Kevin Oâ??Reilly â?? President Asia Pacific, Varian

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Kevin Oâ??Reilly, president for the APAC region at medtech giant Varian, discusses his key priorities, the importance of Asia to the global group, new technology adoption, and the importance of inter-stakeholder collaboration.

What were your priorities when you took on the role as President for the APAC region in 2016?

The main priority was to become closer to our customers. Prior to this, we had a very global marketing approach, but we decided instead to move to localized operations in the region. Thus, in 2015 we underwent a huge reorganization process to move from a highly functional organization to a customer-centric organization. Now, we have managing directors in each local setting, giving them a lot more discretion and autonomy to be able to support our customers in a way that is most suitable. I was appointed to oversee this transition and monitor operations on a regional level.

As Asia is the fastest-growing region in the world, we are committed to allowing customers in these different regions to directly influence the choices that we make in terms of where we invest, what technologies we pursue, and what interventions and modalities we prioritize. We wanted to give our Asian customers a platform to influence our choices and service offering as we have done in more mature regions of the world.

Asia is the most populous, dynamic and fast-changing region in the world today. How does Varian view this region and what makes you a great fit here?

What is striking about Asia is the diversity of markets across the whole region. We see highly developed markets with similar ecosystems that you might find in Europe or the US. Nevertheless, there are emerging markets that are in transition have undergone incredible amounts of investment over the years, like China. Then there are true emerging markets like Vietnam, at the beginning of their journey to tackle non-communicable diseases. This results in a service offering that has to fit the needs of an individual customer.

Diversity has been a major factor in our interest in this region, and by becoming closer to the region, we can offer better support. The technology available is common throughout the diverse markets, but the combination of training, financial services and other services necessary for people to tap into that technology differ from country to country.

Secondly, the burden of diseases is higher in Asia, driven by emerging markets where they have large populations. Moreover, we are seeing a global shift towards aging society with the silver economy booming. With cancer fundamentally being a disease of age, we are seeing an increase in demand for advanced oncology services in this region.

Within certain parts of emerging Asia, there are significant environmental factors that further drive the cancer burden. For example, smoking and environmental issues such as pollution. An increase in wealth is also leading some lifestyle changes, so diseases associated with the Western world, such as breast cancer and prostate cancer are becoming more prevalent here. However, this increase in wealth is also helping to make our oncology interventions more affordable and accessible.

Altogether, Asia is the fastest growing region for cancer patients. Looking at specifics, Chinaâ??s number of cancer patients could increase at least eight percent this year alone. This number is phenomenal, especially when this country already accounts for 25 percent of the number of cancer patients in the world. Moreover, it may take decades for them to benefit from the impacts of preventative measures. Thus, we will continue to see this momentum of cancer care demand increase.

2017 was an interesting year for Varian, with exciting rebranding and a repositioning from simply a radiation player to an integrated cancer-care solutions company. How has this impacted your footprint in Asia?

When it comes to radiation therapy, we have always been an integrated cancer-care company, so the strategy has not changed. Varian is one of the largest providers of software in oncology in the world because radiation therapy is a software-intensive field. Our software is used to help with patient management and help clinicians to understand image guidance, which can treat the tumor whilst sparing healthy tissue. We have the ability to provide software solutions including AI and all sorts of mathematical techniques to constantly define the quality of the beam delivered to the tumor to create better outcomes. Varian uses the same algorithms that are used for nuclear simulations. We probably employ more physicians and mathematicians per capital than any other companies that are of similar size to us. It is extremely complex, and our global software business is now worth over half a billion US dollars. We prosper in this integrated environment, giving our customers both software and hardware solutions for treatment and patient management.

At a broader level, we are rather positioning ourselves as an integrated oncology company rather than radiation oncology. Looking at the trends in the oncology landscape, we have a lot to offer in terms of emerging techniques, for example, theranostics, which is a combining both therapeutics and diagnostics. For example, an interesting tool related to this is a PET scanner. It uses radio-nuclear tracers injected into the body to collect and observe cancerous tissues faster than any other traditional scanner, including MRI or CT. PET scanners can identify the location of these tumors.

