

enabling new business

 SWITZERLAND
GLOBAL
ENTERPRISE



WEBINAR: MEDTECH SOUTH AFRICA

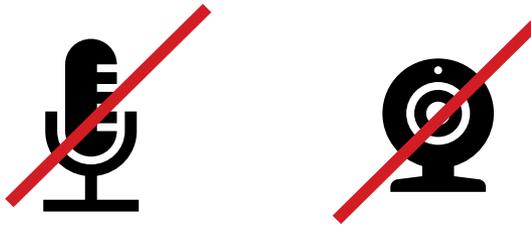
Ways to establishing your product in the South African Medtech Market

October 29th, 2020

Conditions of participation

To all participants

Please **mute your microphone** and **switch off your webcam**



Ask questions through our chat (open chat function)
The webinar will be recorded
Video and documents will be shared after the webinar

WHO WE ARE

S-GE guides Swiss
SMEs on the path to new
markets

Mandated by SECO

Our Missions:

- Export Promotion
- Investment Promotion

**More than 100 professionals at
your service in Switzerland with
offices :**

- Zürich (Headquarter)
- Renens
- Lugano

From start to finish, we support you in your international business, together with our unique network of national and global partners.



Agenda

15:30 – 15:35 | Welcome and Introduction

15:35 – 15:50 | Overview on the needs of the Medtech sector in South Africa

And ways to enter the market

15:50 – 16:05 | Does your product have what it takes?

Introduction of a Business Intelligence tool

16:05 – 16:20 | Insights of Zimmer Biomet

From challenges to easy wins

16:20 – 16:30 | Q&A

Speakers

Joshila Shiba

Head of Quantum Health Outcomes – South Africa



Marlon Burgess

Chairman Medical Device Manufacturers of South Africa, Director SAMED and CEO Afrisky Holdings



Steven Orange

Vice President African Region and General Manager South Africa, Zimmer Biomet



MARLON BURGESS

CHAIRMAN MEDICAL DEVICE MANUFACTURERS OF SOUTH AFRICA, DIRECTOR
SAMED AND CEO AFRISKY HOLDINGS



OVERVIEW ON THE NEEDS OF THE MEDTECH SECTOR IN SOUTH AFRICA

AND WAYS TO ENTER THE MARKET



A South African Perspective of the Medical Device Market

AGENDA

- Health Market Overview
- Med Tech Sector
- Policy Considerations
- African Market
- Market entry recommendations

Health Market Overview

- ~R450 Billion
- 8.5% of GDP
- 50:50 split Public and Private sectors
- Facilities-Tertiary equal, Primary dominated by Public Sector
- Public under-resourced
- 80:20 principal
- All Health professionals trained in Public Sector Academic Hospitals
- Private sector trains nurses
- Public-poor infrastructure, lack of Maintenance (Corruption!)
- Private-expensive?

The South African Medical Technology Sector

- ~R20 Billion
- 90:10 split between Import and Local Manufacture
- SAMED – 192 companies
- MDMSA – 58 companies
- Covid Pandemic – Government support for Local manufacture
- Manufacturing value chain not well developed
- Local preference on Government Tenders
- Private Sector – Focus on Quality – Prefer OEMs

Policy Considerations

Public Sector

- SAHPRA
- National Treasury
- PPPFA
- BBBEE
- DTIC-incentives
- DSI-research
- NHI

Private

- Competition Commission
- Reimbursement – CMS, DSP
- Quality

African Market

- Four/Five Hub approach
- SADC from Johannesburg
- Regulatory Harmonisation
- Technical Support
- AcFTA

SA Market Entry Recommendations

- Direct vs Indirect
- Due Diligence on Partner
- Focus on Technical Support
- Regulatory compliance
- Strategy-Public vs Private, Short vs Long term
- Consider local Manufacturing
- SA vs Africa

JOSHILA SHIBA

HEAD OF QUANTIUM HEALTH OUTCOMES – SOUTH AFRICA



DOES YOUR PRODUCT HAVE WHAT IT TAKES?

