François Vorms – Managing Director, Canon Medical Systems France



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François Vorms, managing director of Canon Medical Systems France, shares the story of how the company navigated its transition from Toshiba to become a well-known player in the medical imaging market today. Additionally, Vorms comments on the highly advanced AI initiatives the affiliate is taking, namely its Aquilion ONE™ / GENESIS CT scanner.

Mr Vorms, you have now been managing director for almost 12 years. What would you describe as having been your flagship achievements so far during this tenure?

When I joined the company, the organization was around 90 people and as of today, we have grown to a team of 130 strong. Alongside this development, we have gone through a full organizational restructuring. At the time when we were owned by the Toshiba group, Toshiba Medical Systems was seen in France as an ‘average’ player in imaging, known mostly for its ultrasound business. When I took over, my goal was to build the company’s visibility and be considered as among the top four players in the sector – this was the mission for the first five years.

The initiative ended in success and we became recognized as a leading company in Ultrasound and Big Equipment (CT / X-Ray / MRI) globally but also by the university hospitals. This last footprint created trust within the market, which allowed us to grow with ultrasound as our core bread-and-

butter driver and the big equipment business increasing. Today, Canon is acknowledged as a heavyweight imaging player, and not just a niche player in certain areas.

Currently, we are in our second phase of restructuring to evolve into a solutions-based approach. The environment is changing, and we recognize that hospitals are requiring holistic partnerships more than ever. One year ago, we identified several clinical pillars to help better position ourselves as a solutions provider for the healthcare system. The five areas of clinical imaging are musculoskeletal disorders (MSK), women's health, cardiovascular, neurology, and oncology. Looking at these five pillars, Canon Medical Systems has the portfolio of products which can address the needs of each hospital based on its profile – whether small, large, or even specialized. This new strategy will also fit well into the *Ma Santé 2020* reforms of the government which will set up hospital territories, establishing local clinics up to bigger regional hospitals.

Although the transferal of Toshiba Medical to Canon – a group more commonly associated with cameras and printers – was initially unveiled back in 2016, we understand that it has taken considerable time to execute the merger across Europe. How has the integration process played out in France?

After Toshiba sold off its medical unit to Canon, it took two years to move through the transition period and finally become Canon Medical Systems as we are today. This gave us enough time to align ourselves with a single mission that Canon Medical Systems will be the top player in medical imaging. Since Toshiba and Canon were not competitors or did not have overlapping portfolios, the transition was much smoother than it may have been for an acquisition done by another player. This integration filled a gap in Canon's overall offering, therefore, when the transformation from Toshiba Medical to Canon Medical Systems was finalized in 2018, it was done very smoothly. We were also able to communicate the change to our customers easily. This was also the start of increasing our visibility in the field of medical imaging.

Toshiba Medical was one of the top companies when it comes to patent registration in medical imaging. The company was the first in many areas, and the DNA of innovation that has always been here was transferred to Canon. Our priority was to convey to our partners that our dedication and focus has not changed despite the change in brand name.

Europe accounts for just over a quarter of Canon Group's revenues. To what extent is this regional split mirrored within Canon Medical Systems share of the sales and how strategically relevant is the French market within that?

To many extents, France is a key market for Canon both in Europe and worldwide. There is a strong history for the imaging and radiology business in France with skilled professionals and a strong medical infrastructure. Being well positioned within the university hospitals, we deal with many KOLs, making France a reference country not only for research but for product development. Over the past several years, Canon Medical has worked alongside many university hospitals to develop new software and machines. From a scientific point of view, France is hence a very important player for Canon worldwide.

The market is very interesting in the way that overall, France is the country with the youngest install base. Looking at the number of machines per million of inhabitants, France is by far behind other countries in Europe when it comes to magnetic resonance (MR) and CT scanners. This means our equipment is being used much more frequently than other countries and hospitals are renewing machines more often. This is very good in terms of volume, but France has one of the lowest prices for equipment in Europe which is concerning for all companies in the sector. The industry is concerned because we now have to question whether France will be able to acquire innovative machines in the short term.

