

Interview: Laurence Comte-Arassus â?? President, Medtronic France



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Laurence Comte-Arassus, president of Medtronic France, reveals how after the global acquisition of Covidien in January 2015, France is now their second largest subsidiary in the EMEA region; how Medtronic's three production facilities in France demonstrate a capacity to innovate domestically and serve global markets; and why her ambition is to contribute to overcoming the great challenge of tomorrow: ensuring that the country's healthcare system remains both universal and sustainable.

You became president of Medtronic France just one month after Medtronic acquired Covidien in January 2015, in a deal worth 43 billion dollars. How challenging was it to take over a local affiliate at such a time?

It is true that I took office around the same time as the acquisition of Covidien. I was fortunate to work closely with my predecessor during the transition phase. I had been with Medtronic for the previous 15 years during which I notably developed the company's cardiovascular, diabetes and cardiac surgery activities. All these years, I have also played an active role on the board of directors. My appointment had been carefully prepared for several years in alignment with the group's global talent management policy. The recent incorporation of Covidien into what is now called the Minimally Invasive Group (MITG) will fulfil the ambition of positioning Medtronic as an important player in the French health industry. The move has complemented our wide scope of competencies with an advanced platform for minimally invasive surgery. Our comprehensive services now range from diagnostic to treatment and medical-follow-up. Medtronic has historically and consistently been dedicated to its Mission to alleviate pain, restore health and extend life. We have devoted considerable efforts to ensure that the Covidien team integrates this philosophy in its operations. This acquisition fully subscribes to our strategy, which is based on three pillars: therapeutic innovation, globalization and economic value.

How smooth has the integration process regarding Covidien's activities in France been?

One could have indeed anticipated a tough integration process. In reality, it has gone rather smoothly because Medtronic and Covidien shared a similar work culture.. We took our time to discuss objectives, ambitions and strategy at the very start of the integration process. We held a full-day meeting in June 2015 to outline the benefits of this acquisition, describing the synergies that we wanted to capitalize on and the message we wanted both team to convey. I strongly believe that in order for both teams to develop the same professional culture, they need to share a working environment. As a result, starting from March 7th, both teams will be headquartered here in Boulogne. This new step will further accelerate the transition process.

What is the strategic importance of France within the structure of regional and global operations, a country where you have had a historic presence dating back to 1972?

First of all, the acquisition of Covidien has made France the second largest subsidiary in the EMEA region behind Germany. Medtronic has a long tradition in France. We employ 1,300 people across eight different sites, including an international R&D unit. France is a very innovative country in a wide array of medical fields. We are for instance a pioneer in terms of cardiac resynchronization therapy. Our Bordeaux team plays a pivotal role in the development of the Micra (smallest leadless pacemaker in the world) solution. We work hand in hand with physicians across France to develop these state-of-the-art technologies.

Medtronic has a strong robust product pipeline in the field of cardiac and vascular field, restorative therapies and diabetes. What role do such products play in driving your growth in France?

Our therapy and product-led growth remains undeniably an important component of our success. Our capacity to innovate however will determine our ability to branch out. Medtronic is not simply a supplier of medical equipment but also a provider of professional services and solutions. We recently built an Integrated Health Solutions unit, which delivers consulting services to help hospitals improve and optimize their organizational performance. We assist hospitals with ambulatory care and building and managing turnkey installations, such as percutaneous valve replacement requires hybrid operating rooms. Our expertise enables our clients to select the most appropriate room based on their needs and requirements. Our competencies stem from our experience in our customer units where we had to address similar concerns. Medtronic can also dispatch its own experts to work within hospitals. These partnerships between the private and the public sector are common in Europe but remain quite rare in France. To move forward, we had to carefully examine the legal and economic framework of such partnerships prior to being able to commit. We have 60 Integrated Health Solutions (IHS) contracts in Europe, mainly in the UK, Germany and the Netherlands, compared with 10 in France. IHS is a new business that expands on Medtronic's strategy by partnering with medical facilities to deliver services and solutions that drive economic value, patient and physician satisfaction, and clinical outcomes.