**A STRESS TEST, INTRODUCTION OF
BUSINESS INTELLIGENCE TOOL OF
QUANTUM HEALTH**



Our 18 year history assures best practice in privacy, security and the ethical use of data

Privacy

- We have built our business based on privacy by design principles for the past 18 years
- Quantum has strict protocols around the receipt and storage of personal information
- All information is de-identified using an irreversible tokenisation process with no ability to re-identify individuals
- We are GDPR compliant

Security

- We use 'bank grade' security to store and process our data
- Comply with 200+ security requirements from NAB, Woolworths and other data partners
- All partner data is held in separate restricted environments
- All access to partner data is limited to essential staff only
- Security environment and processes regularly audited by our data partners

Ethical use of data

Applies to all facets of our work, from the initiatives we take on, the information we use and how our solutions impact individuals, organisations and society.

We all have a responsibility to use data for good

Quantum believes in using data for progress, with great care and responsibility. As such please respect the commercial in confidence nature of this document.

Case study 3

Agenda

1. Introduction to Quantum	4 mins
2. Introduction to Quantum Health Outcomes	3 mins
3. South African Medical Device Market	1 mins
4. Service Offerings	5 mins

Objectives for today

- Introduce you to Quantum and the team
- Share our understanding of your needs
- Discuss our proposed approach
- Share Quantum's relevant experience

Founded in 2002 in Australia, we have a global team with a unique blend of capabilities



850+
Quantum people

13
Offices worldwide,
headquartered in Sydney

A diverse team:

- Actuaries
- Statisticians
- Data Scientists
- Product Leaders
- Strategy Consultants
- Software Engineers
- Delivery Managers
- Industry Experts
- Designers
- Futurists

A word from one of our clients

“ At Walmart, we are always looking at ways to accelerate innovation for the benefit of our customers.

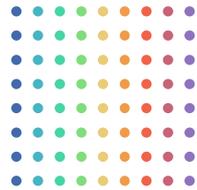
Quantium has developed a world-class data science and AI solution that has transformed the accuracy of Walmart's prediction of customers' needs at scale. The solution determines what our customers need, when and where they need it, significantly reducing both stock-outs and wastage.

Quantium's people combine technical excellence with incisive commerciality. They took the time to really understand Walmart and delivered a solution that has yielded an immediate improvement in customer experience, along with financial benefits at both the cost and revenue lines.”

Greg Foran
President and CEO, Walmart US



We bring expertise in two core domains to develop cutting-edge solutions for a 'big data world'



Data Science

We translate raw data into actionable insight



- Data cleansing and curation
- Data ecosystem
- Data monetisation
- Applied analytics



Artificial Intelligence

We build transformative data-powered solutions



- Decision support tools
- Decision engines
- Machine learning

02

Introduction to Quantum Health Outcomes



Quantium Health brings world-class analytics, unique mix of healthcare expertise and industry leading data to unlock insights



- Global advanced analytics business
- 850+ data scientists, engineers and analysts
- Leaders in applied machine learning and AI
- Unique technology and trusted data repository

Quantium Health

Unique combination of data scientists, industry experts and consultants

Experience in delivering value-add analytics in the healthcare sector

Expertise in health outcomes



Leaders in clinical analytics and health outcomes data

Quantium is Discovery and Vitality's exclusive data analytics partner

Access to largest and most detailed source of longitudinal private sector healthcare data in SA for in-depth insight

Quantium has a number of ways of working with clients

01

Product licensing

Licenses to use Quantium's products on an ongoing basis

Examples



02

Bespoke product design & build

Quantium data science and software teams work with clients to co-build bespoke products or solutions for specific business requirement

- Customized management & operational dashboards
- Analytics engine for operational improvements (e.g. inventory management, nursing efficiency, forecasting)

03

Consulting

Industry experts, consulting analytics and data scientists deployed to solve a specific question for the client or provide skilled, equipped resources on an ongoing basis

