

Issue 1 | 2016

NEW PERSPECTIVES

THE PRESENT AND FUTURE OF HEALTHCARE



Imprint

Published by

PAUL HARTMANN AG
Paul-Hartmann-Strasse 12
89522 Heidenheim
P.O. Box 14 20
Germany

Phone + 49-7321-36-0
Fax + 49-7321-36-3636
info@hartmann.info
www.hartmann.info

Design and layout:

Steelecht GmbH, Offenbach am Main

Printed by:

frey + mareis – druck + medien GmbH, Ulm

Picture credits:

Title page: stocksy
p. 4: Jens Kramer
p.6/7: iStock
p.8+9: HARTMANN, iStock
p.10: shutterstock
p.12: iStock
p.15: HARTMANN
p.16/17: shutterstock
p.18: iStock
p.21: HARTMANN, shutterstock
p.22/23: iStock
p.25: alamy
p.26+27: CARE/Christine Harth, CARE/Ute Grabowsky, Photothek
p.28-31: iStock
Pictures of authors: HARTMANN, private

4 LET'S RE-THINK HEALTHCARE NOW!

By Andreas Joehle
The challenges of our times are making us stronger.

6 HOW THE SIMPLEST SOLUTION CAN MAKE THE BIGGEST DIFFERENCE

By Klaus Ruhnau
Your grandparents washed their hands. So should you.

9 IN THE EYES OF THE BEHOLDER: THE ELUSIVE CONCEPT OF VALUE IN HEALTHCARE

By Soeren Mattke
Let's listen to what patients value.

10 PATIENTS ARE TAKING OVER

By Christine Bloch
Making the most of patient empowerment.

12 THE IMPORTANCE OF COLLABORATION TO HARNESS THE POWER OF BIG DATA IN HEALTHCARE

By Fernando Sepulveda
Together, we can use big data to improve healthcare services.

14 THE HUMAN SIDE OF HEALTHCARE CUTS

By Oliver Krause-Huckleberry
Better patient education can soften the blow.

16 MOVING TOWARDS A HOLISTIC VIEW OF HEALTHCARE COSTS IN THE MIDDLE EAST

By Alexander Burger
Rediscovering the road to thought leadership.

18 EDUCATION WILL REDUCE THE IMPACT OF NCDs

By Patrick Chung Yiu Chan
Here's another way that Millennials will change our world.

20 WHAT WOULD YOU DO WITH 23 MINUTES?

By Michael Brauner
Doctors should also benefit from time-saving technologies.

22 ETHICS: OUR GUIDING PRINCIPLES

By Markus Warmholz
If it doesn't feel right, it probably isn't.

24 GIVING CSR REAL VALUE

By Stefanie Wenta
Taking Corporate Social Responsibility to the next level.

26 SDGs PROVIDE THE FRAMEWORK FOR LONG-TERM PARTNERSHIPS

By Karl-Otto Zentel, Secretary General of CARE Deutschland-Luxemburg
Can private companies and NGOs work together more effectively?

28 INTRAPRENEURS: AGENTS FOR CHANGE IN LARGE ORGANISATIONS

By Elisabeth Ferri
How do you grow new ideas in old organisations?

30 MILLENNIALS MAKE BUSINESS SENSE

By Stephan Schulz
We're going to need this next generation.

31 DARE TO BE DIVERSE

By Andreas Joehle
Diversity weeds out groupthink so new perspectives can bloom.

FIND MORE
NEW PERSPECTIVES
ARTICLES ON
hartmann.info

Let's
re-think
healthcare
now!

Andreas Joehle,
Chief Executive Officer,
HARTMANN GROUP

These are very interesting times for healthcare. On the one hand, we face many familiar challenges: budget pressures, ageing populations and increases in non-communicable diseases. Others are fairly new:

- An explosion in healthcare-acquired infections, such as MRSA.
- Looming personnel shortages of healthcare professionals.
- Increasingly inadequate healthcare financing structures.
- Deadly viruses, like Ebola, that require a quick, international response.

An age of opportunity

The bottom line is that healthcare is no longer simply a national domestic concern. It has truly become a global issue. Luckily, we also have exceptional opportunities to overcome the challenges we face.

NEW TECHNOLOGIES – If we look beyond traditional healthcare boundaries, we see that technology can have a massive impact on how we deliver healthcare. For instance, flu outbreaks can be tracked and predicted by search engines, leading to improved vaccine distribution and treatment. Mobile apps can help monitor everything from blood sugar to heart rates, giving physicians better data, and patients more independence and control.

NEW MODELS – Adopting new business models from completely different industries can provide us with better ways of providing healthcare. Ride sharing models, for instance, have inspired the growth of new companies that provide on-call nurses and doctors who can visit people whenever it is convenient for them.

NEW DATA – At the same time, we are all adding to an immense amount of new digital data. Crowdsourcing of data helps us improve decision-making, identify trends, be proactive in taking action, and gain new insights that can spark new treatments.

NEW APPRECIATION – Sometimes progress is about going back to the basics. A proper hand hygiene protocol is one of them. In up to 90% of healthcare-acquired infections, pathogens are transmitted via the hands. The use of simple alcohol-based hand disinfection can reduce the number of such infections by almost half. We simply need better training and communication.

If we are serious about creating workable, sustainable solutions, we need to use the opportunities of our time and re-think healthcare – from the bottom up. Since 1818, HARTMANN has been pursuing the simple goal of improving healthcare for as many people as possible.

Revealing new perspectives

Our vision is to be a pioneer in leading global healthcare forward. That means we must understand healthcare today while keeping an eye on future trends. We must be brave and bold enough to occasionally challenge conventional wisdom. In short – we must lead by setting a good example: with passion, partnership and professionalism.

In order to stay true to our vision, we nurture expertise and foster innovation. By stimulating our people to combine their know-how with inspired, out-of-the-box thinking, we raise the bar for what is possible. Our promise is to go further for health, to make the extra effort, to have the courage of our convictions, to constantly strive to create clever new solutions that simply perform better.

In the world of global healthcare, everything comes together: technology and trends, systems and human resources, doctors, data and demographics. That's a lot of information to come to terms with! It's also part of our job. The result is that at the end of a day, we have new perspectives on how we can make healthcare better: for you, your family and all of us.

On the following pages we'd like to share with you some of the trends that motivate us in our daily work.

Enjoy reading!



How the simplest solution can make the biggest difference

Let's go back to basics. Many healthcare-associated infections can be prevented with consistent hand hygiene protocols.

Four-year-old Philipp will never meet his mother, Kerstin. An MRSA infection claimed her life three weeks after Philipp was born by caesarean section. Philipp – also infected with MRSA – survived. Sadly this story is not an isolated one. Nowhere near.

