Alexander Alonso – General Manager, BD Benelux (July 2020)



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Alexander Alonso, general manager of medtech giant BD's operations in Belgium, the Netherlands, and Luxembourg outlines the company's extensive footprint in the region, how it has rapidly mobilised in the fight against COVID-19, and the market access situation for innovative medtech solutions in Belgium today.

BD is a multifaceted medtech company, with operations spanning three core businesses: Medical, Life Sciences, and Interventional. Can you begin by introducing the company and its operations in Benelux?

BD is one of the top five medical technology companies in the world in terms of top-line revenue, with 65,000 employees and a presence in more than 200 countries. However, our biggest impact is the broadness of how we support and advance the world of health.

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Our work can be categorised into three 'Ds' – 'Discovery', 'Diagnosis', and 'Delivery' – which, taken together, make us indispensable to health. In Discovery we support companies, labs, universities,

and research centres to understand diseases such as COVID-19 and support them in their research to build vaccines.

In Diagnosis, our work is focused on accurate and fast diagnosis. To use the example of COVID-19 again, we were the first company to gain a CE marking for our real-time RT-PCR test to ascertain whether a patient currently has been infected with SARS-CoV-2 and a Serology test to determine if a person has been infected with COVID in the past.

In Delivery, when you see a COVID patient on the news, you will see infusion pumps, catheters, and syringes, which are all things that we can deliver. Looking forward, we are supporting the delivery process of any future vaccine with a very efficient and safe delivery mechanism.

In January 2020, Tom Polen was appointed as BD's new global CEO. Do you see this new arrival heralding disruption or continuity to BD's strategy?

On one hand the appointment represents continuity, because Tom has already been working with the executive committee for many years delivering on existing strategy. There may, however, be a disruption in terms of personality. He appears much more in the media and wants BD to be better known as the impactful company that it is.

Tom is also keen to invest in innovation and empower people. We have already seen a greater confidence among staff to speak their minds and share ideas in the first few challenging months of 2020 and are seeing greater agility and speed across our operations.

With such an expansive product portfolio, how do you ensure that a balance is found between affordability and meaningful innovation?

We have a philosophy of interacting with healthcare specialists to understand their current needs and build up intelligence to know what will be needed in the future. Moreover, we also invest massively in innovation, both internally and via acquisitions. For example, since 2014, BD has made two major global acquisitions – CareFusion and Bard – which have made our value proposition broader and deeper.

We are building integrated value propositions which means that a single medical technology is no longer isolated but instead part of a holistic solution. That is what differentiates us. A syringe is never sold as a syringe alone, but rather as part of a medication delivery and management value

proposition.

With the evolution of the group over the past few years, how have your human resource needs evolved and what type of people do you look for to work at BD?

We have acquired many new competencies in the last few years. For example, seven years ago we had no software, but now we sell software as part of our solution which requires new competencies in terms of sales and marketing, as well as technical services.

Diversity is top of our agenda. I truly believe in the power of diversity, bringing people from different backgrounds together in a room to come up with the best ideas possible. The success of BD Benelux is testament to this, with almost 50 different nationalities represented on our 1,200-strong staff. Moreover, in Benelux, 30 percent of our employees are below 30 years old. Blending all these ingredients together gives you a fantastic cocktail of philosophies and ideas. Opening ourselves up to diversity and including different voices in our decision making ensures that we can find the best solutions moving forward.

Our new value proposition requires the right people and we are searching hard for them. Just like a soccer team, we need specialists in many positions rather than a single person that sees the process through from end to end. Instead, we build teams and support them with systems, processes, and philosophy to make sure that they can work well together.

Given that the amount paid for medical technology is about three times higher in the US than in Europe, and the fact that BD is an American organisation, how would you characterise the role of Europe for BD and how is the continent regarded throughout the organisation?

Europe represents a very important geography for the global organisation. Almost 25 percent of revenues come from the Europe, Middle East and Africa (EMEA) region and this is growing. Obviously, Europe is not growing at the same rate as some of the dynamic economies in Asia, but it is a very sustainable market. Europe’s diversity is also important. For new product launches, Europe provides many different angles, allowing conclusions to be drawn and decisions made for the rest of the world. We have also been investing in our production activity in Europe. Most of BD’s products for Europe are produced here and many are very specific for the European market.

The aforementioned acquisitions have also brought about an intensified focus on Europe and is now allowing us to fill the gaps in Europe in areas where we were perhaps less successful previously. By bringing these companies together, one has been able to leverage the other to gain greater penetration and ultimately grow BD's top- and bottom-line revenue.

What is your agenda in Belgium and what are your priorities for 2020 and 2021?

We have a very clear mission in Belgium – to be *the* leading partner in terms of patient safety, healthcare worker safety, and efficiency in healthcare. We position ourselves to support healthcare along the total continuum of care with innovative value-based solutions. In our work with both pharmaceutical companies and hospitals, we are increasingly looking at how we can support care before a patient enters the hospital as well as when they leave it.

Patient safety refers to accuracy and speed in diagnosis, a reduction in medication errors, helping reduce infections, and countering antimicrobial resistance (AMR). In healthcare worker safety we are talking about preventing the healthcare workers from getting needlestick injuries for example, or from contact with hazardous drugs. In efficiency, our focus is on medication management from prescription to administration to ensure that this happens as efficiently as possible with low chances of error and in a safe way, but also supporting a fast and accurate diagnosis from the pre-analytical through the analytical phase with automation and standardisation.