Due to the healthcare and Social Security structures, the industry margins are already very thin – nearly zero. However, the government continues to lower prices and cuts costs. We already see that some hospitals are asking for help to optimize their organization. More and more are being asked from the industry players while value and reward fall at the same time.

Canon Medical Systems is notable for the sheer breadth and scope of its offering. How is this portfolio reflected on the ground in France?

For years, the main product area for Canon Medical Systems France has been ultrasound – we are the leader of the radiology segment which accounts for about 30 percent of the total ultrasound market. Canon Medical Systems has nearly half of the market in France for radiology. Overall, we are second in ultrasound.

When it comes to large equipment, we are ranked in the top three for CT scanners. For X-rays we are developing this activity, working with interventional cardiologists and neuroradiologists.

Additionally, ten years ago we relaunched our MR activity and have been steadily increasing each year despite the challenges we face in France.

How is the French affiliate offering new levels of solutions as part of Canon Medical Systems' "Excellent Global Corporation Plan"?

Canon Medical has two strategic axes. The first is beginning with medical diagnostic and moving to interventional and eventually IVD devices. All of these sides will be complementary to each other, supported by digitalization and artificial intelligence. Secondly, we have a focus on IT which is related to post-treatment software, cloud storage, etc. This is an overarching European strategy which is, of course, being slightly altered and adapted to the French market.

Against the prevailing environment of managed care, economically motivated customers, consolidation among health care providers, and declining reimbursement rates, where do you perceive most competition coming from?

In France, compared to players like GE and Siemens, we are smaller. Without the backing of the Canon Group, we would be considered a mid-sized sized company but the advantage this creates for us is agility. Our structure allows us to adapt very quickly to market demands while still being able to access all the power of a larger group. Here in France, we are not only able to utilize the resources of our European counterparts, but also in Japan. We often even have Japanese engineers coming to France to work with the renowned radiologists that we have here.

Canon Medical Systems has been leading the way in deep leaning by equipping Dijon's University Hospital with a first-of-a-kind-in-Europe, the Aquilion ONE™ / GENESIS CT scanner that includes Artificial Intelligence (AI) capabilities. Just how momentous is this development?

Canon Medical Systems has been able to be the first player to put on the market an artificial intelligence solution which utilizes deep learning rather than just machine learning. Aquilion ONE™ / GENESIS uses an algorithm which is trained on big data in the factory and is embedded in our CT scanners, resulting in benefits like improved imaging outcomes and reduced radiation exposure for patients.

We are also excited to see how this technology has been shifting the therapeutic strategy of hospitals. In Dijon's University Hospital, the emergency division of the hospital is now able to perform one diagnostic test to quickly identify the cause of a stroke, whether neurological or cardiological, rather than taking longer and exposing patients to more radiation by doing so separately. This was not commonplace before Aquilion ONE™ / GENESIS and many lectures and publications have been made about the innovation.

At the Institut Gustave Roussy, we are combining two technologies, a CT scanner and an angiographic system which are communicating with each other. AI is also embedded in the CT scanner of this suite, like in Dijon. This is being applied in the interventional side of imaging and we are excited to see what impacts this initiative can bring to methodologies and treatments.

AI will be also useful in other modalities such as MR where it takes a long time to ensure the quality of images. With AI, we will be able to carry out exams very quickly with the same level of quality as high-level machines and technicians. Soon we hope to see automatic recognition of initial exam results and the prioritization of patients.

Having homogeneous data and large amounts of it is key to the success of AI. Right now, all companies are working alone using their own internal data. For this reason, the Health Data Hub initiative in France could be an important game changer for AI in France.

Looking forward, what strategic priorities have you identified for Canon Medical Systems France?

Speaking on the footprint of Canon Medical Systems, our goal is to increase what we can offer to the healthcare system and professionals through innovation. Our focus is to help deliver the best care possible to patients, so we incorporate the best of our technologies into all our solutions. France is an important country for Canon Medical Systems with excellent, top-notch health specialists and KOLs and we will continue to partner with them for the development of the imaging sector.

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