Interview: Rufi Susanto – President (Core Market) and Senior Managing Director Indonesia, IDS Medical Systems



"In my opinion, investing in educating stakeholders may not reap short term benefits but it will pay back on a long-term based on a loyal as well as capable sales force that will attract the right clients."

17.07.2017

Tags: Indonesia, IDS Medical Systems, Medtech, Strategy, Investment

Rufi Susanto, President (Core Market) and Senior Managing Director IDS Medical Systems (idsMED), highlights the company's commitment to Indonesia and believes that idsMED's employees, in combination with continuous investment in their education, are key to making the company succeed.

Mr. Susanto, you hold two management roles within idsMED, being the president of core markets in addition to your role as managing director of the Indonesian affiliate. How has this dual role worked out for you so far?

Even though I have been the director of the Indonesian affiliate since 2013 when PT. Fondaco Mitratama – a company that I co-founded back in 1996 – was acquired by idsMED, I have just recently been appointed as president of the company's core markets (Malaysia, Singapore and Indonesia). In fact, it is really interesting how despite the geographic proximity these markets are all very different and require tailor-made strategies according to their particularities. The business model has to be fully adapted when moving from the still very young Indonesian market to the more established but also more stagnant Malaysian economy and to Singapore, which is very developed and has a much more complex and rigid structure than the others.

Notwithstanding the diversity in those markets, I consider this three-dimensional leadership to be very beneficial for me in terms of broadening my exposure to other countries while learning the best practices of each market and trying to apply those in the others.

You have a vast experience within the healthcare industry, co-founding PT Fondaco Mitratama back in 1996 and now in your positions at idsMED. From your expertise, what are the main factors to succeed in a dynamic environment such as Indonesia from the medical distribution standpoint?

Indonesia has always been very challenging in terms of regulatory issues; it has not wrongly earned the reputation of being an unpredictable business environment with certain lack of transparency. Those issues are now gradually being resolved with the strong commitment of the government in implementing the universal healthcare system (Jaminan Kesehatan Nasional – JKN) and through the nationwide Government e-catalogue procurement method, which is providing a solid frame for healthcare businesses in the country.

When I started in the industry back in 1996, I was very fortunate to surround myself with people, who like me, believed in the value of education above all else. And up to this day I still remain convinced that education is our main focus in idsMED and is the main underpinning that ensures our value-added impact in Indonesia.

In my opinion, investing in educating stakeholders may not reap short term benefits but it will pay back on a long-term based on a loyal as well as capable sales force that will attract the right clients. People will remember who invested in their education early on.

Which would you say is the area still holding the largest potential for improvement in the Indonesian medical device industry?

[Featured_in]

I still have the dream that the local manufacturing capabilities in Indonesia will develop. The will of the government to encourage this development is present but few medical device companies are betting on manufacturing in Indonesia due to the higher production costs compared to neighbouring countries like China or India. Indeed, we had such intention in Fondaco but we never implemented it due to the high domestic manufacturing costs.

Nonetheless, I am committed to show patience, waiting for the day when we will be able to develop a local medical device manufacturing base in Indonesia since this is what the country needs: committed people and businesses that are ready to persist through a dry spin in the hopes of a

more rewarding future. This is why I have high respect for companies such as ABN and MAK, which can proudly present high-quality solutions made locally in Indonesia.

In emerging countries, it is vital to have the right product portfolio to meet the local needs. How do you make sure to have the most appropriate solutions for Indonesia?

At idsMED, we are committed to providing not just products but solutions that perfectly fit the local market. In Indonesia, this devotion translates into an adapted portfolio that is in line with what we have singled out as the areas in most urgent need of our support. We can only make a difference if we identify those needs or limitations to provide solutions accordingly. In this sense, we have a strong sales force that is very close to our clients and continuously convey our customers' limitations to us.