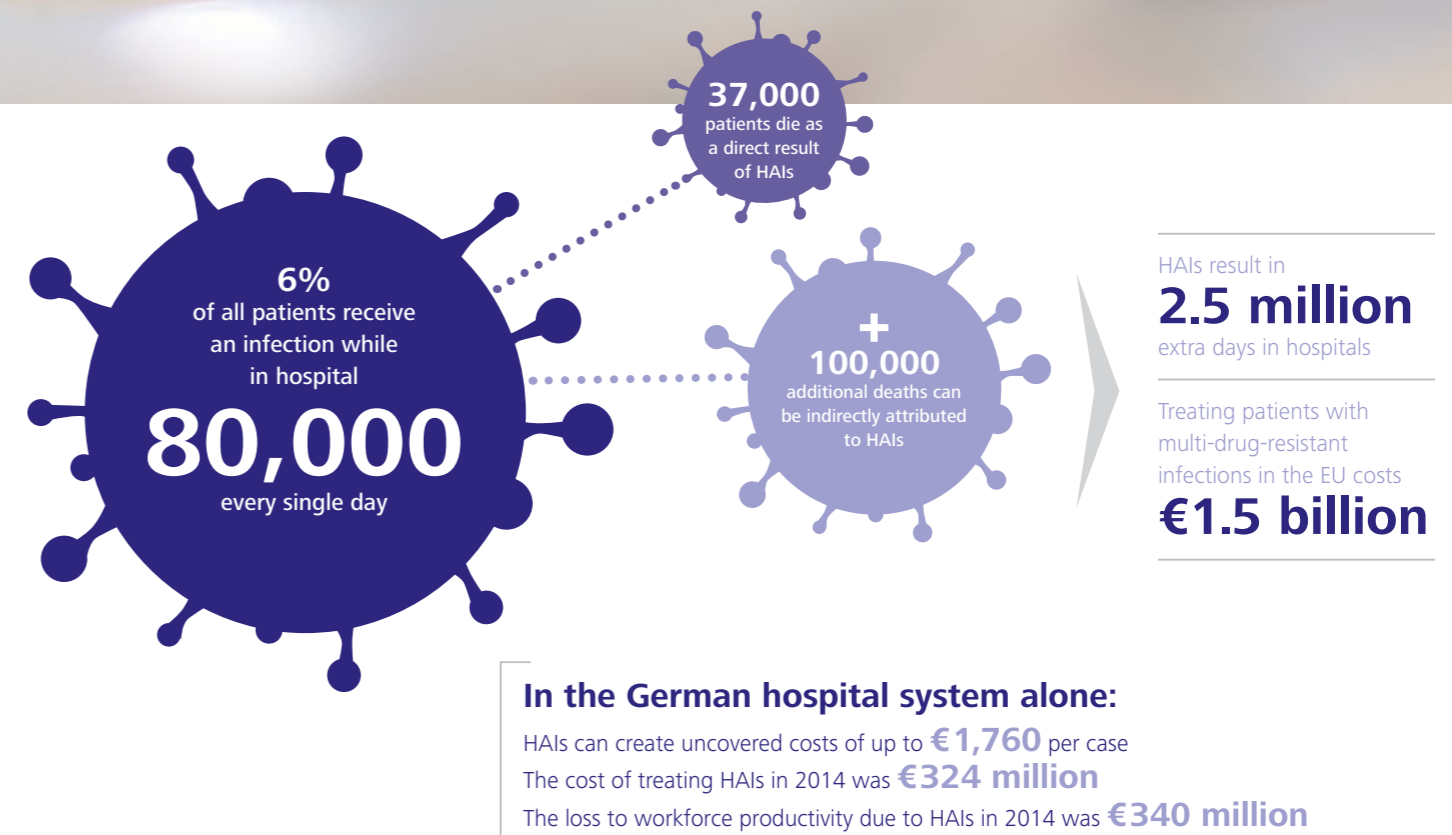
Every year, around four million people in Europe contract an infection during their medical treatment. A significant proportion of these could easily be prevented with better hand hygiene protocols.⁽¹⁾

As we argue over the best way to tackle hospital-acquired infections (HAIs), current stats make for bleak reading. Data recently collected from 232,000 patients across 29 European countries revealed that almost six percent of all patients examined receive an infection while being treated.⁽²⁾

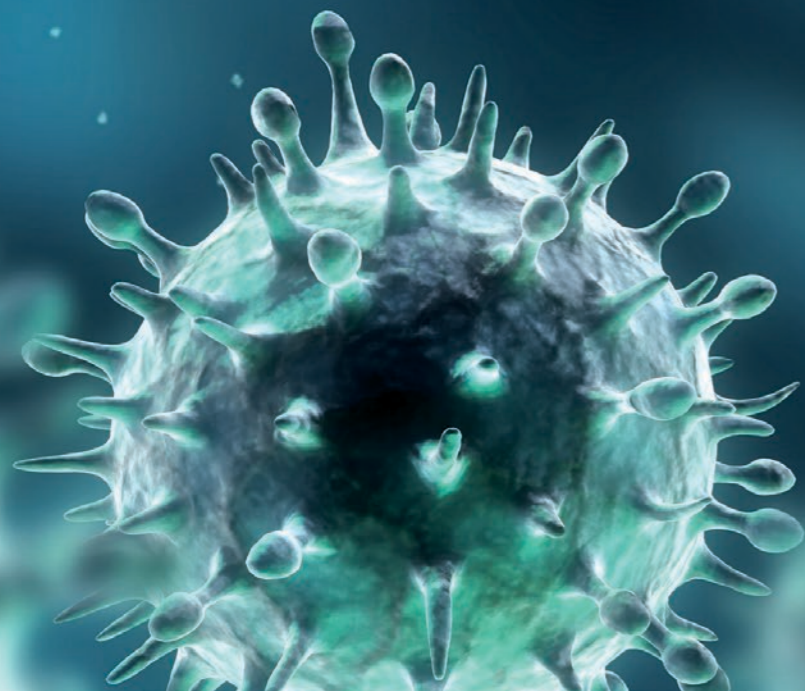
It is tragically ironic that HAIs have become one of the most complicated issues relating to a stay in hospital – a place designed to make people healthier exposing patients to even more risk. It is a simple fact that people with HAIs have lower chances of recovery and a higher risk of dying from their original ailment.