- Data analytics strategy & implementation
- Value-based products (risk-sharing arrangements)
- Market entry strategies (e.g. opp. identification, sizing)

04

Data partnerships

Quantium and clients enter into long-term data sharing and commercialisation arrangements



Quantium Health has been in South Africa for 3+ years

Deep industry relationships including exclusive data partnership with Discovery

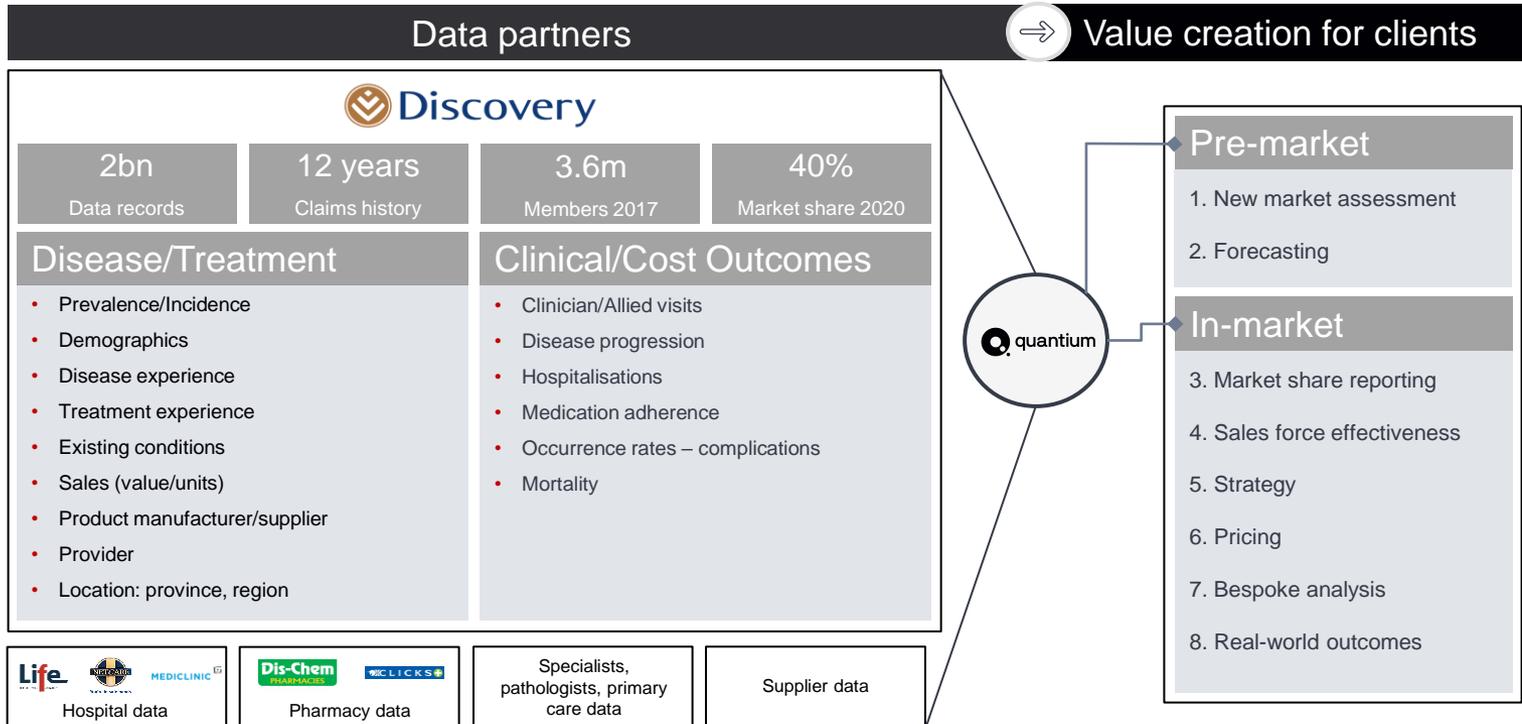
We have worked with 25+ of the largest Pharma, MedTech and Private Hospital groups in South Africa