[related_story]

The JKN is one of the main factors boosting the national healthcare industry. Indeed, medical devices and hospital equipment play a crucial role in the implementation, offering high quality healthcare services to doctors as well as patients. What role do you foresee idsMED to play within this frame?

Contributing to JKN, by enlisting our solutions in the government's e-catalogue is at the very top of our current priorities. Although we have not yet found the right formula to enter our solutions into this programme, I firmly believe that we will succeed if we are persistent enough. We perfectly know what the government needs in terms of technology: not necessarily very high-tech ones, but those that fully serve their purpose with an affordable price. We aim to deliver this type of solutions since it is our commitment to support the government in such decisive undertakings as the universal healthcare coverage.

In the meantime, where else is idsMED supporting the government of Indonesia?

We are active on three fronts: medical forums, distribution efficiency, and education.

Firstly, we try to provide a platform with our healthcare forums, bringing together those healthcare stakeholders who find it difficult to communicate efficiently. In this regard, by sitting the government healthcare officials, associations and industry down at the same table, we contribute to a more efficient discussion as well as exchange of information.

Secondly, given that one of Indonesia's main challenge is the high cost of logistic between islands, we strive to use scientific and data analytic methods to develop a formula to durably reduce our

distribution costs and thus the overall price of healthcare solutions across the archipelago nation, which will in turn make it easier for us to meet the price demands from JKN, making our solutions affordable for the government.

Lastly, we focus on education by conducting workshops, seminars, commission studies and even creating curriculums for recently appointed managers of newly opened hospitals in Indonesia. It is important to mention that some of those managers have only received midwife training and suddenly, they are required to manage budgets. By providing them with both the tools and the knowledge to master their new task, we can alleviate the government of one of its many burdens.

The ambitious goal of the JKN is to cover every Indonesian citizen by 2019. Simultaneously, the distribution challenges in Indonesia are immense due to its complex geography, encompassing more than 17,000 islands and an overall coastline of 55,000 kilometres. How do you ensure the market access of your solutions in Indonesia?

Although as a healthcare distributor, we probably already have the most number of biomedical engineers in Indonesia, we plan to double the number of biomedical engineers that we have in Indonesia within the next three years in order to achieve a better coverage of both urban and rural areas. In term of Engineer to Sales ratio, our organisation is somewhat unique compared to others whereby we have more engineers than sales people amongst our team since it is our commitment to ensure that, whatever equipment we distribute; there is always someone available to service our clients at any time and location.

In the meantime, we will also focus on enhancing our engineers' efficiency by stretching their knowledge coverage to encompass principals that are not our clients as well. I believe that this is strategy will benefit us in the long run by making the most out of the working hours of our employees, and by augmenting our total sales numbers through strong relationships and trust.

In June 2017, idsMED Indonesia completed the acquisition of the medical distribution business of PT Pacific Biotekindo Intralab to enlarge its footprint in the country. What is the merger and acquisition strategy of idsMED today?

Of course, future mergers and acquisitions are always planned, as organic growth and rapid growth through acquisitions are our two main strategic pillars in constructing our business here.

Hence, the acquisition of PT Pacific Biotekindo Intralab is very much in line with this strategy, as we needed a base for our entry into the laboratories business. Furthermore, by enlarging our portfolio, we also aim to play a bigger role in the JKN by being active in every area the programme covers.

What are the main objectives that you would like to accomplish in the next three years?

In the next three years, we aim to multiply every one of our numbers by two. So, if we have 80 engineers working for us today, we want that number to rise to 200 in 2020. In terms of sales, having just achieved our first trillion last year, we aim to achieve IDR 2.2 trillion in revenues by 2020.

What would you define as the main assets of idsMED that differentiate it from its competitors?

Without hesitation: our people. We have a unique way of management trying to provide our employees with what we call a “WOWsome” experience. As a result, we have just received the “HR Asia: Best Companies to Work For in Asia 2017” award of which we are very proud.

See more interviews