In Europe, this nightmare becomes a reality for 80,000 patients every single day. 37,000 patients die as a direct result of HAIs every year. Indirect deaths associated with HAIs lead to an additional 100,000 deaths.⁽²⁾

As well as the human tragedy, these infections are a significant burden on healthcare systems. HAIs result in 2.5 million extra days spent in hospitals by patients; the costs are formidable.⁽⁵⁾



“A simple, 30 second hand-disinfection could save a life. A well-oiled system of hand hygiene protocols could save tens of thousands.”



The increasing complexity of diagnosis and treatment also contributes to higher costs. The majority of these costs are absorbed by insurance companies and hospitals themselves. In the German hospital system, for example, HAIs can create uncovered costs for hospitals of up to €1,760 per case.⁽³⁾ The impact of this really hits home when you take stock of the total costs incurred across the EU: it is estimated that treating patients with multi-drug-resistant infections costs a staggering €1.5 billion per year.⁽⁴⁾

And we shouldn't ignore the considerable effect HAIs have on a country's overall productivity. Again to take Germany as an example, on top of the €324 million spent treating HAIs in German hospitals in 2014, workforce productivity losses amounted up to €340 million.⁽⁵⁾

The solution proposed by many is to put more resources towards developing antibiotics that can fight HAIs. This strikes me as a good way of throwing money at a situation that is already costing us too much, in both human and financial terms. Effective treatment is important but effective prevention is paramount.

A system of consistent hand hygiene protocols is the most effective way to prevent HAIs. In up to 90 percent of HAIs, pathogens are transmitted via the hands. We must break that chain of infection. Just the use of basic alcohol-based hand disinfection can cut nearly half the number of HAIs. It also happens to be least expensive measure.

We can spend billions of Euros and many years developing antibiotics or we can nip HAIs in the bud and eradicate the need for new antibiotics. It's a very obvious choice for me. A simple, 30 second hand-disinfection could save a life. A well-oiled system of hand hygiene protocols could save tens of thousands.



Klaus Ruhnau
Senior VP, Disinfection at HARTMANN GROUP and Managing Director of BODE Chemie GmbH

In the eyes of the beholder: the elusive concept of value in healthcare

What is value in healthcare and how can it be measured? We believe that patients should have a say in the measurement of value of healthcare services.

In other sectors of the economy, value is measured by price as buyers express their preferences by willingness to pay for goods and services, but healthcare is obviously different. First, most countries provide a certain level of care irrespective of ability to pay and in turn have regulated prices. Second, patients cannot judge the need for and quality of medical services well, so lack the ability to differentiate how much they pay for a given service.

In such highly regulated and politicised markets, stakeholders need to seek agreement on their definition of “value” to govern resource allocation decisions. Without such an agreement, value could easily be equated with lower cost, without regard for quality of care or patient experience, especially in times of austerity. Such a narrow focus on cost would put the most vulnerable patients with complex needs at risk. And it would discourage innovation, as development of better devices, drugs and other technologies is an expensive endeavour.

So what is value in healthcare? In a broad sense, we can define it “cost per relevant outcome”, bearing in mind that most things in medical care do not lower cost. Cynically speaking, the lowest cost care is a sudden death outside a hospital. In contrast, we evaluate innovation based on whether it improves outcomes at a cost that is reasonable compared to current standard of care, for example, Euros per incremental quality-adjusted life-years saved by a new cancer drug compared to the existing drugs.

Those outcomes are experienced by patients and should therefore be measured at the patient level, such as improved health status and avoidance of a heart attack. To then determine value based on our “cost per relevant outcome” paradigm, cost needs to be measured at the

patient level as well so that we have the same base for the numerator and denominator. But herein lies the problem: under current payment models the monetary flows are often not aligned with value generation. So when individual players make “cost per relevant outcome” calculations, they often apply their own specific perspective of cost.

For example, a practice can heal a chronic leg ulcer wound over nine months with tape and gauze, requiring the patient to come in biweekly. Or they can accomplish the same results over four months with advanced wound care products that only require monthly visits for dressing changes. If you ask the patient or her health insurer, both would consider the latter option higher value. But the practice might be paid per visit, irrespective of which products are used, and so benefit from using cheaper products with more visits. These two views of “value” are different.

As policymakers and payers strive to introduce value-based payment, they need to understand and address such distortions to align monetary flows with true value generation; the best way of doing it is to take a patient-centric view in evaluating medical products and services. Without such an alignment, there is a risk providers will be rewarded for skimping, or that they are put into the difficult position of having to choose between their patients' health and their institution's financial health.



Soeren Mattke
Senior Scientist



“The best way is to take a patient-centric view in evaluating medical products and services.”

(1) Kampf G, Löffler H, Gastmeier P Hand Hygiene for the Prevention of Nosocomial Infections. Deutsches Ärzteblatt International Dtsch Arztebl Int 2009; 106(40): 649–55 Pittet D, Hugonnet S, Harbarth S, Mourouga P, Sauvan V, Touveneau S, et al. Effectiveness of a hospital-wide programme to improve compliance with hand hygiene. Infection Control Programme. Lancet. 2000;356:1307-1312. Sax H, Uckay I, Richey H, Allegranzi B, Pittet D. Determinants of good adherence to hand hygiene among healthcare workers who have extensive exposure to hand hygiene campaigns. Infect Control Hosp Epidemiol. 2007;28:1267-1274.
(2) European Centre for Disease Prevention and Control 2014. Point prevalence survey of healthcare-associated infections and antimicrobial use in European acute care hospitals 2011-2012.
(3) Wilke M. Kennzahlgesteuertes Infektionsmanagement. Welche Daten benötigt die Krankenhausleitung? KU Gesundheitsmanagement 4/2015
(4) Gastmeier, P. Problemkeime. Z. Herz Thorax Gefassch 2013; 27:49-53; Gastmeier P, Brandt C, Sohr D, Babikir R, Mlageni D, Daschner F, Ruden H. Surgical site infections in hospitals and outpatient settings.
(5) Claus F. et al. 2014. Volkswirtschaftliche Kosten von MRSAA in Deutschland. Gesundheitswesen 2014; 76:800-806

Patients are taking over

Are patients taking over the professional roles of healthcare practitioners? More healthcare related information available online means more patient empowerment. How does this development affect the doctor-patient relationship?

A fundamental tenet of healthcare is that every patient is unique. And that means a particular disease can have a totally different impact on different patients. Developments in science and technology mean we can personalize treatments more than ever. At the same time, patients and their families now have access to a mind-boggling amount of healthcare information. This information gives patients the opportunity to take more control over their treatment. As they become increasingly knowledgeable, the entire doctor-patient relationship is changing. Patients want to be informed and consulted and they are becoming the real experts of their disease.

“Patients want to be informed and consulted and they are becoming the real experts of their disease.”