Wide range of projects including validating new market opportunities, outcomes analysis, data analytics etc

Selected client examples



Quantium creates value for partners through a secure, privacy-compliant data ecosystem

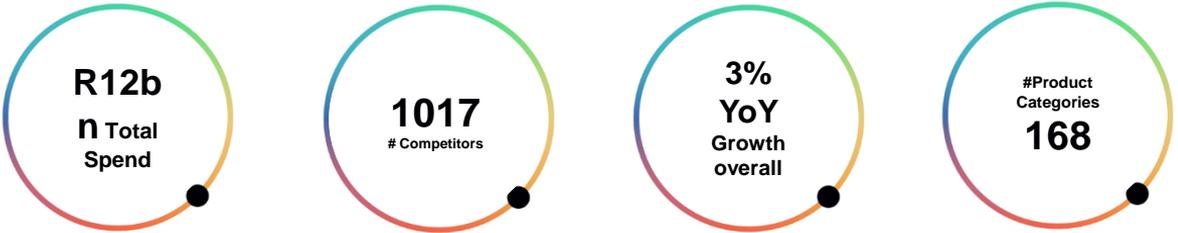


03

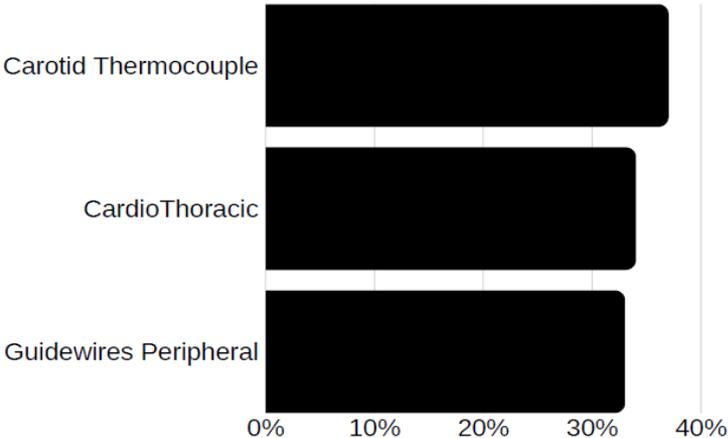
South African Medical Device Market



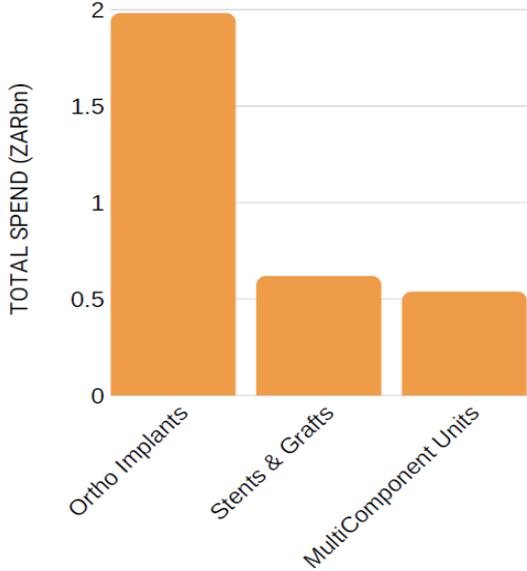
South African Medical Device Market 2019



TOP GROWING CATEGORIES



TOP SPEND CATEGORIES



04

Service offerings



We've developed the commercial, operational and legal processes to enable big data solutions which deliver actionable insights for our clients

Data partner



2 bn Data records
12 years Claims history
4 mil patient lives



Internal expertise



Our big data capabilities allow us to clean, store, transform and visualise data to deliver value to our clients.



Products



Web-based insight portals providing actionable insights to pharmaceutical and medical technology providers.

