Interview: Charl De Klerk â?? General Manager, Bard South Africa

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The general manager of Bard SA, Charl De Klerk, illustrates the companyâ??s growth ambitions within South Africa and Sub-Saharan Africa, while also depicting how Bard has adapted its therapeutic portfolio to the dynamics of South Africa and the type of pipeline innovations that will strengthen its competitive positioning in the industry.

In line with the companyâ??s 3-year organic growth strategies, what initiatives have you pursued as GM, to expand Bardâ??s capabilities, scope, and presence in South Africa?

In line with Bardâ??s global strategy of product leadership, the current focus of my directives involves bringing Bard innovation to South Africa and the rest of Africa, especially among our key therapeutic areas: oncology, urology, general surgery, and vascular disease. Historically, Bard products were part of a distributor model, but we then bought back that relationship in 2007. So, it was really starting from mid 2000s that Bard began investing in the opportunities that South Africa had to offer. In the last four years alone, weâ??ve managed to double our turnover and headcount, with +/-100 staff members now working here in the South African operation.

How does the country align with the organizationâ??s long-term strategic vision?

South Africa is an inherent part of Bardâ??s global focus on emerging markets. Historically, weâ??ve been a US-centric organization, but now we have two thirds of our employees located

outside the US, with a strong focus on the BRICS. In addition to our continued investments in South Africa, we also began expanding into Sub-Saharan Africa two years ago â?? setting up operations in Zimbabwe, Namibia, Kenya, which serve East Africa, and also Nigeria, being the number 1 focus of West Africa. Considering the relatively early stage of our expansion initiatives, as well as the long registration times in these markets, Sub-Sahara Africa represents less than 10 percent of our turnover currently. But, especially with Bardâ??s major investment plans in East and West Africa and South Africa positioned as a hub for managing these regions, we definitely see that number rapidly accelerating in the coming years.

Can you explain the concept of Bardâ??s â??Disease State Managementâ?• strategy and how itâ??s been adapted to the clinical needs of South African citizens?

With an emphasis on Disease State Management, BARD focuses its products and services across the entire spectrum of care â?? from wellness and disease prevention to early diagnosis and treatment to post-care management. Historically, our biopsy business has been focused on prostate cancer therapy â?? the primary contributor to Bard SAâ??s revenues back in early 2000s â?? but weâ??ve now expanded this area to encompass breast cancer and introduced vacuum assisted breast biopsy systems to the South African market. On the critical care side, weâ??re working closely with several government hospitals on our induced hypothermia systems, which help treat patients that suffered ischemic cardiac arrest and neurologic trauma.

In terms of hernia repair, weâ??ve invested a significant amount of resources in the education and training of medical practitioners to promote the safest and most effective use of our hernia devices. In this regard, weâ??ve also partnered with organizations such as the Hernia Interest Group of South Africa and the Vascular Society of South Africa, with respect to vascular disease, to create greater awareness among patients and encourage more preventative action when it comes to proactively managing their heath needs. In the last five years, weâ??ve almost tripled the size of our hernia repair business, while working closely with both public and private sector stakeholders. Though this is not the case for all of our therapeutic segments. With a one hundred year old legacy, our urology products are some of the most trusted on the market today, but have primarily served government hospitals more so than private.

Moving forward, the growth drivers will come from general surgery, oncology, critical care, and vascular access, which involves PICC lines, chemotherapy ports and dialysisâ??a pervasive disease area that requires extensive training to properly manage the complexities associated with these devices. Ultimately, for Bard, itâ??s not just about putting a device in a distribution chain, but playing an active role in the entire healthcare continuum.

In terms of improving the quality of care and enhancing South African patient satisfaction, what type of new product launches can the country expect from Bardâ??s R&D pipeline moving forward?

On the vascular access side, weâ??re looking at introducing new methods of administering drugs and chemotherapy. We also have a lot of investment going into the development of technologies around vascular imaging and guidance to get these products implanted correctly. On the hernia repair side, we see ourselves as the global leader of innovation in that field, so weâ??ll have many more products coming out in that particular segment. For example, fully absorbable hernia meshes and biologic meshes, which we have recently made available to the South African market. Weâ??re also investing a lot in critical care from a global standpoint, with induced hypothermia systems included, and see ample growth opportunities in this area moving forward.

Considering the current inequalities in the countryâ??s private and public healthcare sectors, what is the most successful approach in marketing Bardâ??s specialized portfolio of products?

