Ole Per Maloy – CEO, Siemens Healthineers, Middle East and Southern & Eastern Africa (October 2021)



We have the potential to make significant contributions to Saudi's Vision 2030 because of our extensive portfolio and capabilities in artificial intelligence (AI) and IT solutions that can connect hospitals and connect rural healthcare institutions with diagnostic centres

20.10.2021

Tags: Saudi Arabia, Siemens Healthineers, MEA, Medtech

Siemens Healthineers' CEO for the Middle East and Southern and Eastern Africa, Ole Per Maloy, outlines the company's different business models in the region, how it chooses partners in markets where Siemens Healthineers previously operated indirectly, and explains how the Varian acquisition will allow the organisation to provide comprehensive cancer solutions.

What has motivated you to remain with Siemens Healthineers after almost 21 years with the company and why did you decide to go back to Dubai and take on this position as regional CEO for the Middle East and Southern and Eastern Africa?

You never get bored when you work in a company that is so innovative. We take great pride that innovation is part of our DNA; to share with you, Siemens Healthineers invests around EUR 1.3 Billion in research and development (R&D) annually. We have some 18,500 patents, patent applications, and utility models, where we are constantly bringing groundbreaking innovations to the market. With all that innovation, a large part of our products are fewer than three years old, allowing us to supply the market with breakthroughs benefitting healthcare professionals and in turn patients.

To give you a brief background I spent more than 10 years of my career in Norway, a leading society in information technology (IT) and healthcare that had digitalised almost 100 percent of

patient healthcare records by 2005; by far the most advanced country in the world in that respect. Our organisation was advanced on IT services delivery which are a key enabler for productivity and quality in healthcare.

After Norway, I took a job in Dubai managing our Diagnostic Imaging division for the Middle East and Africa. After three years, I went back to Europe as CEO for the Nordic region where I learned about the pros and cons of large public procurement organisations. My next role was based out of London where I managed Western Europe and Western Africa for our Diagnostics Imaging products.

In 2018, I came back to Dubai as the CEO for the Middle East and Southern and Eastern Africa. Siemens Healthineers has a special growth initiative for Middle East and Africa, a very heterogeneous region, with different requirements, challenges, and plenty of volatility; we see it as a growth region where a one-size-fits-all approach is not feasible. The political instability, oil price reliance, macroeconomic environment, and COVID-19 pandemic does make it an unpredictable region, but it presents us with great opportunity and is especially very interesting for me.

The last couple of years have been difficult due to the pandemic but we as an organisation have managed to keep growing and we have no doubt that these markets will continue growing in the mid and long term.

In a region that encompasses early technology adopter countries with high GDP per capita and others that lag on access to healthcare, what are the different business models that Siemens Healthineers has implemented?

Analysing the 42 countries in our geographies, we prefer to have a direct presence when the size and maturity of the market allow it. We have a direct presence in five of those countries and in the rest, we operate indirectly. But of course, we ensure to be well-represented and come across to our customers as one company across our field of activities, even where we are present indirectly.

On the imaging side, which is the core legacy of Siemens Healthineers, we are more direct than in the laboratory setting.

We have everything from medical imaging and laboratory diagnostics, to adding managed services, consulting, and healthcare IT services – as well as further technologies for therapeutic and molecular diagnostics. With such a wide portfolio, the customer base is very diverse in different domains, and as we understand this very closely, we address the customer’s needs accordingly. To share an example, in Saudi Arabia we sell our imaging solutions directly whereas we have 3 strong

partners for our laboratory business.

What is your approach when choosing local partners that should represent the company with high integrity?

As a general norm, we prefer to have a few large partners that can cover a large part of our portfolio because onboarding and offboarding partners as you would appreciate is a cumbersome process for an organisation as large as like Siemens Healthineers. But in particular, we as a company are very focused on ensuring that our partners maintain the same standard of Integrity and Compliance, as we do. Therefore, choosing a distributor requires us to establish checks and balances and conduct in-depth due diligence processes to ensure we are presented by a reliable partner in the country.

Many multinational executives perceive Saudi Arabia as a launchpad and trailblazer in terms of innovation adoption. How would you characterise the Saudi Arabian market's importance within Siemens Healthineers' MEA structure?