However, patient empowerment does pose some risks. Not every patient has the necessary skills and knowledge to weigh-up the information and data. And the Internet and other sources are polluted with information that might be inaccurate or is at best open to misinterpretation, but increased patient responsibility also offers some real win-win situations.

There are some amazing stories of patients doing just that and achieving fantastic outcomes. I came across a 30-year old man with a complex ankle fracture, for example. He had an operation to secure the bones but wound healing stagnated and it turned out he had osteomyelitis. When it was diagnosed, we gave him a VivanoTec, a unit for negative pressure wound therapy. Although negative pressure therapy is an advanced way of treating wounds, he needed to manage the treatment himself.

Assuming that responsibility meant he needed to understand how the therapy worked and how to manage the pump unit. However, it also meant he could go back to work and live his normal life by simply bringing the VivanoTec along in his backpack. Without the combination of the relevant technology and the patient’s willingness to take responsibility for his own treatment, healing would have taken much longer and he probably would have lost his job.

As responsibility shifts from clinician to patient, they become partners instead of patients simply following instructions. Patient empowerment also means responsibility for success or failure is shared. Physicians and nurses take the role of coach, while patients become the specialist for their unique disease.

What is the clinician’s new role?

Patient empowerment requires new skills in healthcare professionals. Instead of giving orders to patients, they have to assess the patient’s ability – often alongside the family’s – to follow the necessary treatment. They also need to teach patients to recognise the early signs of complication. It could be dangerous if patient empowerment gets mixed up with basic patient information: just giving leaflets to the patient isn’t enough. The basis for successful empowerment has to be in-depth communication. Interestingly, the empowerment of the patients also empowers nurses to become the trusted advisors. They are frequently the closest people to the patients and their families, and therefore in the best position to provide advice.

It is also important to educate patients so they can predict when they will need help; clinicians therefore need to become educators. For example, the link between age and incidence of skin conditions is well known. Information about the early recognition of metabolic and vascular disorders needs to be readily available, as does information about treatments. In this specific instance, part of the education is about removing the stigma.

I have learnt from Chinese wound care students about the culture of making the treatment of skin conditions a fun, encouraging and motivating experience for both patients and their families. Given continued education, we could reach the point when wearing wound dressings is as normal as wearing reading glasses.

The relationship between patients, and doctors and nurses is changing rapidly. While patients want to take more responsibility for their treatment, the ultimate responsibility remains with the highly-trained clinicians. It is therefore our job to react positively to this change, to exploit the altering relationship to ensure the quality of healthcare is enhanced.



Christine Bloch
Medical Trainer at HARTMANN GROUP



The importance of collaboration to harness the power of big data in healthcare

Australia's strong healthcare record has contributed towards its now rapidly ageing population. Unprecedented levels of growth in the over 65s present new challenges for its healthcare. Big data and the technologies capable of making the most of it will be key.

Some insightful facts about Australian longevity were revealed in the most recent intergenerational report by the Australian Government. Australia is ranked 1st parentheses with Iceland in terms of Male life expectancy and 5th in terms of Female life expectancy. But even more interestingly, the number of people aged 65 and over will more than double by the year 2055. You may argue that this is a fantastic statistic, and I don't disagree, however it has significant implications for the affordability and sustainability in the current standard of healthcare being delivered.

Now, anyone with a basic level of IT knowledge can see how technology is increasingly influencing the changing relationship between patients and clinicians. Every visit to a GP or Hospital leaves with it a digital foot print filled with personalised information that can be utilised. However the data that is captured is fragmented and severely underutilised. Patients may go from

hospital to hospital and be treated by a number of different specialists, who at best only have half the story. Technology is certainly revolutionising the systems and processes that help support medical professionals. From automation of medical records, billing systems, and electronic medical records to the automation of simple administrative tasks. These of course have helped reduce time and cost, both of which contribute to better interaction with and care for patients. And although these have provided significant improvements in the system, one can't ignore the potential benefits that could come from embracing the opportunity to harness the data that is being captured by each visit we make to the doctor or hospital.

Big Data can be a big deal when it comes to healthcare. Big data is increasingly being adopted by major industries across the world and according to Industry Analyst firm IDC the CAGR (Compound annual growth

rate) for Big data in Australia is 28% and expected to grow from US \$260M in 2014 to US \$712 million by 2018. It is expected that big data projects will deliver enhanced customer experiences, increased competitive advantage and significant cost savings. In fact, companies that have utilised big data to its full potential have been able to increase their operating margin by over 60%.

However, even with this significant growth and the potential benefits being apparent, the healthcare industry has been relatively slow in its adoption and investment towards the infrastructure needed to support big data analytics. Most of this has been due to the highly regulated environment and privacy concerns of the medical community.

However, over the last couple of years the benefits of big data analytics and improvements in security protocols have started to outweigh the concerns previously hindering its adoption. Big Data holds an endless number of possibilities to provide healthcare with a much bigger picture of what is happening. The ability to manage and prepare data digitally allows for greater efficiency and streamlined workflows. Furthermore the systematic analysis of this data could be used to identify specific patterns and allow clinicians to tailor treatments to individual patients. And it's not only a monitoring tool, it can be utilised to project health outcomes and overall potential expenditure.

In Australia the government has access to Medicare data that provides information on admissions, operations, outcomes, drug prescriptions, patient care, healthcare insurance and much more. However most of it is only utilised to monitor healthcare expenditure. One can't help but ponder the potentially invaluable data sets that could be harnessed from this information. Data sets that could help government make decisions on resource-allocation,

areas of concern and opportunities to invest in infrastructure where it's really needed. Big Data clearly gives us the big picture, and now with the increasing adoption of wearable technology there are countless possibilities to capture information. We can collate an individual's data from a variety of sources to create a unique profile, based on things like diet, exercise regime, and sleeping patterns.

The scary but exciting thing is that often these apps know more about us than we do ourselves. By harnessing multiple sources of data, we can paint an amazingly insightful and accurate picture. Treatments can then be designed to fit an individual's profile, maximising efficiency and efficacy. In itself, Big Data analysis is changing healthcare provision.

But it isn't enough on its own. We must collaborate. That is the only way the industry – and therefore patients – will see an exponential growth in quality. It's about sharing experience across industries and building digital networks that allow more holistic decision making.

In the past, information was power: that is no longer the case because it is so widely available. The important thing now is to work together to find new solutions that provide a more tailored approach to healthcare. We must harness the potential of the many information sources available today to find solutions that not only treat symptoms but actually look to cure people with certain chronic and deadly illnesses. Ultimately, all we want is for people to continue enjoying the moments they cherish the most. Live longer and healthier.



