

Interview: Massimiliano Colella – Senior Vice President & General Manager, Asia Pacific, Smith & Nephew, Singapore



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Recently appointed Senior Vice President of Asia Pacific, Massimiliano Colella speaks about Smith & Nephew’s reasons for establishing a presence in the region, their dual approach in catering to the diversity of Southeast Asian markets, as well as the opportunities for growth in the region.

Can you please provide some insight into Smith & Nephew’s presence within APAC, and the importance that this region serves for the company’s continued growth and development?

After 25 years in the medical device industry and many different roles in several regions of the world, I was recently appointed as Senior Vice President of Asia Pacific on April 1st this year. Prior to this, I was responsible for spearheading the emerging markets Mid-tier business for Smith & Nephew. The company recognises that this part of the world has vast potential in medical technology and the investment we are making reflects the opportunities it offers. Asia Pacific is forecasted to surpass Europe by 2020 in terms of market size.

For many MNCs, Asia Pacific has always been a relevant market and many have had a longstanding presence in the market. For Smith & Nephew, why are you just moving into APAC now and not earlier?

Smith & Nephew has had a presence in the Asia Pacific region for many years, but we have now

established a dedicated regional hub to ensure the region receives the attention it deserves and so we are in a position to capitalise on opportunities when they arise and most importantly so we are closer to our customers in this important region.

Historically, Asia Pacific presents two different types of market profiles – one of the more developed economies like Australia and Japan, and another for emerging economies in the likes of India, China, Thailand and the Philippines, each served by different parts of Smith & Nephew. Our new Asia Pacific regional hub will serve both established and emerging markets across Asia Pacific. Although it should be noted that this regional focus does not include China as that is a large market that requires its own singular focus.

What has been your priority since your appointment?

My main focus rests on three aspects: the patients, the employees and company reputation, or, as we internally say PIT, Performance-Innovation-Trust. For us, delivering value to patients is the primary goal, but also ensuring that our employees are happy and fully engaged. Moreover, building a strong reputation, especially in this region, is of critical importance. Our reputation is only as good as our level of compliance as a business. We have a formidable compliance-footprint globally, and we work hard to ensure this is just as true in this region as elsewhere. This will ensure the sustainability of our growth.

In addition to those important aspects, we are working hard to establish ourselves here in Singapore as the hub of the region. From the logistics standpoint, we have been progressing in terms of building our hub which will serve many of the countries in Asia Pacific. From the commercial standpoint, we are in the process of putting together an Asia Pacific leadership team and creating an internal focus on how to manage the Asia Pacific organization, and all the opportunities it offers. The agenda is to position Singapore as a center of excellence for the region. We have plans to expand the activities that we manage from Singapore, specifically in terms of innovation and operations. We are also working on building our medical education presence, investing in countries like Vietnam, the Philippines, Thailand and Malaysia, where the markets are fairly established, but where we see opportunities for stronger partnerships.

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Why was there a need to establish a regional hub in Singapore? There are also other suitable markets like China in terms of its global prowess, as well as Malaysia in terms of being a cost-effective logistics hub, or the possibility of managing the region remotely from Dubai.

What is the significance of Singapore?

Singapore is synonymous with excellence, a model in terms of vision, infrastructure and the absence of bureaucratic obstacles. It has always been an attractive destination for many medical technology and pharmaceutical companies. It has well-established infrastructure and a strong global reputation in biomedical sciences, and a large pool of quality talent. In addition, and more tactically, proximity matters. Logistically, it is hard to manage a region like this remotely, with several different time zones, with a distinct cultural context. We want to harness the diversity and to do this we need to be close to it.

How would you characterise the healthcare landscape in this region and what are the main opportunities that you see here?

Looking into the market, it is evident that there are two different profiles with very distinct needs. The first of which is the developed countries which we classify as ANJ – Australia, New Zealand and Japan – wherein we already have a strong presence and a leadership position. In order to secure our top position, our strategy is to ensure continuous innovation and launch new technologies for these markets.

For the emerging markets where the growth of the middle class is striking, the demand for higher standards of healthcare products is continually growing in parallel. The issue of affordability is one that we need to address and therefore we have a product appropriateness approach for these markets. We have a business unit team called Syncera-Mid-tier, dedicated specifically for emerging markets, looking at providing good quality products at realistic/affordable price points. The opportunities for emerging markets are tremendous, not only for Mid-tier products, but also for

premier products that will grow in demand as these countries develop further.

Having worked in emerging markets in other parts of the world, what are some of the notable differences for the APAC region?

In comparison to 20 to 30 years ago, the information age today shifts the priority for market entrance towards being able to provide the best price for the product as opposed to the best portfolio. Today, even surgeons from remote parts of the world, as well as many of the developing countries in the ASEAN region, are well aware of the latest technology and are therefore mostly concerned with the price point. The geographic and cultural differences across emerging markets are minimal as it is fairly standard that they want the best technology at the most affordable price.

Looking at the unmet medical needs of the region, where do you believe Smith & Nephew's products and services can add the most value to the patients here?

We operate in three main business areas, serving two different markets, namely Wound Management and Orthopaedics, for which the latter is further divided into two categories: Sports Medicine and Implants.

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Looking at the established markets like Australia and Japan, Smith & Nephew is well-positioned as it has a long-standing presence in the market, our brand equity is very strong there. For these markets, continuous innovation, specifically with robotic-assisted technologies is critical. We recognise this need and are catering to it accordingly.

For other markets, we remain competitive because we offer both mid-tier and premium products, serving a spectrum of different needs and price-points, especially given the fact that many of these countries pay out of pocket. We always remain cognizant of the pricing level that the market can afford but also looking into providing the best quality of products. We also implement a strong surgeon-education program as a way of ensuring that we deliver the best quality standards to our patient.

In building a strong network of qualified and educated surgeons, the level of patient education is improved as it is done more organically and with a practitioner with whom they trust. Nonetheless, we try to promote patient education through targeted campaigns, which are typically done in more developed markets where patients are more engaged in their treatment process.

Given the diversity and scope of Asia Pacific, which markets are you most excited about in the coming years in this region? What are your overarching goals for the next 3-5 years?

All the countries are equally important with each having their own unique and distinct challenges. Asia Pacific as a region is where the opportunity lies and each country is a priority in their own right. We will continue to have a dual approach in promoting continuous innovation for developed economies, as well as product-appropriate pricing for emerging economies. In the upcoming five years, we hope to be recognised as the best-in-class in terms of product quality, as well as the best partner for the healthcare community and a great place to work for our employees.

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