How do BD's operations in Belgium differ from those in other European countries? What is the role of the hospital in Belgium and the level of interaction with pharma companies and patients?

There are a few particularities for BD in Belgium. The first is that our distribution campus, which contains four European distribution centres, is located in Belgium. From here we supply the whole European market with BD solutions.

Secondly, the financial model and the way of working is distinct in Belgium, even from our close neighbour the Netherlands. It is important that we can listen, understand, and adapt our solutions to different European markets. The diversity of countries and models within Europe can be difficult to explain.

A third point is Belgium's manufacturing footprint, with 30 production sites located here. Looking at the search for a COVID-19 vaccine, in Benelux there are more than ten trials underway. The likes of GSK, Janssen, Pfizer, Sanofi all have sites here, representing more than EUR 10 billion in pharma production. Something that empowers the country when talking about healthcare.

A lot of clinical trials also take place here. Belgium is a small, densely populated, easy-to-control place with a diversity that statistically can give you conclusions about what a European or even worldwide outcome might be.

Four years on from the 2016 'Pact on Medical Technologies' signed between Minister of Health (MoH) Maggie De Block and the Belgian medtech industry and amidst a certain degree of uncertainty and instability currently, what is next in terms of investment in medtech innovation in Belgium?

As a company, we need to ensure that we partner well and are part of the development of healthcare in Belgium. Together, we need to examine what needs to happen to advance the world of health. There are currently a lot of moving parts and a lot of change, for example, Belgium's 92 hospitals will be moving to 25 networks. This represents a significant change in terms of how we as a business interact with healthcare but will also affect patients.

In Belgium, healthcare has never changed so quickly, making partnering extremely important. The financial pressure is also very high. Like all of us, when we invest in something, we would like to feel that it is the right investment to make. That is why we are working to become a better partner but also to be able to prove the efficacy of our solutions. Health economics is taking hold and public policy and advocacy work, something that has become very important for pharma, is now growing in significance for medtech.

Processes and legislation need to be open to embracing these changes, especially as some of the current legislation blocks investment into innovation. For example, financially the law does not incentivise the prevention of needlestick injuries for healthcare practitioners in Belgium. Within the current financial framework, this is simply paid for by insurance and there is no incentive to invest in technologies that can prevent these injuries.

My hope is that all the moving parts within Belgian healthcare can come together to solve some of these issues. The most important thing is partnership building, looking together side by side towards the future of healthcare and making sure that we build financial and business cases to

prove that investments in innovation will bring the desired results.

Belgian MoH Maggie de Block visited your facilities in February 2019. What was the message you wanted to pass on to her?

That we are a commercial company but that we understand the challenges in healthcare, her vision for healthcare in Belgium, and that we can play a role in making that happen. Being commercial means that we can invest in innovation which can create better outcomes for patients and better processes in healthcare. Ministers should not look at us as merely commercial but as key stakeholders in helping achieve the strategies they have put in place.

BD has an experience centre in Belgium where we use virtual reality (VR) and augmented reality (AR) to showcase the life of a patient, look at the challenges at every step, and think about what solutions can be put forward. Minister de Block even used VR glasses to look into a virtual pharmacy. It was really a great visit with a lot of ideas exchanged and I think she left with the feeling that companies like BD can be a great help.

In terms of COVID-19, BD was very fast with a diagnostic test, but there is sure to be a further impact on the business as well as how healthcare is structured in the future. What is your take on this pandemic from a BD perspective and as a leader?

We are living by the maxim, “never waste a great crisis.” There will be a significant difference between the companies and leaders that do and do not waste this crisis. We need to look at what has changed already, for example how common video conferencing has now become when four or five months ago it was only used sparingly. A few barriers have already been broken and have increased our agility, such as signing contract tenders electronically when six months ago I would have had to go somewhere and spend time signing them physically. These little things are changing the world. I do not believe the world will rotate 180 degrees, but there will be added value from new ideas and new technologies we are now embracing.

However, the economic impact of the crisis has been massive, and the coming months will see a further impact as well as several uncertainties. At BD we have been very lucky with the balance and broadness of our portfolio; on one side we had very strong headwinds and on the other, we had even bigger tailwinds. This balanced the company in the face of negative impacts. For example, we are active in the production of solutions for elective procedures, which simply

stopped. On the other hand, we had to increase production in other areas by three to five times, chartering planes from one country to another to get the products delivered on time. A massive amount of agility was needed that will for sure impact the financials in the coming months. We will need to look at it and try and adapt the organisation so that our P&L remains healthy. Other companies that were, for example, only focused on elective procedures, will have a very hard time.

Every disadvantage has an advantage and we need to always look at what we can get out of the crisis. I have seen great people come to the surface that were never visible previously. COVID has opened a door to change and we now need to think about how to go through it. We also need to be prepared to manage the situation and have learned our lessons if after the summer there is a second wave. BD as a company is now returning to the workplace, keeping in mind that every day something like this could happen again. This means that agility has to be embedded in our way of working.

What is your final message on BD for our international audience?

We are all in this together. There is a desperate need to bring together the competencies and capabilities of companies from across different industries to build a better future. Ten years ago, we partnered a lot with other medtech companies, now we are working more with technology companies, healthcare institutions, and healthcare workers to help us understand and bring forward solutions together. We are even partnering with patients to make sure that their voices are heard. Those diverse partnerships are something we need to engage in more and more and I hope that people look to BD as an inspiration for that.

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