Fernando Sepulveda
Marketing Director Australia at HARTMANN GROUP

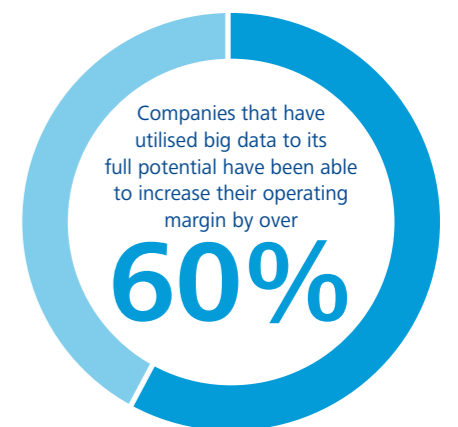
According to the Australian Government's 2015 Intergenerational Report:



The number of Australians 65 or older will more than double by the year

2055

According to a report by the McKinsey Global Institute:



Source: www.mckinsey.com/insights/business_technology/big_data_the_next_frontier_for_innovation

The human side of healthcare cuts

The human impacts of healthcare budget cuts in the US are particularly acute for incontinence patients. The impacts can be minimised with better education and collaboration.

Aging populations are putting healthcare systems under increasing amounts of strain.

In an age of squeezed budgets, compromises are inevitable. Funding for certain kinds of healthcare has been reduced dramatically, the outcomes of which are impossible to predict.

Incontinence care has been caught up in this funding maelstrom, with budget and reimbursement cuts creating problems both for those who depend on incontinence products to lead a normal life and professional care-givers. To find the most suitable solutions, we must first appreciate the scale of the challenge.

An additional 10 million people will enter the 65+ age bracket in the US by 2020. 10 million more are expected by 2030.

These are unprecedented numbers. Of course, the number of incontinent people increases as aging populations continue to grow. Put two and two together, and it's very clear we need robust, flexible solutions.

What are the major concerns for incontinence patients?

There are two major problems which arise out of cuts to funding incontinence care:

- i) lower quality products; and
- ii) difficulty in acquiring medical information around the area.

The result is that incontinence patients are given lower quality products and less of them.

Typically, a doctor or nurse will assess an incontinence patient's needs to evaluate eligibility for a state reimbursement or private insurance program. Once that is determined, it usually falls to the relevant third party provider to decide which product they send. As for any business, economic criteria take precedence. If budgets are reduced, the products will inevitably be of lower quality.

Lower quality often means that patients' basic needs cannot be satisfied. Issues such as insufficient absorption and skin irritation add insult to injury for incontinence patients, who are looking for a solution to their condition and

not something that adds another level of complexity. And the difficulty in accessing information on the topic compounds the problem. If the continuous demand of incontinence fall upon not perfectly trained shoulders, bad choices can be made. Patients not only suffer from the effects of lower quality products, but also from the fact that these products are often not the ones most-suited to their individual needs.

What can be done now?

Ultimately, the industry needs to continue to harness the latest medical knowledge and technology in its drive to provide sufficient quality at acceptable prices for end consumers. But a more realistic and effective short term solution comes in the form of better education and training.

First, patients and healthcare providers alike should understand that a higher-performing product can actually save money in the long term.

Higher quality products are generally more effective.

It can decrease the rapid consumption associated with poor quality products thanks to better absorption properties. In addition a more skin-friendly product that reduces costs associated with skin irritations and infections would be beneficial. Matching the right products with the right patients is also essential.

Take the case of Mark, a 70 year old man who recently underwent acute surgery which left him incontinent.

He was discharged from hospital just a few days after his surgery. All of a sudden, his ongoing incontinence needs – traditionally subject to hospital advice – fell into his own hands. For patients like Mark to make smart decisions, we must ensure proper access to information and advice is a tangible and straightforward part of selecting incontinence products.

Collaboration between healthcare providers and healthcare companies is an absolute must if we want to make that possible. With collaboration, we can ensure the continuum of care extends beyond hospital stays and helps patients on a long-term basis.

There are many different ways of educating incontinence patients and carers. Online information, brochures and call centers are all effective, cost-efficient measures. We must find solutions to provide professional expertise to answer questions for

consumers. We design and produce the product so we have all the relevant information: the knowledge can flow straight from the source.

Healthcare providers are meant to help people. It is at the very core of everything we do.

We must work together to make incontinence a less daunting prospect and help people lead the lives they deserve and expect.



Oliver Krause-Huckleberry
Marketing Director USA
at HARTMANN GROUP



The Middle East has the opportunity to re-establish itself as a thought leader in the medical world, if it can commit to a new system of purchasing decisions and a new approach to healthcare costs.

Moving towards a holistic view of healthcare costs in the Middle East



Alexander Burger
Managing Director Middle East
at HARTMANN GROUP

Every world region has its idiosyncrasies which affect the way healthcare is offered. Whatever system a country has in place, it is bound to be one of the most significant economic burdens it faces. Securing the best care for the most reasonable price is a hugely complex task that must take countless external factors into account. The Middle East – once recognized for its thought leadership in the fields of anatomy, physiology, and surgical treatment during the Islamic Golden Age – has a particularly complex set of external factors. For starters, it is by no means a homogenous region – each country faces its own specific challenges, many of which arise out of unique and sometimes conflicting cultural customs, geographic disparities and organizational barriers to accessing healthcare.

This is a region where access to basic healthcare is not available across the board. Private pay is the predominant model throughout the Middle East, largely down to the fact that many in the region cannot afford health insurance. This has a significant impact on the way care is provided and how healthcare costs affect each person. There is another consistent but undesirable feature of healthcare in the Middle East: networks of primary care have often not been established, so patients need to go to clinics or hospitals for every ailment, regardless of how trivial it might be. This puts hospitals under significant strain, negatively impacting both the efficiency and efficacy of the care they provide.

However, we are witnessing a move towards former glory in some countries – the United Arab Emirates is leading by example. The country's national healthcare system has been designed to address the needs of both national and expat populations alike. More and more primary care centres are opening, leading to closer patient-doctor relationships. In turn, patients are empowered to have a bigger say in their treatments. But shifts in healthcare provision need to be complemented by shifts in the way countries approach healthcare costs. Up until now, even the smallest purchasing decisions have involved a tender

process and procurement decisions have been made based on a "price per piece" principle. In the vast majority of cases, the company offering the cheapest unit price wins the contract.

This short-sighted approach has had negative consequences for both the companies making medical devices and end users. Our role as a medical device manufacturer is to provide the best quality treatments to patients while delivering the best overall value to healthcare providers. This can't happen in a system that dismisses high-quality products that are significantly more effective but more expensive per unit, though not, perhaps over the treatment cycle.

