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We believe that there are unlimited opportunities in Asia Pacific to transform healthcare

14.11.2016

Tags:

[Singapore](#), [Medtech](#), [Medtronic](#)

Bob White, President, Asia Pacific at Medtronic, explains that transforming healthcare begins first with the patient, particularly in Asia Pacific where there is a rapid evolution of social demographics and concurrent emergence of unmet needs. As the integration with Covidien progresses, he also highlights how the new Medtronic is best positioned to bridge universal gaps in healthcare, especially by way of strategic partnerships.

You oversee one of, if not the most, dynamic and fast-changing regions in the world today. How is your time allocated between your various priorities?

We believe that there are unlimited opportunities in Asia Pacific to transform healthcare. Aging populations and an increase in non-communicable diseases are among the demographic shifts that point to the growing number of healthcare needs in Asia Pacific.

We have created a very clear set of strategic imperatives for Asia Pacific as a means to focus and align the organization.

The first imperative focuses on talent – not only on attracting and retaining the best talent, but developing them while cultivating an inclusive and engaged culture. Another core strategic imperative is to make sure the biggest integration in the history of the medical technology industry with Covidien stays on track. Next, we focus on how we approach the markets in this region, how we get closer or partner with our customers. Although we are very much considered the biggest medical technology and solutions company, we try to operate as if we are the smallest by ensuring that we are building the right connections with our clients and our own people. Being big does not matter unless the personal connection is there.

We also look at how we can transform the business in Asia Pacific. Services and solutions is another strategic imperative we pay attention to as our customers want more than just a “device” relationship. It is about partnering with hospitals and healthcare systems to develop tailored services and solutions designed to improve clinical, operational and financial outcomes. For example, this involves helping them optimize a cath lab, or an operating theater.

According to a 2016 study by *The Lancet*, total global healthcare spend now exceeds \$7.8 trillion. Data from World Health Organization also showed that an estimated 20 to 40 percent of resources spent globally on health are wasted every year. This means that many governments, healthcare systems, health insurance companies, and other organizations need to adopt new approaches to decrease healthcare costs. These new approaches are moving healthcare from a fragmented, volume-based system, where providers are paid for each episode of care, to a value-based

framework that integrates patient care across a full continuum to improve outcomes and costs. This brings us to another strategic imperative we are focusing on – value-based healthcare where we seek to collaborate with the stakeholders to discover and apply solutions that either drive operational efficiency within the healthcare system or augment the delivery of care through better patient care management.

The last one is partnerships because at Medtronic, we know that we cannot solve all the world's healthcare challenges alone. This involves actively identifying like-minded partners and stakeholders we can align with.

Every day, I check my calendar against these six strategic imperatives. It is only by focusing on these imperatives that we are able to continue enjoying the fruits of what has been a pretty amazing journey so far.

As you mentioned, the Covidien acquisition has been touted as one of the largest the industry has ever seen. How does this milestone serve to enhance Medtronic's footprint in Asia Pacific?

Around the world, especially here in Asia, the size of Covidien's presence was roughly the same size as Medtronic's, essentially characterizing a merger of equals. When we brought the two companies together, we first focused on *Preserve* – maintaining the longstanding reputation and capabilities of both companies. Following that step was identifying points where we could *Optimize* processes and streamline internal operating structures and portfolios to yield synergies – which then brings us to our current phase: *Accelerate* and *Transform*. We have the largest portfolio in the industry – and it reminds us every day that we need to demonstrate leadership and collaborate with our partners to deliver therapies and services that serve our customers with the ultimate aim of improving patient outcomes.

What would you highlight as the most salient trends impacting healthcare systems across the region today?

In Asia Pacific, the coexistence of both highly developed and emerging markets exemplifies the complexity of healthcare systems. There are developed markets like Japan, Australia, and Korea, and then there are emerging markets like India and Southeast Asia. This means that there are over 2 billion people that we are serving across these countries in Asia Pacific, with over USD 1 trillion spent on healthcare every year – of which USD 50 billion is on medical devices alone.

