Elisabeth Staudinger â?? President, Asia Pacific, Siemens Healthineers

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Siemens Healthineersâ?? president of Asia Pacific, Elisabeth Staudinger speaks about the companyâ??s redefined strategyâ??an overarching move from product-centric to value-centric servicesâ??and how this ultimately serves to benefit their customers and the patients.

Having been appointed to the position three years ago, what would you consider as the main highlights of this year as the president of Asia Pacific?

At the onset of my appointment, I was initially in charge of a smaller region, Southeast Asia, Pacific and Korea. In October of 2015, it expanded to Japan and India â?? which enables us to serve customers across Asia Pacific in an even better way.

My main highlight for this year clearly is our newly-implemented strategy. At the core of this strategy is the fundamental goal to become the enabler of healthcare providers worldwide. We want to build on our strong leadership position, especially in the field of imaging and laboratory diagnostics and shift in our philosophy towards providing an even more comprehensive product offering to our clients. We need to think along the lines of what it takes to make healthcare providers successful, as opposed to just focusing on promoting products.

How would you describe the main pillars of this strategy and how does Asia Pacific fit into this framework?

One key pillar is to be more engaged in the services space and embrace more complex business models. This is a fundamental shift away from our traditional product-centric approach because moving into services platforms requires partnerships, joint ventures, and having more assets in the book, therefore necessitating a difference in organizational dynamics.

Another key pillar is the strengthening of the regional organizations within Siemens Healthineersâ?? global setup. The rationale behind it is connected to the core of the strategy â?? developing our service offering. In order to establish a relationship with our customers, it is imperative to have a tailored understanding of their needs and build our offering together with the customers themselves. Customer proximity is extremely valuable as we can keep up with the development of the regional markets and their needs.

In the context of Asia Pacific specifically, how is it contributing to the growth and development of the company globally? Moreover, how does the region fit into the long-term strategic aspirations of the company to foster profitability and sustainability?

Asia is a significant part of the business, with India being the fastest growing in the region, thus a big contributor to the global business at large.

In terms of volume, the region makes a significant contribution to the total global volume.

It is important to note that Asia Pacific is a region with a dire need for better healthcare delivery for large populations, as it mostly consists of emerging markets. Therefore, it is a region with tremendous opportunities. Given this reality, Asia Pacific is not only a region where we sell, but also where we manufacture and produce â?? more specifically in China, Korea and India. This dual role for Asia Pacific is indispensable for the companyâ??s overarching vision to create a healthy medtech ecosystem in the region.

How does a small market like Singapore fit into the larger Asia Pacific context?

Singapore is a unique market in that it is mature and therefore characteristically closer to a market like New Zealand or even Europe than to the neighboring markets surrounding Singapore. The regional headquarters of Siemens Healthineers is located in Singapore given favorable factors such its geographic and politically stable position, as well as significant activities in the medtech sector. Additionally, as a wealthy and mature market with an advanced healthcare system, Singapore essentially sets the standards for the rest of the region. Singapore serves as a reference point for many countries both in terms of the regulatory environment and the infrastructure of healthcare delivery systems in Southeast Asia.

For Siemens Healthineers, more specifically, what significance does Singapore play in terms of its operational activities?

Singapore houses a main office of the regional headquarters for our customer services organization, in addition to having sales activities in the region. Unlike some of the other countries in the region, we do not have manufacturing activities here, as they would be very costly, in addition to the lack of a supplier base. Nonetheless, our presence in Singapore is leveraged by its strong intellectual power base through collaborative research and working with top-notch academia and research centers, particularly in the likes of National University of Singapore (NUS), Nanyang Technological University (NTU) or A*STAR.

Within A*STAR, for example, there are two areas where we entered into very promising discussions â?? namely with the Clinical Imaging Research Center (CIRC), a joint venture setup with NUS, and Singapore Bioimaging Consortium (SBIC), which are two agencies that are very involved in the imaging space. One focuses more on the pre-clinical cardiac imaging for animals, whereas the other focuses on radiopharmaceutical technology for humans. Both are of prime interest to us, and we are also looking to expand our presence in Singapore in other areas of research and development in the coming 12 months.

The company just unveiled a massive rebranding, collectively embodying the companyâ??s pioneering spirit and scientific excellence with one wordâ??â??Healthineersâ?•. How does this speak to the type of ambitions that Siemens is now trying to pursue globally and regionally?