"The region should embrace ... this opportunity to re-establish itself as a pioneer in healthcare on the world stage."

To take wound therapy as an example. A chronic wound might heal in three weeks with limited numbers of high-quality wound dressings. That same wound could take twice as long with twice as many low-quality wound dressings. On the face of it, the high-quality wound dressings are rejected because of the "price per piece" approach but the overall cost of the treatment would be lower. Clearly, a major shift in thinking is required by those responsible for making purchasing decisions. Procurement practices need to be focused on overall treatment costs rather than individual devices. In order to do so, we need more explicit collaboration between medical device producers and other actors like medical insurers. This relatively simple shift in attitude would go a long way towards creating a more cost- and time-efficient system. There is much to be done before the Middle East can be satisfied with the healthcare on offer to its varied and discerning population. But rather than shy away from the challenge, the region should embrace this crossroads as an opportunity to re-establish itself as a pioneer in healthcare on the world stage. The sooner the region embraces holistic change, the better.



Education will reduce the impact of NCDs

Wealthier countries are, unsurprisingly, more capable of tackling NCDs: a gold-standard healthcare service helps a lot. But there are ways lower-income countries can improve healthcare; both the industry and individual governments have roles to play.

Rio+20, the UN Conference on Sustainable Development, was held in June 2012 in Rio de Janeiro. One of the outcomes was the inclusion of non-communicable disease (NCD) reduction in the sustainable development goals. And according to the NCD Alliance, NCDs – diabetes, cancers, autoimmune diseases, heart diseases and so on – are the world's biggest killers. This gives the entire healthcare industry very clear guidance: we need to find ways of reducing the incidence of NCDs. Here in Asia, our focus is on seeking to improve education about NCDs, particularly among the younger generation – the Millennials.

The first thing to say is that it is impossible to generalise about the healthcare market in Asia. There is huge diversity in healthcare provision, with high-income countries inevitably leading the way. Hong Kong has universal high quality healthcare, free at the point of delivery. And both Hong Kong and Singapore are leading the way in the use of public-private partnerships for innovative healthcare. Wealthier countries are, unsurprisingly, better at tackling NCDs: a gold-standard healthcare service helps a lot. But there are ways lower-income countries can improve healthcare, and both governments and the industry have a role to play. The debate about price of medicines compared to total cost of treatment is a very important one.

Sometimes the right pharmaceutical treatment, for example, might seem very expensive. But if it means the patient doesn't need hospital care, or recovers much more quickly, the overall cost might in fact be cheaper. It is up to governments to change perception; the industry's role is education. Healthcare isn't the only answer, by any stretch. Helping people learn about how lifestyle can impact health is also very important, and it is another education role the industry needs to take on. It is vital because it can be preventative; it is also significantly cheaper than healthcare. And money is always a consideration.

People who live in the high-income countries, like Hong Kong, Japan, Taiwan and South Korea are typically well-informed about the need for healthy eating and regular exercise. However, that isn't the case across the region. In countries with increasing incomes, we often see a more sedentary lifestyle and unhealthy diets, which

include fast food, hot-pots, beer and so on. The result is greater incidence of long-term life-style diseases – NCDs. For instance, the level of diabetes is as high as 16.6% of the population in some of these countries, compared to the average across Asia of 8.5%. Meanwhile, in low-income countries, the challenge is often that NCDs go undiagnosed. For example, it is generally accepted that one out of two people with diabetes don't even know they have it.

So what can we as an industry do? There are already examples of positive action, like around chronic wound care, and there are some fantastic initiatives like World Kidney Day in Hong Kong, and World Heart Day. But it isn't enough: there is a lot more healthcare companies can do. This is where it gets exciting, I think. The Millennials – people now in their late teens and early twenties – are very different from previous generations. They have access to lot more information, so their decisions are data and evidence driven. So they feel less bound by authority, making them less likely to rely on doctors. In fact, their relationship with doctors is very different: they want to work in partnership, not be told what to do.

This presents us, as healthcare industry professionals – particularly marketing professionals – with a wonderful opportunity to provide clear and accurate information, to educate people about the lifestyle choices that will help stave off some NCDs and reduce the impact of others. Lifestyle doesn't always have an impact of course, which is why good healthcare is critical, but it is a major contributing factor. But by providing the right education, we can make a huge difference and now is the time: the generation moving into adulthood is open to learning. It's like planting trees. The work we're doing now will come to fruition in 30 or 40 years' time, as the Millennials age and NCDs become less deadly. That is something worth striving for.



Patrick Chung Yiu Chan
Marketing Manager Asia
at HARTMANN GROUP

What would you do with 23 minutes?



Surgery has come a long way from rudimentary interventions to highly efficient and sterile operating theatres. That's a good thing, but did we lose focus on the human side in the process? Time is not a commodity.



Michael Brauner
VP, Risk Prevention
at HARTMANN GROUP

Surgery has come a long way. We have moved from rudimentary trepanning – literally drilling a hole in a person's skull – right up to the highly efficient and sterile operating theatres of today. Many innovations and scientific discoveries over the years have helped improve surgical interventions and made the seemingly impossible not just possible but standard. Reliable use of anaesthesia, for instance, allowed for more invasive surgery. A better understanding of infections and how to prevent them created safer operating theatres. Let's not forget the discovery of x-rays which allowed surgeons to actually take a look at what they were up against before opening up a patient to have a good rummage around.

Medical devices have also added tremendous value to the science of surgery. They come in a number of shapes and sizes, and include life-saving tools like pacemakers, magnetic resonance imaging (MRI), surgical lasers, cochlear implants – the list goes on. Simpler medical devices such as gowns, drapes, gloves and surgical instruments have also gone through radical changes and remain critical in making surgeries safe for both patients and healthcare professionals.

Because technology and knowledge have come such a long way, there is inevitably an increase in demand. The direct result is that healthcare systems face tough challenges when it comes to costs and funding, so time and efficiency have become key priorities.

Sometimes, what seems the most innocuous thing makes the difference. The humble Customised Procedure Tray (CPT) has helped increase efficiency in the operating theatre dramatically. A CPT provides all the single-use devices that a surgical team needs for any given surgery, from scalpels and sutures to protective drapes and clothing. Just imagine needing to simply grab one item from the store room as opposed to dozens of different components in order to perform a surgical procedure.

We are talking about reducing the time it requires to perform a surgical intervention by more than 23 minutes – easily. That means an operation can happen faster, which is particularly important in emergencies. These 23 minutes also quickly add up to thousands of additional surgical interventions every year. This in turn translates into real savings for hospitals and healthcare systems. It's easy to see to see how CPTs are an attractive alternative for hospital administrators everywhere. The good news is that CPTs have become fairly standard in modern healthcare systems. Many would argue that CPTs are in fact a commodity. There is still room to improve them, of course, to squeeze out a few more efficiency percentage points and shave off a handful of minutes from each procedure.