In theranostics, however, we can not only identify the location tumor but also go one step further and treat the tumor simultaneously. As an expert in image guidance, we can provide treatment planning capabilities. Also, explain how radiation interacts with biological materials and the body. Varian can play a role in improving the area of theranostics, improving the delivery of pharmaceuticals and the continuum of care with the help of software, and analyzing different modalities in care whether in radiation, surgery or chemotherapy. We have tremendous access to data and what we are looking at is how treatments of cancer care can be combined into one to understand all the interfaces that impact the patient.

Envisioning cancer as a chronic disease, patients will thus have to engage with the healthcare system regarding their treatment for numerous years, maybe decades, undergoing check-ups and reporting the side effects of care, including the economic and social effects. Many disciplines today are fragmented. To illustrate, when you go to talk to a counselor, essential information is not necessarily available to the radiation department, for example. In the future, having information readily available will not only gather data into one system but help care-givers and clinicians to make more informed decisions. Varian aims to use our in-house software to tie all of these disciplines together, this is what being an integrated oncology company essentially means for us.

While Varian offers an integrated approach towards disease treatment, is the infrastructure actually in place to accept it?

Varian has been investing in the infrastructure for a substantial amount of time. Recently, we released software such as â??360 oncologyâ?•, a completely new platform using advanced intelligence. Expanding on this platform, we released a section called â??multi-disciplinary tumor boardsâ?• (MTB). Cancer patients that receive the best care are privy to observations by multiple doctors of different disciplines because a usual patient will most likely need surgery, chemotherapy and radiotherapy combined. MTBs bridge the gap between the different disciplines and are a critical way for doctors to communicate with one another. We have provided the first set of tools that allow doctors to collaborate, sharing images, laboratory reports, diagnostics and other essential information. This results in a joint decision to determine the best intervention for that specific patient â?? a custom care path for that patient. Tools to break the fragmentation are already available today.

Additionally, Varian provided a platform that allows patient engagement, another critical factor in high-quality care. The more informed a patient is, the more they are able to engage with their caregivers in a productive way resulting in better outcomes. For example, how does a patient can report side effects? Although a standard in any type of care, some are expected and others are not. The ability to share Patient-Reported Outcomes allows that information to be processed into an electronic health record, offering a better insight for the caregivers. This direct feedback can have a real impact and observe more essential interventions earlier in the process. There is a lot of interest around this concept in Asia and we are starting to put the infrastructure in place to support the implementation of this advanced software and platforms.

What do you believe is the role of industry in advancing collaboration between key stakeholders in the healthcare spectrum, including cross-industry collaboration?

There are numerous possibilities and right answers for how the industry can collaborate, but in order to achieve the most success, this crossover must be achieved at the point of care for the patient, with patient care at the forefront of the action.

Varian is in the business of providing tools, technologies and capabilities to allow the caregivers to improve the patient care. Working with research institutions is an optimum way to collaborate effectively because treatments can be harnessed to a specific outcome, whether this is for an individual or a cohort.

As we learn more about cancer, new interventions become apparent. We have observed this in the area of immunotherapy. The latter can be successful depending on the specific gene-type of the patient but is expensive regardless of whether it works or not. We have clinical partners in academic medical centers around the world, working on how the reaction of the immune system to radiation

therapy can improve the response rate of immunotherapy. This is an active area where we can see the combination of drugs and radiation therapy can have a better response. At this point, it is much easier to have this collaboration between the industry through the research and academic centers, however, we look to have more collaboration in this regard.

Which countries can lead the way in adopting new technologies and new methods of cancer care?

I think every market is ready for our innovation, because we see universal problems spanning all of the different markets, meaning they can all benefit from what we have to offer. We see that the most highly educated people live in the biggest cities but those who are more likely to develop cancer are located everywhere, thus the quality of care is unevenly dispersed. Studies have shown that if you live in a large city in Australia, the survival rate is higher than if you live in a rural community. This boils down to the access to quality of care.

