Interview: Jacques Penicaud – CEO, Sterience, France



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With over 15 years of expertise in external sterilization services for medical devices and surgical instruments, Sterience has successfully positioned itself as the market leader in France. Directing the company towards new growth potential, recently appointed CEO, Mr. Jacques Penicaud, shares the company's commitment to quality, as well as new service offerings.

What services does Sterience provide and what is the nature of the company's position within the industry supply chain?

Sterience is the French leader in external sterilization services. We specialize in sterilizing reusable medical devices and operating room instruments for our clients, many of whom are hospitals and clinics throughout the country. It is prohibited in France to sterilize repurposed or single-usage medical devices. Sterience offers a diverse range of services, offering its network of infrastructure and high-value equipment for sterilizing reusable medical devices. These services target both the public and private sector, and range from on-premise sterilization services, to outsourced services, heat-sensitive gas plasma sterilizers with hydrogen peroxide, as well as trouble-shooting consulting.

The company was created in early 2000, and was an initiative established by B. Braun in France. In the years following, Dalkia primarily owned Sterience, and the company has now been fully acquired by Ekkio Capital. Upon the foundation of Sterience, the company has served under the premise that sterilization is a process requiring skill and sophistication. In France, these procedures

are normalized and regulated with very high standards. These have naturally been put in place to ensure the highest level of security for the patient.

What are some of the primary services offered by Sterience in sterilization?

When considering hospitals, the primary responsibility of these institutions is to provide efficient and quality healthcare, making regulated sterilization procedures an ancillary responsibility. In this regard, a third party could better manage the complex and industrial process of sterilization, representing the model of our services offered at Sterience. Our earliest industrial sterilization sites functioned in an “ex-situ” fashion, meaning that Sterience collects used surgical tools and medical devices from our clients, usually hospitals or clinics. We then take these to our warehouse facilities to sanitize, re-package, sterilize and return.

Currently Sterience has four of our eight sites throughout France dedicated to this method of our services. These sites have been established regionally to service the various hospitals and clinics within the proximity of our facilities. Around 2010, Sterience expanded its service offerings with a new model, our “in-situ” service offering, where we provide our full sterilization services *on premises,* in the clinics and hospitals of our clients. The remaining four sites of Sterience are based on this model. The guarantee of our service offerings is that we can provide better quality of sterilization through our cost-efficient, industrialized process. Since tools that have been sterilized will be used directly on a patient, it is critical that our facilities abide by the most stringent quality controls which is a company priority for us.

Prior to joining Sterience in May 2015, you spent a number of years of your career working in different countries and in different capacities for Johnson & Johnson. What was it that led you to join the Sterience project?

I worked for 20 years at Johnson & Johnson, and in the last three years of my tenure there, I was actually involved in the sterilization business segment, my first introduction to the practice. At Johnson & Johnson, we focused on low-temperature sterilization, which is a very specialized process. Throughout these years, I established my first connections with sterilization specialists throughout France. Following the Ekkio acquisition of Sterience, I was approached with an offer to join the new management of the company.

As you approach one year in the position of CEO of Sterience, what were your responsibilities upon assuming the role, and what are your personal missions for the coming years?

My mission upon arriving at Sterience was to continue the development of the company. There is still a huge potential within the market of medical device sterilization throughout France. Even with competitors included, only approximately ten percent of the market is covered by services such as those offered by Sterience. This naturally implies that 90 percent of the volume of surgical instruments are still sterilized by hospitals and clinics themselves, which is not the primary responsibility of these institutions. This may mean that the sterilization process is not conducted in the most efficient manner possible.

While this practice of conducting sterilization procedures on premises by hospital staff may not be the most efficient method available, one challenge to market access is facing surgeons themselves who are often skeptical about their instruments being handled off premises, or through a third party. This establishes the high importance of trust and assurance that we must build with our clients to expand our service offerings at Sterience. The potential of growing beyond the current ten percent of the market already utilizing sterilization services has been the primary mission assigned to me under my appointment at Sterience.

What has been your strategy to establish greater market access potential?

To overcome these market access barriers, developing additional service offerings has been a key strategy here at Sterience. We have developed these services to make the work of surgeons and staff more streamlined and efficient in the operating room. One such service offered beyond our standard “in-situ” and “ex-situ” services is a pre-sterilization phase initiated immediately after surgical procedures. We have been striving to convince our customer base that they can rely upon the expertise of Sterience during this phase of the sterilization process.

On the other side of the sterilization timeline, Sterience is also working to develop management services with customers, organizing the warehouse storage of sanitized surgical instruments. To overcome any concern of surgeons that instruments may be misplaced, we ensure visibility to our customer of the entire service process provided by Sterience. We are well underway with developments with web-based programs and apps to allow for tracking of all medical devices and instruments under the responsible care of our staff.

What other additional services does Sterience offer?

Expanding upon our core service offerings, Sterience is able to provide a range of sterilization processes, including high temperature, steam-based sterilization, as well as specialized, low-temperature sterilization for heat sensitive materials. At present, Sterience is the only service provider in the French market to provide low-temperature sterilization services to our customers.

As robotic surgery is highly developed in France yet also requires low-temperature sterilization, it is a very important service that we provide.

We also provide a consulting service referred to as “troubleshooting services”. As the regional specialist in sterilization, we are keen to share our expertise with clinics and hospitals that are seeking to reassess or renew their sterilization systems. Throughout this process, specialists from Sterience are able to provide expert advice on engineering, as well as concerns related to volume, flow, and equipment of sterilization lines. We are planning to develop this service offering further within our company.

Related to this, Sterience is positioning itself to assist as a service provider for short-term contracts, with clients experiencing particular issues or irregularities in their sterilization zones. Under such circumstances, a client may require short-term sterilization assistance. In such cases, where assistance may only be mandatory for a few months, I would like to position Sterience as a leading service provider. In this capacity, it is also a proactive way for our company to reach out to new potential long term customers.

Another concept that we are developing is a rental service of re-usable medical instruments. For clinics and hospitals that may not possess the most state-of-the-art devices and instruments, such a service could also be a part of the offerings of Sterience. In order to expand our core sterilization service offerings at Sterience, developing additional services are a main component of our strategy.

As the French leader of outsourced sterilization services, what is your vision for the coming years for Sterience?

With 90 percent of the market technically still available as potential business opportunities, the future is still bright for our company. It is important for us to share our message that Sterience can assist hospitals and clinics provide better, more efficient service by being able to focus on their most pressing priorities, and not secondary responsibilities such as sterilization procedures. Sterience can service as a reliable partner to provide, efficient, and quality-controlled sterilization services at a good price.

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