Leveraging our portfolio of roughly 15,000 products, we can easily cater to the individual needs of each sector or hospital. From a practicality perspective, we donâ??t place the most advanced and innovative technologies in public hospitals, as itâ??s going to be much less of a need than in private facilities or a large academic institution from a value and utilization perspective. If cost is a real limiting factor, we make some of our older technologies available at a reduced price to government hospitals, while in the private sector we have the very latest innovations available at a premium. That being said, the public sector comprises a significant portionâ??approximately a third in some of our businessesâ??and fundamental component of our business. Especially with the gradual implementation of National Health Insurance (NHI), where the ability for citizens to access healthcare is increasing more and more each day, public tenders will likely continue to remain a core element of our portfolio.

Leveraging your insights as a seasoned executive in this industry, what are the key considerations when commercializing new products in South Africa?

From my perspective, doctors in this country are quick to adopt new technologies, probably more so than some of the bigger European countries. As such, South Africa is a great platform to launch new technologies. Historically, the countryâ??s medical device industry has not been subject to extensive regulationâ??creating a relatively easier environment to launch new products into the market. That being said, government stakeholders are making significant strides in creating a more regulated environment to impose greater governance and quality control, which we as an organization openly welcome. Weâ??re currently working with organizations like the South African Medical Device Industry Association (SAMED) to truly understand the implications that thisâ??ll have on the industry landscape and also help drive the requirements to facilitate this newly regulated environment. Though, FDA approval and CE marks are still important, despite the open-minded approach of surgeons. Medical aids will not reimburse a product without a stamp of approval from some sort of international regulatory body.

In your opinion, how can the government best impose effective quality control without stifling FDI from MNCs, and in turn, innovation in the market?

At the moment, thatâ??s probably whatâ??s missing in the South African market. In the current scheme, local manufacturers can easily bring in unregulated products from places with traditionally much less stringent quality assurance standards such as China or India. The first reform needed is that all stakeholders in the industry need to create a better pathway for collaboration, as itâ??s not upon the shoulders of one individual party to drive this movement, but the entire collectiveâ??s; the business community has an obligation to provide input and help steer the industryâ??s development. Creating new incentive mechanisms can certainly help stimulate quality manufacturing and multinational support, but there are so many existing quality models in various countries across the globe that we donâ??t need to go and reinvent the wheel. At the end of the day, patient wellbeing should be the number one priority in this industry.

In terms of industry developments, what would you say are South Africaâ??s strengths from a medical technologies perspective?

South Africa has not been known in the past for the development of medical technologies. There are a lot of advantages in manufacturing products in South Africa, as witnessed by the automotive industry with many worldwide automobile brands having based their manufacturing operations out of

South Africa; thereâ??s no reason why we canâ??t do the same for medical devices. The pharmaceutical industry is obviously ahead of the curve in that aspect. For Bard, manufacturing from scratch in SA is probably still a far cry, but we are seriously considering some form of reworking facilities and bringing non-sterile product into the country and customizing it in a way thatâ??s useful for the South African marketâ??which may include packaging items together to reduce costs.

What is your future outlook on the South African medtech industry?

Two important factors that will change the industry. The first is imminent regulation. We sincerely welcome it and believe that itâ??ll have a very positive effect on patients and the sustainable development of the sector. The second is NHI, which will implement universal healthcare access. We see this as a major opportunity in alleviating the current disparity between the public and private sectors to effectively create one unified pathway for driving efficiencies in the industry.

What are your personal leadership philosophies as you are chartering success for a 100+ year old company like Bard, as opposed to other organizations youâ??ve led in the past?

In this industry, the most fundamental success factor is positioning patients as the number one priority. People always state in a more cliched manner that â??customers always come first.â?• For Bard, patients are not always our customersâ??doctors and hospitals are. But at the end of the day, weâ??re trying to get our products to improve the lives of patients. Maintaining this focus is what will allow any healthcare company to experience continued success. Secondly, if I look internally, itâ??s about people. The rapid growth that weâ??ve hadâ??doubling the size of our company in four yearsâ??has only been achieved through the capabilities and talent of our human capital and creating an atmosphere that effectively enables their own personal ambitions.

In terms of reputation, capabilities, and performance, where would you like to have positioned the company in the next three to five years?

Weâ??ll have hopefully gone beyond solely distributing products in the market, and established some aspect of manufacturing capabilities within the country. Weâ??re also looking to significantly transform our business from a BEE perspective. Also, considering the current growth drivers, weâ??ll have significantly expanded our presence in Sub-Saharan Africa and will continue do so.

Personally speaking, my intrinsic motivations come from recognizing the sheer impact that we have on peoplesâ?? lives. The thousands of cancer sufferers we have been able to give back to their families, vascular disease and hernia patients whose lives we have transformed and critically ill patients our products have rescued. If we continue doing business here with integrity in an industry compliant manner, by putting the patient first, reputation will take care of itself.

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