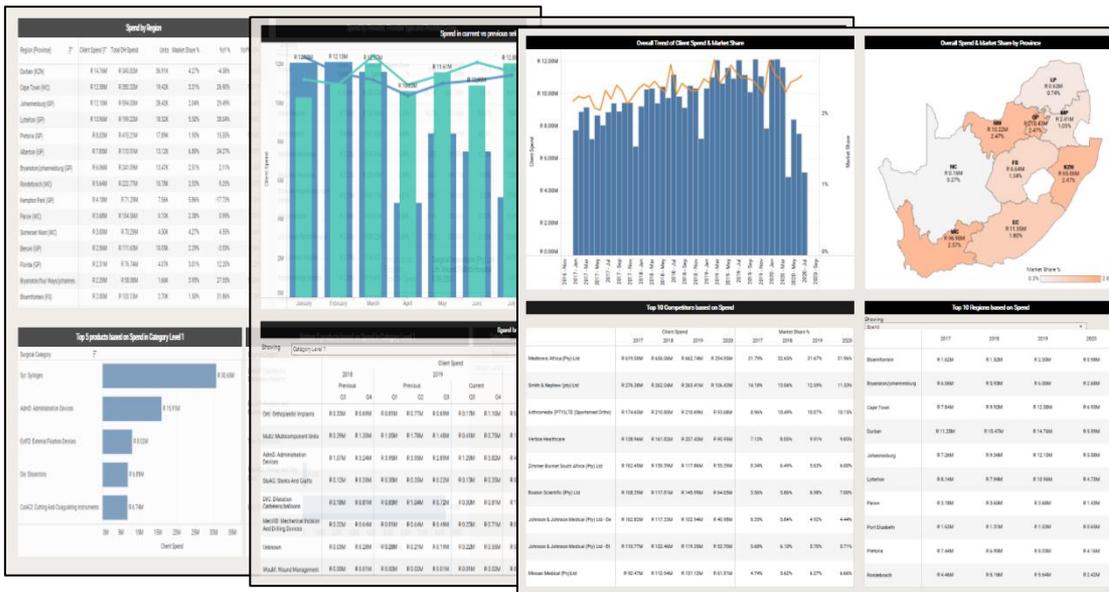


A web-based **insight** portal for **medical device manufacturers and distributors**. It provides access to market insights surrounding their products performance in absolute terms and to the comparable market.

✓ **Q.checkup** comprises of **2 dynamic dashboards** which provide a summarised and detailed view across product categories.

✓ The **summarized view** provides a breakdown of the spend, units, market share and YoY changes of the client and its competitors. It can be used to see trends and significant changes across periods at a high level.

✓ The **detailed view** provides a more granular breakdown across product categories, regions and providers. This allows users to compare the performance of their businesses' products relative to comparable products in the market and to identify areas of strong and weak performance.





A web-based **insight** portal for the **pharmaceutical** industry. It provides access to market insights across product portfolios and therapeutic areas. Helps businesses drive strategies across products, regions, providers and treatment areas.



✓ **Q.dose** comprises **3 dynamic dashboards** across anatomical therapeutic classes and chronic Diseases.

✓ The **disease prevalence and incidence** dashboards allows for South Africa's first epidemiological view of real-world data for a chosen disease area.

✓ The **treatment experience** dashboards provides insights into patient healthcare interventions to accurately track long term funder costs and clinical outcomes to aid with data driven formulary decision making.

✓ The **market intelligence** dashboards deliver a commercial view across all Discovery Health claims for a chosen group of therapeutic areas.



We developed a bespoke dashboard that mapped out Oncology experience in the Private insured market

Case study 2

Clinical analytics
and insights

Challenge



- A Major Hospital group wanted to embark on an oncology market sizing opportunity to better understand the SA oncology market for market expansion opportunities
- Quantum was engaged to understand the various types of oncology diseases, the market segmentation, patient cohorts, treatment pathways and types, service providers and the associated costs

Solution



- Quantum worked closely with Discovery Health to understand the oncology-related claims across various cancer types and providers
- Developed a detailed dashboard that mapped out the oncology market in terms of patient profiles, treatment pathways and related costs

Outcome



- Quantum provided the hospital group with key insights on the oncology market landscape, which is instrumental in the planning phase of the market expansion exercise.

