

Interview: Roland Goette – President, BD Europe



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The president of BD Europe

analyses current trends and challenges in European healthcare and highlights how BD is positioning itself as a solutions provider and partner to cope with this new environment.

BD acquired CareFusion in 2015 and September 30th 2016 marked the end of BD's first full fiscal year of successful integration with CareFusion. From your perspective, how have you seen the acquisition elevate and boost the business in your region?

The acquisition of CareFusion and its consolidation into our organization has been an exciting opportunity; two big companies with excellent market reputation coming together. The acquisition marked a milestone of our companies transition away from only being a manufacturer and commercial partner to becoming a solutions provider in healthcare. Overall, the acquisition strategically leveraged the previously existing strengths of both companies to create a strong solutions provider with excellency especially in the field of end to end medication management. In financial terms, the consolidated company today sees 20 to 25 percent of its revenue generation in Europe, which makes it the second largest region for BD after the US.

How would you defend the relevance of your region for the BD group in the context, that today's key growth markets for MedTech companies are found in the emerging countries

of Asia Pacific and Latin America?

It is true that recent years have seen the highest growth rates in emerging markets as typically access to healthcare is a prevailing issue there; as this issue is gradually resolved, the growth of companies in the healthcare arena is on a robust upward trend. Europe on the other hand, has completely different dynamics – access to healthcare, for instance, is typically not one of the challenges we face. A major dynamic currently influencing our market is the aging population which brings a set of challenges to the healthcare system at large; the rise of chronic diseases like diabetes and an increase in cancer to name just two. The nature of these challenges makes Europe an attractive market with new opportunities – simply different needs and challenges to overcome than the emerging markets overseas.

We are confident that BD, with its entire portfolio of solutions ranging from diagnostics to end to end medication delivery, is the perfect partner in addressing these challenges and especially in Europe, where we can bring value-based healthcare to society.

Last July, BD chose to set up its Europe headquarters in Switzerland. Why was Switzerland chosen to be such a strategic hub for the group?

Over the last 16 years, BD functioned with several strategic hubs and centers of excellence for specific business units across Europe. The creation in July 2016 of our consolidated European headquarters in Eysins marked another milestone of our company’s history. Along the lines of anticipating our role as a solution provider, the consolidation created organizational synergies which significantly increased our operational excellence, thus further driving the transition to be a solutions provider.

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Furthermore, one of BD’s key objectives was to minimize the impact on positions and roles. Given that we already had a base of 100 skilled associates in the Canton de Vaud, relocating to Eysins was the best choice available to us.

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A key emerging trend in sophisticated markets such as Europe is that healthcare is moving away from the traditional paternal model and that patients are increasingly taking ownership of their healthcare needs. How would you assess this trend from the perspective of a leading MedTech company such as BD?

The digital revolution in healthcare is at the vanguard of developing its full momentum. Considering the amount of data produced today and the rapid development and further sophistication of mobile phone applications in the healthcare sphere, everyone should understand that the digital revolution is undoubtedly coming. One of the largest challenges for the healthcare systems across Europe today is to reduce the length of patients’ stay in hospitals; acute care beds are the costliest expense in healthcare. The median length of stay has already been reduced year-on-year and it has reached a point where there is a need to establish a network being able to care for the patient outside the hospital. Such a network would allow the discharge of patients from the hospital when not fully cured. We already increasingly witness patients managing their own health and chronic diseases in a homecare setting, and we will see more smart technology starting to connect the devices placed at the home of the patient with the physician and the hospital and thus allowing a certain control, follow-up and remote care of the patient by trained individuals.

How does BD position itself toward this trend?