But is this necessary focus on efficiency gains and time reductions making us lose sight of the human side of the coin? Let's not forget that the whole point of healthcare is to help people, not the systems. We have the power to make healthcare not just better, but more human. Surely that should come into the equation? 23 minutes is more than just a sterile number, more than just a cold time reduction and more than just a faceless increase in productivity. Rather, it means 23 more minutes to spend with your daughter; 23 more minutes to check



up on the patient that you operated on yesterday and perhaps give him a hug; 23 more minutes to call your brother to say the surgery went well. I am not advocating a stop in innovation or that we should stop looking for ways to improve surgeries even further, but it's time to also incorporate the human side of the progress and efficiencies gained in the operating theatre. Time is not a commodity, neither is what you do with it.

"It's time to also incorporate the human side of the progress and efficiencies gained in the operating theatre."



Ethics: our guiding principles

If it doesn't feel right,
it probably isn't right.
Business ethics is crucial
in the healthcare sector
and each individual has
to take responsibility.



Markus Warmholz
Director, Corporate Legal
at HARTMANN GROUP



Business ethics is not new. It has several dimensions, from legal to behavioural and from marketing to business. Much of the focus has also been on consumer perception and the cross-cultural dimension. Growing pressure from stakeholders and advocacy groups means companies – and especially those operating in sensitive industries like healthcare – are subject to increasing demands for full transparency and must therefore operate to the very highest ethical standards. This involves the strict enforcement of internal codes of conduct.

Global consistency

Companies are faced with moral, ethical and legal dilemmas, particularly when operating in multiple countries. What is considered unethical or even unlawful in one country may well be local custom or normal business behaviour in another. Companies often deal with this paradox by establishing global practices. A gift policy is a typical example. Applying the same behavioural rules in the Middle East and Germany, for example, might have a short-term negative impact on business. But it can also bring long-term revenue integrity and ultimately protect a company's reputation. The lesson is that we can't talk about local differences in business practices. We live in a world in which an action in any place can have global consequences. And that applies to healthcare companies as much as any other: patients require the same standards at home as abroad.

A culture of trust

The reason this is so important in the healthcare industry is that trust is at the heart of the relationship between the companies and patients. Patients need to trust their doctors. Doctors need to trust their peers and healthcare companies. Healthcare companies need to trust scientific researchers. With growing patient empowerment, patients need also to trust healthcare providers and healthcare companies. The role of a corporate legal and compliance department in this process is crucial. It is not about imposing the rules: it is about creating an enabling environment within the company. Ethical behaviour, based on common values, needs to be embedded deep into the corporate culture. We as legal and compliance departments need to be trusted partners, advising managers and professionals.

Breaking silos

The healthcare sector is unique in that a crisis concerning one company tends to impact the whole industry. This makes ethical standards much more important than in retail, consumer electronics or fashion for example. So healthcare companies have to work together to make sure ethics drive our business behaviours. We need to make sure that both internal and external silos are broken to provide the space required for true collaboration. Each individual also needs to take responsibility for ethics. Beyond the standards and frameworks each company sets, the guiding behavioural principle has to be gut feeling: if it doesn't feel right, it probably isn't right.



Giving CSR real value

Aligning a company's CSR initiatives with its strategy, know-how and products, will bring about real and sustainable change. That's good for everyone and will take Corporate Social Responsibility to the next level.

Corporate Social

Responsibility, Sustainability, Corporate Citizenship – call it what you want. One thing is for certain, it is changing. There are many facets of Corporate Social Responsibility (CSR) which include economic, societal and environmental. A globally accepted definition is tough to come by although we've made progress through initiatives such as the United Nations Global Compact, ISO standards and Global Reporting Initiative.

From philanthropy to value creation

Let's focus in on the social aspect of CSR. People expect more from companies today. They are expected to play an active role in their communities and contribute to a positive societal development.

In the early days of CSR this manifested itself as corporate philanthropy with companies donating cash to charities. It was an easy, wash-your-hands option. The good news is that companies have much more to offer and they are waking up to the fact that being socially responsible can actually add long-term business value. By aligning a company's CSR initiatives with its strategy, know-how and products, you can start making a real difference that is sustainable.

Combining knowledge for sustainable change

Let's use a healthcare company as an example. Such a company has a world of knowledge when it comes to healthcare processes, products, treatments and research. However, this knowledge may be limited to

markets with developed healthcare systems that are able to pay for it. A healthcare charity focuses on under-served areas and offers access to these markets along with practical knowledge about how to build sustainable healthcare from a low base.

By combining the knowledge and research of the healthcare company and the access and experience of the charity, you can bring about change much quicker – change that offers sustainable development. Such a partnership requires more than just a cash donation. Products can play a role, but the real value comes from sharing knowledge. The knowledge sharing can come in different forms. The healthcare company can provide material for use by the charity or send employees with the right skills

to train local healthcare professionals in everything from wound treatment and hygiene protocols to hospital administration. There are many winners in such a collaboration. Charities maintain their cash donations, gain access to best-practice knowledge and can get extra feet on the ground. The healthcare company builds its brand in a genuine way, strengthens internal engagement and builds future markets. The local communities get access to world-class medical knowledge and training and builds sustainable healthcare systems faster.

Already happening

These collaborations are already taking place. Many charities rely on healthcare professionals as volunteers for their activities whose know-how benefit local medical staff. However,

there is plenty of room for healthcare companies to step in and contribute with their expertise. By going beyond cash and taking on a more active role, the social responsibility eco-system becomes richer. We can reach more people in a better way. We can build stronger societies that get people out of poverty faster. That's good for everyone and taking Corporate Social Responsibility to the next level.



Stefanie Wenta
Manager, Corporate Communication
at HARTMANN GROUP



SDGs provide the framework for long-term partnerships

The UN's Sustainable Development Goals (SDGs) provide the framework for companies and non-governmental organisations (NGOs) to work together. The final goal is about partnership.

"This is a very promising time for the fight against poverty."



The UN's Sustainable Development Goals (SDGs) provide the framework for companies and non-governmental organisations (NGOs) to work together. Sixteen of the 17 SDGs cover specific topics; the third one, for example, is to ensure healthy lives and promote well-being for all people of all ages. The final goal is about partnership: strengthening the means of implementation and revitalising the global partnership for sustainable development.

