Refik Öner – Managing Director Turkey & MISSA, Johnson & Johnson Medical Devices



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Johnson & Jonhson Medical's general manager for Turkey, Maghreb, Iran, and Sub-Saharan Africa, Refik Öner, speaks about the big potential for his region "as the global economic centre of gravity moves east," and reflects on his two-decade career in consumer goods. Moreover, Refik explains how money collection issues are constraining the company in Turkey and reveals the opportunities for their portfolio focused on surgical oncology, bariatric surgery, heart arrhythmias, and breast implants.

You had an unusual career path before joining the medical technology industry with a regional role for one of the largest players in the world. Can you comment on your journey and decision to change consumer products for Johnson & Johnson Medical Devices?

Originally, my career was in "fast-moving consumer goods" for almost 20 years. I really enjoyed the consumer obsession, entrepreneurial culture, data-based and fast decision-making nature of that industry. It allowed me to build strong foundations in leadership and business management. You see, in consumer goods, early on in your career, you are given a brand to holistically manage, which means developing its strategy, masterplans, innovation pipeline, communications, leading its go-to-market strategies, delivering its P&L commitments, and doing all this through both your

immediate team and through the larger organization. A “brand manager” role is sort of like a miniature general manager role – a model that P&G created back in the early 1930s. This teaches you all the foundational learnings in business and team leadership. As long as you have learning agility and are willing to stretch and adapt, you can take your learnings from “brand management” to transfer and reapply them to almost any industry.

I am originally from Turkey but worked pretty much around the world, including in the United Kingdom, the United States, and the Middle East. After 14 years of international assignments, I wanted to reconnect with my roots and “settle” to start a family, so I came back to Turkey to work for the Koç Group, which is Turkey’s leading conglomerate (and in many ways in many industries, Turkey’s “locomotive”). The plan was for me to spend the rest of my life in Turkey, but as the saying by Allen Saunders goes, “life is what happens to you when you’re busy making other plans”. I received a call from Johnson & Johnson for an international PMO role which was about strategy coordination for emerging markets, reporting to the senior area leader. Above all, what attracted me to J&J was the company culture and its Credo. Every company has its mission, vision and values printed on the wall, but the Credo is a little different. J&J was a pioneer in corporate social responsibility back in 1943, looking at its business as a vehicle to serve “the greater good” – something that resonated with me both on a rational and emotional level. I had no prior experience in medical devices when I joined J&J Med-Tech, although I had some affinity to healthcare through one of my past roles, leading the OTC healthcare portfolio of Reckitt’s in the UK. Nevertheless, I was eager to learn and adapt quickly.

So far, joining J&J Med-Tech has been rewarding for me. At the moment, I am leading J&J Medical-Tech in Turkey, Magreb, Iran, Sub-Saharan Africa.

How do you assess the strategic importance of the region under your management for the global J&J organization and how does the company’s offering match the needs of those countries?

To answer your question, I want to take a step back and look at the bigger picture to put things in some context. Overall, the world is changing very fast due to demographic changes, technological improvements in “Emerging Economies”, and the subsequent and progressive shifting of the global economic centre of gravity to the “East”. For instance, as we speak, China has already surpassed the USA in PPP-adjusted GDP.

The markets I serve, in particular Africa, will start having exponential growth by the mid-21st century. Demographics, urbanization, technology, investment in infrastructure, and inter-connectivity are all driving forces in this gradual yet decisive prospect.

J&J's Credo is a commitment of service to different stakeholders, starting with our patients, nurses, and physicians, continuing with our teammates, colleagues, communities, and our planet. If we do good vis-a-vis our key stakeholders, we believe that we will also do well with our business results and thereby serve our shareholders. We have the opportunity to fulfil J&J's promise – saving lives and igniting all that is possible in everybody – everywhere around the world, but also particularly in these under-served geographies; given the still profoundly present issues in Africa with regards to access to quality healthcare.

So, the two attractive drivers intersect here: the longer-term exponential growth prospects of these geographies, and our intense desire to serve in these geographies as per our Credo commitments. Therefore, we as J&J see these geographies as "future stars", and we are focused on building strong foundations in these geographies, certainly in financially sound ways with strong ROI.

VUCA (volatility, uncertainty, complexity, and ambiguity) is part of our lives in all the geographies I serve in. For instance, over the last two years, the devaluation of the Turkish Lira stands at almost 150 percent, and unfortunately, all our public and university hospital receivables are denominated in Turkish Lira, and most are overdue. In this kind of environment, ensuring "financial sustainability" is imperative, so that we can continue serving our patients, our physicians, and our other stakeholders without interruption. This is no easy task, and it requires very tough decisions, including significant organizational restructuring that we had to do over the last 3+ years to ensure the sustainability of our operations.

Focusing on Turkey for a moment, can you provide an example of how J&J Medical Devices is helping the country face a significant health challenge?

Our portfolio in Turkey is focused on surgical oncology, bariatric surgery, heart arrhythmias, and breast implants. We work in service of patients and physicians, in very close collaboration with Government Officials at the Ministry of Health, at the regulatory body TITCK, at the central procurement body DMO, at the Universal Health Insurance Institution SGK, and more and more.