We have a direct presence for our traditional imaging, advanced therapy and Varian businesses in Saudi Arabia and have been present for more than 50 years. On the laboratory side we are present indirectly. The overall trend is moving towards having more direct operations following the country's growth. There is a huge demand for affordable care across the Kingdom and big opportunities because of the high level of hospital infrastructure.

One might think that big conglomerates such as Siemens possess an advantage when it comes to tenders and partnerships because of their long-lasting experience on tenders for other businesses such as energy. Do you perceive such an advantage?

I would say there has been a shift in the last years, one of the challenges with the new tender model is that it does not give any advantages for companies who have a long history in the country. It is of course beneficial to have good connections and history, but the trends is that some customers are moving away from more relationship-based partnerships in favour of decision-making based on facts and figures. It is very similar in Europe too where they use excel sheet scoring models with price and feature criteria only and the company with the highest score wins.

Saudi Arabia is looking forward in the near future, to reducing the costs of its healthcare expenditures via more PPPs. How does Siemens Healthineers' work align with such aspect of Vision 2030?

We have the potential to make significant contributions to Saudi's Vision 2030 because of our extensive portfolio and capabilities in artificial intelligence (AI) and IT solutions that can connect hospitals and connect rural healthcare institutions with diagnostic centres. Our company has great experience in running public-private partnership (PPP) projects after more than two decades of doing so in England, the Netherlands, and Germany.

In Saudi Arabia we already have a big partnership following the PPP model, although it is not exactly the same. Siemens Healthineers is also helping bring international healthcare operators as part of the package to meet the demands and expectations of the ambitious upcoming tenders.

For some projects, Saudi Arabia is looking to outsource everything from equipment to management of hospitals with decades-long agreements. As we are a technology partner and not a hospital operator, we are bringing international players to run hospital operations along with local partners. In my view, one cannot successfully run a hospital without strong local competence.

As digitalisation moves to centre stage for the medtech industry, how is Siemens Healthineers tackling the question of system interoperability, specially avoiding fears of customers to be locked in with one vendor?

Fortunately, Siemens Healthineers works with a vendor agnostic philosophy. Customers can use our products and services but are not locked in with our IT solutions. We understand that while we are a giant innovator, we cannot be the best in absolutely every field. Having an open interconnectivity approach allows customers to be flexible when choosing alternative solutions that can be integrated with our systems.

How does the education of healthcare providers fit into that paradigm?

The education provided by Siemens Healthineers is not about purchasing behaviours but rather about helping customers maximise the use of our solutions.

For example, we have the Siemens Healthineers Academy which addresses all the clinical and technical needs of a hospital related to our products. We train our customers constantly because of the trend of high turnover of hospital personnel.

In Saudi Arabia, we have launched what we call an incubator program, Innovation Think Tank, to foster collaboration between industry, academia, and hospitals.

One of the most significant recent developments for the company is the acquisition of Varian, an American radiation oncology treatments and software maker. How is it impacting your Saudi operations?

The acquisition of Varian is very strategic and the largest acquisition Siemens has ever done as a group, not only Healthineers. It is part of our strategy to be present along the continuum of care, from early diagnosis of cancer to treatment. Our vision is to have a *World Without Fear of Cancer*. Thanks to our current portfolio on the diagnostics side and Varian's on the treatment side, we are now able to provide a comprehensive solution and take leaps in personalized cancer care.

In Saudi Arabia, Varian has around 30 employees that will work with us on projects but there are no immediate plans to merge both organisations yet; in any case, the customer will not feel the difference. Saudi Arabia has a large population of about 35 million and with the incidence of cancer rising globally each year, governments are looking to expand healthcare to address the growing needs. We see ourselves, especially now together with Varian to be well-placed to help our customers in these challenges.

Is there a final message you would like to share with your colleagues in the region and across the globe?

We have been shaping medical technology for more than 120 years. No other medical technology company is better positioned than Siemens Healthineers to support countries in facing their challenges in healthcare, using our solutions for digitalisation, early diagnosis, precision medicine and therapy, AI, and access to healthcare. As a company, our mission is to pioneer breakthroughs for everyone, everywhere – a true realization of what is needed today.

See more interviews