Looking at emerging markets, they have insufficient resources from a physics and radiation point of view. Our focus is about making complex things simple, and we have to make it economically affordable and lower the overall cost of care.

Another way is to use technology to treat more people in the same time period, reducing the cost of treatment per patient. Lowering the total cost of care advances our steps to have technology closer to the patients. We sell large capital equipment and software, so it might be a large amount of money to buy, but if you can go from treating 40 patients per day per year to 80 patients per day, then the cost is halved. This is what we mean by making things globally accessible. The macro factors that drive our developments are as important in emerging markets as they are in mature markets.

Looking at China, what are the rules of the game to tackle such a diverse market, and what is Varian doing differently here than in other markets in the APAC region?

China is complicated and can be perceived as a microcosm of the whole world. One on hand, there are premier institution in Beijing, that offer world class therapies, holding machines that are so busy because of the sheer volume of patients. On the other hand, there are provincial cities that offer care on a different spectrum, more often than not of a lower quality. Thus, there is not a one-size fits all solution to such a diverse market and the access to care is extremely disproportionate.

We observe many patients in China willing to travel long distances for the optimum care, where institutions have the right human capital and people to operate the machines. The latter is more than often not available in a local community setting, in contrast to the US. Moreover, patients bring their whole families with them in order to complete a course of treatment, needing this support in order to continue. This can become an economic burden to the patient, especially if they are from a rural, agricultural background leaving their businesses and lifestyles unattended. This is disruptive not only for the patient but also for the community.

Nevertheless, this means Varian can have a big impact in markets similar to China, which sees the treatment being localized, and patients being cared for closer to home, but still with the advanced technologies located in the bigger hospital settings. You have to be able to address not only the clinical aspects of cancer, but also the economic burden for the individual, with the consequences of the latter just as important.

The way we aim to achieve this is simplify the way that our technology and knowledge is delivered and make cancer treatment easy. The biggest barriers to regional care is that they do not have access to the right human capital â?? highly trained individuals. We must simplify our actions, so the complex care can be delivered in regional settings and benefit even the poorest of patients.

What are the strengths that Hong Kong offers to Varian as a regional headquarters?

Hong Kong is a historical location, and we have been present here since 1979, bringing us proximity to our critical markets. The country offers strength and value to the company on a global scale because we can focus on neighboring mainland China with more ease. Our goal was to always step closer to our customers, so we are able to capitalize on the GBA initiative and other opportunities that present themselves in the territory.

Moreover, Hong Kong straddles multiple cultures, and has an ease of doing business. It undergoes the flexibility of movement of people and capital, overall highlighting it as a business-friendly location.

What is the legacy you want Varian to leave behind in Asia?

Our main goal is to double the number pf patients we impact. Varian is a commercial entity, we have stood the test of time, with 75 years of success cherishing our commitment to the shareholders. Throughout these years, we gained more expertise and raised investments into R&D. Varian has the highest R&D spending in this segment in the market.

There are four million patients worldwide that are treated with radiation therapy and we treat almost three quarters of them. Moreover, there are 16 million patients a year worldwide who are being treated for cancer and number of patients increasing every day. We treat roughly 25 percent of this cohort, so only touching the surface.

The legacy I want Varian to leave behind is the knowledge that we tried to reach every single cancer patient in the Asia Pacific, increasing the accessibility to radiation therapy in these markets. We have the ability to make an impact for millions of patients here, if only we lower the barriers of access. Our equipment can be used for decades, so one installation can affect thousands and thousands of people.

The more we learn about cancer the more we realize how individual it is. We will never claim to cure cancer, but our role is to remain a provider of technology to support the clinicians and caregivers. 50 years ago, cancer was a death sentence. Now, it can be a curable or a chronic disease, so we will continue to push for a world without fear of cancer.

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