Oncology Market Deliverables



1. Market Overview



The dashboard included the number of patients and costs for the market aggregated to an annual level



2. Dimensions



Each dashboard had various patient and service provider dimensions including, but not limited to: age band, province, and gender.



Example 1: Excel based dashboard

Understand the total market in terms of the number of patients and costs



Understand the various drivers for market performance



Broaden market access for more novel chemical entities

Case study 3

Clinical analytics
and insights

Challenge



- Type 2 diabetes poses a significant disease burden for South Africa. A large multinational pharmaceutical manufacturer was looking to expand and broaden market access for one of their novel insulin products
- Due to the high cost of insulin therapy against more mainstream oral therapies, they were tasked with showing the benefits of their drug
- Traditionally when negotiating drug related reimbursements, the cost of the drug becomes the only factor of consideration
- Quantum was approached to run a real-world evidence study for Type 2 diabetics to model clinical and cost outcomes

Solution



- Quantum used the transactional claims data and overlaid this with the demographic patient data to model and track all healthcare interventions the patients experienced
- Costs to the scheme were then modeled beyond drug costs and rather into all healthcare costs including hospitalizations and comorbidity costs
- A dynamic Tableau dashboard was delivered to mine insights as well as a fully realized end to end deck that the client could simply present from

Outcome



- Quantum was able to successfully deliver South African real-world evidence which had not been modelled in the industry before to the client
- The client was then able to have fact-based evidence to motivate with the funders that whilst their drugs were more expensive, patients on their line of therapy had lower long-term downstream costs for both their diabetes and their comorbidities

Example 1: Tableau based dashboard

Analyse disease burden beyond drug costs



Compare costs and clinical outcomes for differing lines of treatment



Example : Consulting - Measuring clinical outcomes of comparable treatments

Case study 4

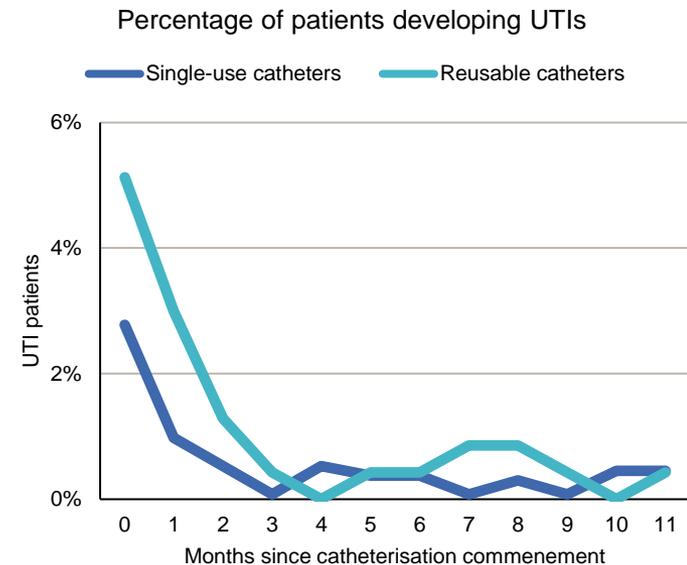
Application in treatment risks

Motivate for the use of safer catheterisation products in specific populations

Using real-world data, determine the infection rates in patients using each device type