We already have solutions for the home care and outpatient market and naturally are constantly developing them to become smarter and faster. As a company, we witness a great need for a more sophisticated information exchange with the hospital and within the hospital as the various instruments and devices create an immense amount of data. However, few hospitals can consolidate the data yet, analyse it and make fact-based decisions on the data's results. We invest heavily in developing solutions for inter-device information exchange and consolidation which will enable hospitals to utilize data mining capabilities, thus allowing them to become more effective. I genuinely hope that the healthcare sector at large will come together and develop standards for information exchange, which today do not yet exist but are certainly already needed.

Some of your peers in the industry lament the regulatory framework hindering such developments. What is your viewpoint on this issue?

Today's issues are typically about data privacy, which is usually also the main concern of customers and patients alike. Having said that, I am always also surprised by the amount of personal data made publicly available by individuals today, without showing any concern regarding that data! Given this paradox, my personal assumption is, that ultimately a balance will be found which represents the equilibrium of guaranteeing the right privacy protection laws—including the right data preservation framework—and the right alleys to access this data to advance healthcare for the benefit of all stakeholders in society. As aforementioned, the whole topicality is at the vanguard to develop its full momentum and I am confident that it will be the patients themselves which will drive this trend across the current threshold.

Some commentators fear that the digital revolution in healthcare will mean that the human touch will disappear. To what extent do you think this is possible?

There will always be a mix of face to face care in the acute setting and some remote care in the outpatient setting. There have already been impressive developments in terms of artificial intelligence in healthcare — IBM's Dr. Watson being one of the best examples — and regulators need to start tackling the question of how to handle these developments. At the end of the day, broad data based engines and intelligence are capable to consolidate and assess much more data than a physician will ever be able to see in his entire life and hence, might one day be equipped to take better decisions than the physician.

Nonetheless, this must be proven and there must be reliable technology; the human touch will always be necessary in the acute setting. Overall, the possibilities are as endless as they are impressive and considering that we are only at the first stage of the digital revolution, times are definitely very exciting!

James Lim, BD's executive VP & President of BD Greater Asia, explained to us the concept of *Shared Value* as "collaborating with the public to create public and economic value". To what extent do you think this concept can be applicable to solve this Europe's issue of rising healthcare costs?

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I am confident that this concept is applicable everywhere around the world, just in different manners and scenarios. The initial reaction to the budget challenges of European healthcare providers was to cut into pharmaceutical and medical devices expenditure. However, medical devices account to a mere five percent of the total healthcare costs; therefore, cutting in the individual spending on supplies may be the swift treatment of the symptom but is certainly not the solution for the challenge

at hand. The solution for hospitals would be to improve the treatment outcome and patient safety which in return would reduce the costs much more than cutting individual components of the supply chain.

I am talking about preventing errors and adverse effects which are still prevailing across European hospitals. To set the right context, 4.2 million patients every year in Europe are diagnosed with hospital acquired infections; if that number decreases by only ten percent, a total of 150 million Euros can be saved. Furthermore, statistics count for 800,000 harm-inflicting medication errors yearly in Europe; this alone results in 3.2 million days of additional hospitalization.

Antimicrobial resistance – also due to over-prescription of antibiotics – is a ticking time bomb for the individual healthcare systems as well. We believe that BD is a significant partner to deal with those issues. Whether it be through improved diagnostics ensuring that the patient is receiving the right therapy faster, or improved medication delivery ensuring the patient gets the right drug at the right time in the right dose. The economic potential of improving these various dimensions in the hospital bares utmost potential to relieve the systems of a large amount of its financial burden.

“Advancing the World of Health” is BD’s slogan. In that context, to what extent do you also feel responsible for providing solutions to these challenges?

It is absolutely our responsibility! BD has always been at the forefront of solving existing healthcare challenges. Every associate in our company is committed to this mission and knowing that there is a patient at the end of everything we do is our engine. In the past, we were leading the development of avoiding needlestick injuries in hospitals, we helped to increase healthcare professional’s safety by limiting their exposure to harmful drugs used in chemotherapy, and much more. We have proven our capabilities and commitment in the past and we will continue to do so in the future.

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