Our new name is multidimensional. Engineers Solve Problems. Pioneers Break New Ground. Siemens Healthineers does both. Our new name underlines our pioneering spirit and engineering expertise in the healthcare industry, it is not about single products or technologies. It best describes the Healthcare organization and its people â?? the people accompanying, serving and inspiring customers, the people behind outstanding products and solutions.

Under the companyâ??s Vision 2020, one of the initial reasons to partition the healthcare unit was to allow the business more flexibility to adapt to fundamental changes and paradigm shifts in medtech. Within an Asia Pacific context, what exactly would you personally consider a â??paradigm shiftâ?•?

If you look at the mature markets within Asia Pacific such as Australia, Japan, and Korea, they are in the midst of the paradigm shifts currently under way in Europe and the United States. This encompasses the industrialization of healthcare, which serves to yield more results with fewer resources, and doing so in a repeatable manner. It is also around managing care and not fee-for-service type models, in addition to an underlying trend towards consolidation.

Australia is a very extreme example of such consolidation. There are probably only a handful of providers in the country, who run very large-scale operations. Although this is a more mature market trend, it is still very relevant in this region.

When looking at emerging markets, the discussion then shifts to other considerations such as establishing basic healthcare systems, access, and moving towards a more insurance-based framework that is highly subsidized by the governmentâ??a transition, Indonesia made several years ago. Other countries such as Thailand and China are going down that route, with India lagging not so far off in the distance.

Given such inherent differences straddling developed and developing countries, and even more so within each of these categories, how do you go about tailoring strategies to drive the overall success of Asia Pacific?

There are some overarching strategies that go across the different maturity levels of these markets. We see an abundance of opportunities in the services space, no matter what type of country we look at. Of course, the exact content and nature of the business models that are appropriate and suitable differ vastly. But the fundamental concepts of partnering with customers and engaging in closer business relations work across all geographies. How we design such a setup in say Australia is certainly much different than in India, but there are mutually beneficial approaches that we can leverage across all markets.

Another aspect that is universal is the patient experience, which comes down to truly understanding the needs and pain points. So, the sheer level of diversity does not necessarily denounce the presence of common strategies.

How does Siemens incorporate the increasingly pervasive push towards value-based healthcare into its service offering?

There are two dimensions that we look at. The first is enterprise solutions, whereby we manage entire fleets within hospitals to help improve the care continuum. As an example, we recently established an agreement with a newly constructed hospital in Perth, Australia to procure, install, and manage the entire base of medical devices, which goes far beyond our standard calling. We also have our people on the ground in charge of running biomedical services within the hospital.

The second dimension revolves around digitalization and leveraging the power of big data. We have tens and thousands of installed equipment around the world, all of which produce some form of dataâ??images, utilization, examination types, dosage levels, etc. But how to connect those pieces of information and create added value? We have created a platform called â??Teamplayâ?• that allows institutions to benchmark performance standards against other institutions running a similar setup or range of equipment, employing consultative insights for process improvement and quality assurance where applicable.

Compared to Western markets, how is the application of this concept tailored to the specificities of this region?

The needs in countries such as Indonesia and Thailand are certainly different than in a place like Germany, which fundamentally changes how you work with customers and healthcare providers. Germany is a completely financed system, with a very well structured reimbursement scheme, eliciting the utmost standards in productivity from providers.

Countries in this region, on the other hand, generally exhibit a more fee-for-service type model, depicting environments more privy to supply and demand dynamics. Premiums are afforded to those who can differentiate their service offerings and provide augmented value propositions through better technology, more qualified providers, or even more convenient locations. There is also still a lot of room for entrepreneurs in the private segment, constituting many of the hugely successful private hospital chains in this part of the worldâ??these types of opportunities simply donâ??t exist to the same extent in highly regulated and developed markets in Western Europe.

What will your priorities focus on in the next three to five years?

We want to continue building our services business, while ensuring that our existing customers are well taken care of, especially given our longstanding presence.

We also have a strong emphasis on the entry-level, capitalizing on the growth prospects in emerging markets to help achieve the global organizationâ??s profitability and sustainability objectives in the long-term.

Another element will center on transforming the way we collaborate with customers and finding more suitable or even new pathways of supporting their needs, especially in emerging countries.

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