Eric Le Roy, general manager of SNITEM (The National Association of Medical Technologies Industry) was telling us how the French healthcare market is more heavily regulated than any other in Europe and that the time to market was a real issue today. What is your perspective on this and what it means for innovations?

I am very optimistic about the future of innovation in France's healthcare industry. I often meet French physicians and hospital directors who discuss how eager they are to innovate despite regulatory constraints. We did experience issues before introducing our products on the French market and it is true that access to innovation is time-consuming in France in contrast to its European counterparts. A comparative study of the European strategies in term of access to innovative medical devices has been recently released to inspire our own policy-makers (snitem.fr &

apidim.org/). We also recognize that healthcare costs are soaring in France and that our innovation policy must be financially sustainable. We need to work in hand in hand with policy-makers, hospitals and the private sector to implement new solutions. At Medtronic, we believe that our technologies, the data and insights they create, and our expertise can be combined in partnership with hospitals, payers, and governments to help create aligned, value-based healthcare models that can deliver better patient outcomes while maintaining or reducing costs.

Do the authorities recognize the role of actors such as Medtronic in this process?

We feel that local and national authorities are open to change when presented with comprehensive innovative solutions. Medtronic strongly believes in "risk sharing" and is working together with government agencies to raise awareness on its benefits. Risk sharing is a stepping stone towards Pay for Performance contracts. The advent of Pay for Performance will only materialize if we look at the patient's total experience through the health system. France's healthcare system is fragmented between various agencies and decision-makers who must progressively start to coordinate their efforts, agendas and activities. In the Netherlands, private hospitals and city officials found ways to integrate their budgets and services. The future of healthcare requires new approaches and new forms of innovation. This is just one example that it can be done.

In France you have a unique partnership with IRCAD. Can you tell us more about this historic partnership and what it has brought to the Group?

The IRCAD partnership was sealed in 2013. It constitutes a major milestone in the development of partnerships between the public and the private sector. From a therapeutic point of view, we have a common approach to digestive minimally invasive surgery (MITG). In January 2014 we reinforced this partnership leading to the implementation of a European training center within the premise of IRCAD's facilities in Strasbourg. I am confident that we will unveil other partnerships in coming years.

Across the world Medtronic has 84 production facilities, including three in France. Many have told us how they are worried that France is losing its attractiveness as a country of production. Why does Medtronic believe France is a place to be for manufacturing and is it sustainable in the future?

I am proud to call myself the President of Medtronic France also because of our production facilities. We have sites in Fourmies (Valencienne area), Trévoux (Lyon Area) and Pont de Claix (Grenoble area). France cannot be a pioneer in the medical field if it does not innovate domestically. At Medtronic, we bring top physicists and researchers from all over the country to exchange ideas and collaborate and brainstorm on new solutions to critical health challenges. Our R&D unit in Trévoux has demonstrated France's capacity to innovate domestically and serve global markets. I resolutely disagree with the claim that innovation cannot occur in France. Either we enter a pricing race to the bottom where France can clearly not compete or we consider that our production facilities are capable of delivering high-end, high added-value solutions, which comply with the highest international norms and regulations. France's competitive advantage resides in high quality standards. I am also proud to announce that our unit in Trévoux has partnered with the French National Centre for Scientific Research (CNRS).

On a more personal note, you have been with Medtronic since 2002, working in various different capacities. What do you most appreciate when it comes to working for Medtronic?

Beyond my appointment as president of Medtronic, I want to contribute to overcoming the greatest challenge of tomorrow: How can we ensure that our healthcare system remains both universal and sustainable? When I was 16, I wanted to be a doctor in Africa. Although I did not go to Medical

School, I quickly entered the healthcare industry, which has always fascinated me. Throughout my career, I have consistently focused on patient needs. Medtronic gave me the incredible opportunity to grow because the company endorsed my patient-driven mentality. I have always been heard when I felt it difficult to align our methods or strategy with our patients' needs and concerns and we've always manage to find the right answer, stepping back into the company Mission. Finally, I am very fortunate to work with Omar Ishrak, our Chairman and CEO, who is a great leader with a global vision of the healthcare systems & industry.

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