For instance, the obesity rate in Turkey stands at around 32 percent, meaning that one out of three people live through complications and risks caused by obesity. Additionally, it is estimated that

about half of the obese population suffer from other morbidities associated with obesity, such as type 2 diabetes, cardiovascular diseases, joints problems, etc. The latest research suggests that obesity can even trigger cancer. Now, there are many methods to deal with obesity, one of which happens to be bariatric surgery, which, for a group of obesity patients that are deemed to be “eligible” by physicians, has been proven to be a very effective solution. When these patients regain their health and fitness, there is a strong return in terms of their quality of life, in terms of the alleviation of their co-morbidities, in terms of their potential future costs to the healthcare system, and in terms of their economic productivity. To those ends, we work in close collaboration with physicians and Government Officials, utilizing the clinical data, and translating these to health economics models. This is just one example of our “value-based healthcare” approach, which showcases how we strive to improve patient outcomes, reduce overall costs to the healthcare system, and increase patient satisfaction; and there are many more examples like this.

Moving to the division you oversee, how do you categorize the importance of the Medical Devices segment for J&J and evaluate its performance in 2020 which, according to the company’s latest annual report, took a big impact during the year of the pandemic?

Johnson & Johnson is made up of four different divisions: Med-Tech, Pharmaceuticals, Vision, and Consumer Health. Our division, Med-Tech, has a large portfolio of products, with solutions for general surgery under our brand Ethicon, for orthopaedic surgery under our brand DePuy Synthes, for heart arrhythmias under our brand Biosense Webster, for breast reconstruction and augmentation under our brand Mentor, and for stroke under our brand Cerenovus. There are also numerous “cutting edge” digital surgery solutions that we provide to our physicians. As a healthcare company, Johnson & Johnson was born in Medical Devices, with the development and manufacturing of sterile surgical sutures. In other words, Med-Tech is the “cradle” of our company. It has been, and will continue to be, one of the most vital divisions of the Johnson & Johnson enterprise.

2020 was an extraordinarily difficult year for all of humanity, and for most of the businesses; due to the Covid-19 pandemic. The essential healthcare and economic resources were rightly focused on battling the pandemic, and most “elective” surgical procedures that could possibly be delayed without harm, were delayed. Furthermore, international travel was significantly restricted, and this put extra pressure on our business in Turkey, as under “normal” conditions, Turkey benefits from inflow of medical tourists.

Our response to this extraordinary situation was inspired by our Credo, understanding that we are in this service not for one month, or for one year; but for good. So we focused all our energy on 4 pillars: ensuring that our products and services continue to reach patients and physicians in need without interruption; ensuring the health and well-being of our employees / our team-mates; fast-tracking the development of an effective vaccine against Covid-19, and supporting our communities.

I’m happy to say that we worked relentlessly to deliver on all of these four priorities and succeeded in doing so.

Towards summertime of last year, restrictions began easing up and the number of surgeries went up. Our teams in Med-Tech have been in the field, supporting our physicians and patients. We continued on with our professional education services to physicians. In addition, we worked in close collaboration with key government agencies, and made significant contributions to many organizations and charities in Turkey, such as Red Crescent.

What is the company’s footprint in Turkey and what are some of the greatest challenges for J&J in terms of introduction of innovation and future investments?

In Turkey, our headcount altogether is about 150. The other regions and countries I serve in have an indirect go to market model, which means that we serve those markets through our distributors. In addition to our team in Turkey, we have a central team based in Dubai, which provides overall senior leadership.

While we do not have manufacturing sites in Turkey, we do have other types of investment such as “Centers of Excellence”, cadaver and animal wet-labs for surgical training, ongoing professional training for physicians, and more.

We would definitely like to attract even more investment into Turkey. With a solid and increasing population of 85 million, with its unique geographical location in the conjuncture of three continents, with its strong talent-base, with its strong industrial base, Turkey offers strong long-term growth prospects as Emerging Markets continue to outpace Mature Markets in economic growth.

Having said that, the biggest question in Turkey is one of “financial sustainability”: Particularly with the ongoing money collection issues that we face from Public and University Hospitals against the backdrop of continuing devaluation of the Turkish Lira, it becomes extremely difficult for us to

convince Johnson & Johnson Headquarters to invest more and more resources in Turkey. Recall please that Johnson & Johnson is one of only two US companies to have a “AAA” credit rating, which means that our standards for investment and risk-management are that much tighter than many of the other companies.

As a relative newcomer to the MedTech industry, what are some of the current trends that have caught your attention?

After 3.5 years in Med-Tech, I wouldn’t call myself a “newcomer” anymore. To answer your question, I see that the whole industry is undergoing a big transformation. Just take artificial intelligence, robotics, machine learning, big data and interconnectivity as examples. These technologies are not only emerging but also starting to converge and overlap with each other, creating breakthrough new solutions and platforms.

Data is and will be a central part of this transformation. Fortunately for our organization, Turkey has already strong health records, an area where we have already collaborated with government officials. For example, we have been working on a project with TITCK (Turkish Medicine and Medical Devices Agency) to build health economics models, also, we collaborated very closely with the MoH on product monitoring system, and we were the first one to implement it.

After more than two decades of career with big multinational corporations (Procter & Gamble, Danone, Reckitt, and Johnson & Johnson) in different geographies, what would be your message, career advice, to young executives looking to do well in their careers?

There are many different ways to navigate a career in business life, and I believe there is no “one formula that fits all”.

Nevertheless, there are some fundamentals, such as continually investing in yourself, deliberately pushing yourself outside of your comfort zone to learn new things and gain diverse experiences, being curious and open to others’ perspectives, listening well, connecting and networking to multiply impact, etc. Above all, however, I believe one should be congruent with his or her own values. One should be true to his or herself. I find that authenticity not only goes a long way with others but also helps to make your life truly your own.

Finally, life goes by too quickly, and nothing lasts. It’s good to have a laugh, enjoy life, and keep your “perfectionist” side in check every now and then.

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