In addition to rapidly aging populations and a burgeoning middle class, this region is facing a tsunami of non-communicable diseases, particularly when it comes to diabetes and cardiovascular disease. Consequently, you have got healthcare systems that need to fundamentally transform in order to address universal healthcare needs such as improving clinical outcomes, access, and cost-efficiency.

What opportunities then do these universal healthcare needs create for medtech companies?

We are focused on delivering therapy innovation via new products, services and solutions to improve clinical outcomes, driving global access to improve standards of care, and creating economic value

in healthcare systems to reduce costs, optimize costs and efficiencies.

I would venture to say that these three factors culminate in what the industry has fundamentalized as value-based healthcare—a concept that Medtronic has been a huge proponent of. What exactly does value-based healthcare entail in your eyes, Bob?

Value-based healthcare means reaping benefits beyond the face value of a product. We believe this means sharing in direct accountability for clinical outcomes. We have a seven step framework to think about value-based healthcare very clearly; essentially, it entails selecting the right disease, identifying the right patient cohorts, understanding the costs that are being spent today, as well as the respective clinical outcomes, and how we’re going to ultimately measure our impact. This is very much evolving from a fee-for-service model to a point where we position value at the center of everyone in the care continuum.

That is the direction I see healthcare systems moving towards. It will certainly take a while, and every country in this region moves at a different pace. But it all comes back to the three universal healthcare needs we need to address: better clinical outcomes, more access for people, and more efficient cost schemes.

Given the level of diversity inherent in each market, how would you evaluate the modern-day relevance of the umbrella term “emerging markets”?

Yes, emerging markets are very much relevant in this region. Emerging markets, such as India and certain countries in Southeast Asia, are often characterized by a high demand for healthcare, lack of access and other common barriers such as limited infrastructure, lack of qualified healthcare professionals, and limited financing avenues.

That said, we have the opportunity to increase access to existing therapies and impact the lives of many in these emerging markets. We have a Medtronic “Healthy Heart For All” program in India which works with local hospitals and physicians to remove barriers to patient access to heart rhythm and vascular treatments. Not only is this an early and successful example of our emerging market care pathway approach, the program works to continually evaluate and improve the entire cardiac patient care pathway. It aims to resolve issues associated with patient awareness and screening, referral connections between general physicians and specialists, and counseling and financing options for patients. The program works with over 120 facilities in more than 22 cities in India. To date, more than 1,200 physicians have been trained, 167,000 patients have been screened, and more than 14,000 of these patients have received treatment.

Our strategies are very market specific to cater to the individualized needs of each country we are present in. This means that the product or service we deliver need to be tailored services and solutions designed to improve clinical, operational and financial outcomes such as making care delivery more efficient, minimizing system waste, or expanding patient access to therapies. We have started implementing cath lab management and financing programs in some emerging markets to balance access and cost of treatment with high quality of care.

We also recognize our ability to leverage existing capabilities, ideas, and learnings across the region where applicable. One of our focus areas is on training and education for physicians across markets such as Indonesia and Malaysia.

How do you go about tailoring strategies for markets as varied and seemingly uncommon as, for example, India and Japan—two challenging countries where Medtronic has thrived?

Our Mission to alleviate pain, restore health and extend life has guided us for the 60 years. We believe that access to quality healthcare is a fundamental right of all people around the world. In partnership with others across the industry, our goal is to address three universal needs to improve outcomes for better care, increase access to therapies so more people who can benefit from them are treated and improve healthcare delivery to increase efficiency and reduce overall costs. Our growth strategies — therapy innovation, globalization and economic value — will help address these needs.

