolved and how might greater regulatory harmonisation allow solutions introduced in markets like Singapore, Taiwan, or Korea to filter down to other, less developed, economies?

ASEAN has made some progress towards achieving a number of harmonisation goals. However, we need to think about the overarching aim of harmonisation and convergence. Do we want perfect harmonisation under one regulatory code or do we really want broader, clearly defined common standards that ultimately allow things to move faster? All stakeholders basically agree that greater convergence and standard-setting is the best direction in which to head.

This has become even more apparent under COVID-19, where new technologies have become available. The fact that countries lack the resources to evaluate these new technologies gives us an opportunity to think about leveraging existing approvals from Singapore's HSA, for example, as opposed to letting countries try to go it alone. Indeed, Singapore is leading regionally, creating credible standards and use cases that other countries can leverage. APACMed, our regional medtech association has been pushing this for several years and has hosted a number of conferences on the topic. As an industry, we know that speed of access to innovation and reduced workload for regulators must go hand in hand.

Baxter APAC represents 21 percent of global revenues and an enormous source of potential future growth. What does APAC mean to Baxter, not just as the recipient of innovation and strategy, but as a source as well?

Our Global CEO Joe Almeida already recognises the importance of APAC. China is at the heart of our APAC strategy as the second-largest, and soon to be the largest, market in the world. Moreover, Baxter's APAC business will soon become the company's second-largest grouping, eclipsing EMEA.

Our consistent growth gives us a significant scale opportunity and there is no way a company like Baxter can ignore APAC. However, there is more to the region than growth statistics. We have seen so much exciting innovation emerging. While APAC has traditionally seen Japanese companies at its core, we are starting to see other domestic efforts and small start-ups developing new technology. APACMed has over 100 SMEs and start-ups as members, testament to the fact our region really is a hotbed of innovation. These companies are growing up in APAC and looking to sell both here and across the world.

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Over 60 percent of the world's population lives in Asia Pacific, and there are clear opportunities for growth, as we've discussed. We know that today's less economically advanced markets are going to transform in the next 10 to 20 years following in the footsteps of their neighbours over the last two decades.

Do you keep an eye out for potential acquisition opportunities in Asia, given this ecosystem of innovative SMEs?

We have already made investments in best-in-class technology companies in the region. Baxter will continue to invest in our core business areas, which includes looking at companies that enhance our product portfolio. These companies could be in India, China, Australia, or elsewhere. Some companies might have solutions that would only be suitable for Asia, or for emerging markets, which is something we keep in mind.

What are the advantages for Baxter of having its APAC headquarters in Singapore?

Firstly, our structure in APAC is unique in that I am based in Singapore, but our regional leadership is distributed between Singapore, China, Australia, and India. We are open to where the talent is; especially in the era of COVID. It has been about finding the right balance and that strategy has proved successful.

Singapore is a very easy place to conduct business, thanks to its high levels of transparency and trust, combined with low levels of crime and corruption. This is why Baxter, along with many other multinationals, has developed its regional base here. Singapore is also doing a good job of building out an ecosystem through academia as well as small businesses and start-ups in areas like fintech. We are now seeing Singaporean companies starting to launch onto the global stage.

Healthcare is a little more challenging because of different market access situations, which mean that the timings can be longer. In terms of go-to-market channels in healthcare, SMEs have traditionally had to partner with larger companies. Some of these challenges remain, but innovation is becoming a flatter opportunity and Singapore is doing a great job in establishing itself as a leader in this part of the world.

I see APACMed as being front and centre of this push, so we are excited to have medtech start-ups here. We also work with MedTech Innovator, the industry's accelerator for medical device, digital health and diagnostic companies, to drive competition and opportunities for companies to expose their technologies to a wider audience. Part of our work is focused on matching smaller companies with corporate mentors.

What are your goals for Baxter APAC in the next few years?

Our primary goal remains to emerge strong and future fit from COVID-19. We all want to regain some sense of 'normality' and, while videoconferencing has proved itself to be more versatile than previously thought, I am desperate to see my team in person again.

In parallel, Baxter has embarked on a global digital transformation program, which I drive, and for which we have already launched initiatives in Asia over the last 18 months. Baxter has a huge opportunity in a couple of areas which, while linked to technology, ultimately emanate from our people.

These will drive career evolution, business growth, and ultimately better experiences for our customers. We are looking at how to layer technology and insight solutions into existing products across the OR, ICU, and home settings with the aim of truly improving physicians' and nurses'

ability to manage patients, as well as patients' ability to manage themselves.

Likewise, in terms of priorities, we need to be great at customer experience. That means giving clinicians and nurses, as well as the customers buying from and selling to us, access to Baxter information via an Amazon Prime or Netflix-like experience. Our BOLT project in Australia is a great example of this, connecting hospitals for their compounding needs. We have seen a double digit increase in customer usage of the platform because, frankly, it makes their lives easier.

Also in the customer experience area, we are focusing on omnichannel marketing. For example, in China physicians want to interact via WeChat, but they also want some level of rapport with our salespeople. This means that there are multiple data inputs that need to be put together to give physicians the right information at the right time. Sales teams need to be able to manage data to better serve key customers.

The final pillar is our 'digital core.' That is about how we use automation and analytics to improve the way our teams work. Getting everyone thinking about how to present transparent data to as many people as possible allows for better workflow and faster decision making.

In Singapore, we recently launched 'Bax Bot', a chatbot addressing all the HR policy questions the HR team was regularly asked. The Bot now handles around 25 questions a week for the HR team, who are then freed up to focus on more strategic projects. We'll be rolling out the Bot in a few more markets across South East Asia in 2021!

Future fit employees will enjoy more fulfilling careers whilst better serving our customers as they grow within Baxter or elsewhere. Having this future fit mindset makes people feel like they are part of an exciting, growing enterprise – a real win-win for themselves and the company.

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