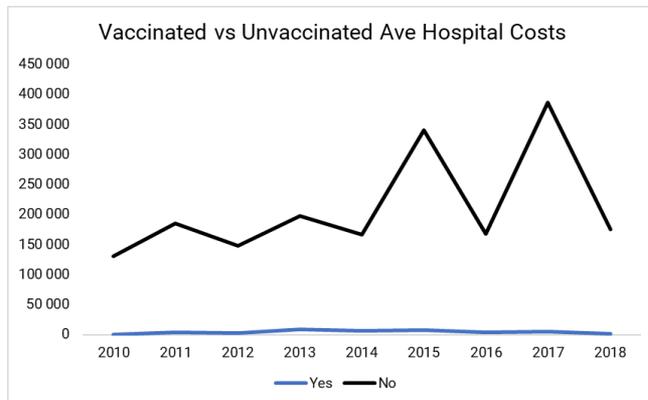
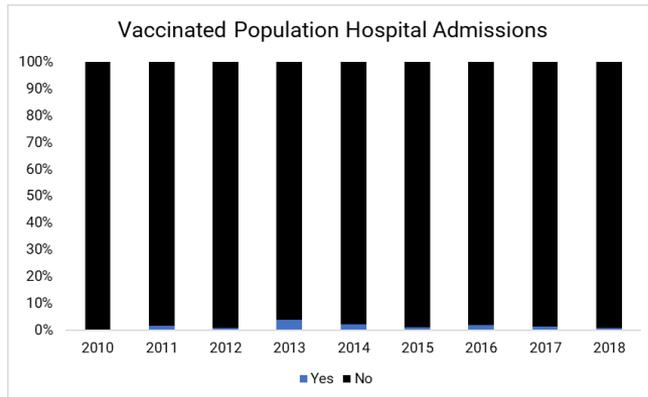
Demonstrate differences in rates of infection between the treatment options available

Use results to educate providers and patients in their choice of catheterisation products



Case study 6

Example : Epidemiological Hospitalisation Outcomes



Result

Analysis done into the effects of early vaccinations to prevent communicable diseases

A clear distinction in long term hospitalizations was found between the cohort of patients who were vaccinated prophylactically

Real world patient claims and clinical data showed a clear case for vaccinations in early age.

STEVEN ORANGE

**VICE PRESIDENT AFRICAN REGION AND GENERAL MANAGER SOUTH AFRICA,
ZIMMER BIOMET**



**INSIGHTS OF A
SUCCESSFUL
SWISS
COMPANY:
ZIMMER
BIOMET**

**HOW WE DID IT- FROM CHALLENGES,
STEPPING STONES TO EASY WINS**



Entering the African Market

1990: Allopro entered the South African market through a distributor

1996: Sulzer Medica set up a direct Subsidiary in South Africa representing the Protek company and incorporated Allopro

2005: We set up agents to manage specific segments of our portfolio in South Africa

2009: We incorporated some of these agencies back into the organisation

2015: We entered the Sub Saharan African Market via a distributor network

Lessons Learnt

A focussed in approach in product selection and market segment targeting is crucial

Ensure high quality products and compete with service

Spend adequate time in selecting the correct choice of agents and distributors

Do not use Africa as a “dumping ground” for products Europe is phasing out

This is a market with very high expectations in terms of service and quality

Customer education is absolutely essential

Employ South African people to run the company and drive the strategy, do not try and do this from Europe

Our 15 Year Journey

2005

- A metal Cupboard
- 4 staff
- 0,25% Market Share



2020

- 7 warehouses country wide
- 192 staff
- 41% Market Share
- Country of the year 2011
- Emerging Market of the Year 2013
- Country of the year 2016
- Country of the year 2019



The Turnaround

What was the secret to this turnaround success?

First The People Then The Strategy



Right People On The Bus
Right People In The Right Seats
Wrong People Off The Bus

Engaged Staff
Working In An Environment They Want To Be



Differentiating Ourselves

~~Company Brand~~

Service

~~Product Offering~~

One Recipe, five ingredients..

Service Focus: Ingredients

Staff Engagement

Discipline

Common Goal

INGREDIENTS

Accountability

Relentless

Service Focus: Recipe

Step 1



Mix Thoroughly

Step 2



Simmer Forever

Step 3



**Stir, And Never
Ever Stop**

Keep Topping Up



Q + A



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Future Webinar topics you are interested in?

Please find a list of our **upcoming events** under this [link](#).
We would be very happy to welcome you again!



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THANK YOU!