Aligned with our growth strategies, we tailor our market approach such that we can get as close as possible to our customers and their patients, and truly understand their needs. We focus on bridging the gap between what we make and what they need. Furthermore, we need to understand the local market needs, as well as the costs associated with addressing those needs in any given country we operate in. We have been fortunate to bring our broad portfolio of products and partner with local stakeholders to help patients with chronic and complex medical conditions. We have always been very physician and patient focused. The world's very first battery-powered pacemaker came about through a partnership with a physician and an engineer, which ultimately laid the groundwork for the creation of Medtronic. Maintaining these intimate relationships with all of our customers is still something we pride ourselves on today. Succinctly, we believe the closer you are, the better you are.

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Can you highlight some examples of how Medtronic is partnering with local stakeholders to advance standards of care?

Together with SingHealth in Singapore, we recently signed a Memorandum of Understanding to develop a Centre of Excellence in the treatment of diabetes across Southeast Asia. This strategic partnership is a first-hand response to the onslaught of diabetes currently plaguing the region, including Singapore. On average, four Singaporeans undergo some form of amputation attributed to Type II diabetes every day. Diabetes, if given the proper attention, is a disease that can be managed. With this new partnership, we aim to improve health outcomes for diabetics through technology, patient awareness programs, training, and education. It is about identifying a difficult clinical problem, partnering with a leader, and improving outcomes and welfare for underserved patient populations.

This same concept has also been translated to India where hearing loss in young children is rampant, devastating lives by means of permanent deafness and the social stigma that comes along with it. As such, we launched a program called Shruti that works with community healthcare leaders to screen hearing loss early on via free, mobile screening camps. At the crux of the program is a diagnostic tool attached to a smartphone that allows health workers to screen a patient in about 3 minutes, and subsequently putting those patients through the appropriate care pathways. This is another example of meeting the community need where it exists, together with local stakeholders, instead of projecting a device as the be-all, end-all solution.

Having just recently unveiled the company's new regional HQ in Singapore, how would you evaluate the company's commitment to this small nation moving forward?

Our new regional headquarters in Singapore aim to strengthen and support Medtronic operations across 80 locations in Asia Pacific. This will further help Medtronic deliver on the growing demand for medical products and services. Many of our global initiatives and programs come through Singapore first, before reaching the rest of our 6,000 employees across the region. With the new headquarters, we hope to build and drive the culture, ensure that we contribute as great community citizens in all the countries we operate in, and maintain quality standards of education and training for all of our employees.

The growing presence of Medtronic in Asia Pacific demonstrates our strong commitment to transform healthcare through strategic partnerships. Aside from Singapore's friendly business climate, the country also uniquely functions as a "living lab" where we can experiment with new business models or collaborative frameworks that can then be extended around the region. So, for us, the country serves a very strategic role in the greater context of Asia Pacific.

When you're describing the landscape in Asia to some of your peers back in the US, what do you find to be the most common misconception?

The biggest risk is to think of Asia Pacific as a homogenous market. This is simply not the case. Indonesia, for example, has the world's fourth largest population—approximately 250 million—with a fragmented healthcare system that is facing the burden of communicable and non-communicable diseases. This is in direct contrast to Singapore's small population of approximately 5 million people, underpinned by a healthcare system that has been ranked among the most efficient in the world.

Another misconception is taking a Western product and transplanting it in a market in Asia Pacific and expecting it to simply work. We are committed to new approaches and new forms of innovation and technology that will help improve standard of care. The way that technology plays itself out in each market is also very different, and it's crucial that people appreciate these regional complexities before diving into the nuances.

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What is the legacy that you want to leave behind as the president of APAC?

When I think of legacy, it's not about me but about Medtronic in APAC. We hope to transform healthcare and give access to healthcare to millions of people who did not have it before. Medtronic is working towards it by committing ourselves to new approaches and new forms of innovation that will support better clinical outcomes, greater access, and optimized cost and efficiency.

Second, I'd like to mention the over 6,000 Medtronic employees in Asia Pacific, who are part of an almost 90,000-strong global workforce. They live our Mission every day — to alleviate pain, restore health and extend life.

This is about us working together to reach more patients, delivering better healthcare and make an impact to take healthcare further, together.

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