There is a long history of corporate philanthropy, though it is only relatively recently that it has become more formalised and more institutionalised. A lot of companies have corporate social responsibility (CSR) programmes, which form part of their annual reporting structure and therefore, in return for the time and resources spent, have some impact on a company's value. More importantly, introducing more formal processes means a more structured approach.

SDGs build on the Millennium Development Goals (MDGs) to provide a truly concerted push for well-organised co-operation between NGOs and companies. They are much more comprehensive than the MDGs and address more areas more explicitly. The point is that for the goals to be reached, everyone needs to do their part, including governments, the private sector, civil society and NGOs. SDGs provide common objectives and a formal framework for everyone to work together.

The theory is good but we are concerned about what it looks like in practice. For CARE, that means finding corporate partners and perhaps the most important criterion is that the companies we work with must understand the real benefits of the work we do together. This is not a box-ticking exercise to show you're doing something about CSR.

It is also important that the benefits be mutual. We are seeing a shift from one-off donations to long-term partnerships, which provide us with a stronger foundation to fight poverty. And it means the people working for our corporate partners have a real opportunity to be involved in what we do. Money is useful, of course, but skills often have a greater effect.

For example, HARTMANN is sending healthcare professionals to work with us in South America. They will be able to make a real and direct difference to people's lives. But it is wider than that. The people who come to South America will go home with a better understanding of the issues involved. They will be able to apply that learning to their everyday work, to make changes that will potentially have a positive impact across the world. In terms of the SDGs, there is still some work required to perfect the co-operation process. We would like to see a global framework governing relationships between companies and NGOs, for example. That would also help bring global governance, which is currently missing. Having said that, the development of the SDGs was a very important step but it isn't the end of the journey and there is always room for improvement.

We still have a lot of work to do fulfil the potential of the SDGs and we look forward to building strong and deep partnerships with more companies in the coming years. This is a very promising time for the fight against poverty.



Karl-Otto Zentel
Secretary General of CARE
Deutschland-Luxemburg

Intrapreneurs.

Agents for change in large organisations



“I have seen first-hand the power of intrapreneurship at HARTMANN.”



Elisabeth Ferri
CRM & Sales Efficiency Manager
at HARTMANN GROUP

Intrapreneurs drive positive change within their organisations, by applying entrepreneurial principles to the roles that they fill in that organisation. They are “greenhousers” – when an idea is planted in their heads, it is unlikely to leave. They will cultivate it and nurture it until it bears fruit.

Characteristics of a typical intrapreneur

Optimistic **Passionate**
Need autonomy and independence **Audacious** *Like a challenge*
Self-motivated *Understand trends*
Strong-willed *Nurture an idea to fruition*
Take the initiative **Visionary**
Imaginative

We’ve all had front row seats to some dramatic transformations in the world of business in the last few years. Revolutionary ideas, founded on creativity and innovation, have proven their worth in various new business initiatives. The likes of Bitcoin, Uber, and Airbnb are good examples – they have each established a new way of thinking which forces us to reconsider how we look at various industries.

These companies and the revolutionary ideas which drive them have one thing in common: they are led by audacious, strong-willed entrepreneurs who simply refuse to accept the status quo. These entrepreneurs have cultivated near hero-like status in modern society. They are the dreamers, the optimists, and the disruptors held up as paragons of modern society. They are the people that use big ideas to turn start-ups into global organisations that disrupt entire industries.

But it would be foolish to think that entrepreneurial characteristics only exist in individuals working for themselves. There are people working within organisations that display the same fundamental traits. Those with innate passion for their work, who constantly look at ways they can improve the status quo, whether it be through innovation or different applications of existing procedures to optimise processes. Established patterns are not so much a barrier to these people, but a fresh challenge.

Having a good time at work

It is time to embrace the age of the intrapreneur. Intrapreneurs drive positive change within their organisations, by applying entrepreneurial principles to the roles that they fill in that organisation. To highlight a few examples:

- They are usually self-motivated, visionary people who are comfortable taking the initiative, even if they are likely to meet internal obstacles like a lack of resources or entrenched organisational behaviour/beliefs.
- They are “greenhousers”. When an idea is planted in their heads, it is unlikely to leave. They will cultivate it and nurture it until it bears fruit. Figuring out how to make things work makes them tick.

- Intrapreneurs understand trends and, more importantly, where those trends will take us. This means they can put the wheels in motion and prepare their organisation for whatever change they’ve foreseen before their competitors do. For this reason, they can be one of the most important assets a company has at its disposal.

- In some respects, intrapreneurs have a harder job than entrepreneurs when launching a new initiative. They have the added complexity of doing so within an existing corporate framework, where predetermined rules of business conduct and governance can hinder progress, especially when radical change is involved.

- Intrapreneurs need to be granted two important freedoms to do their job effectively: autonomy and independence. Only then can they investigate a problem from all angles, and perform the requisite analysis.

All the processes and skills outlined above are worthless without a formidable sense of ownership; both personal ownership from the individual but also organisation-wide ownership. Complete buy-in establishes the necessary room for experimentation and the flexibility to deal with any unexpected results from that experimentation. It also means people do not have to be afraid of experiments failing, as some inevitably will. It’s not hard to see how harnessing these traits can dramatically increase a company’s productivity.

How do we go about doing that? First, we must identify the likely intrapreneurs within a workforce and then we must create an innovation-friendly environment to let them work their magic. I have seen first-hand the power of intrapreneurship at HARTMANN. We are already a leading company in our field, but our CEO has invited us to embrace our inner entrepreneur to further strengthen that position. This lofty goal has encouraged HARTMANN’s intrapreneurs to effect positive change throughout the entire organisation. By doing so, HARTMANN can further help the millions of people all over the world who rely on our products for their health and well-being.

Millennials make business sense

If people can make or break a company, doesn't it make sense to invest in Millennials who will very soon make up over 50% of your employees?

Attracting talent ain't what it used to be. Millennials want different things from employers compared with the generations before them. They value things like flexibility, a good work climate, and flat organisational structures. Traditional chart toppers like a good salary and job security are far less important to Millennials. Fun and being happy at work also matter for this generation. Having fun while working, though, is an important factor that older generations can probably also get on board with.



You've heard it a million times before: "People are a company's most valuable asset." Even though it is a cliché, it is true. People can make or break a company. Doesn't it then make perfect sense to invest in the people who will very soon make up over 50% of your employees? By ensuring that people enjoy their work, feel fulfilled, feel inspired and develop their potential, they will perform better. They will offer their creativity and passion. They will innovate and examine new perspectives. They will force you to change and reinvent yourself (I forgot to mention, Millennials need permanent change). They will constantly ask "what if?" which is exactly what every business needs to improve their services and products, and make a difference. This is what will bring growth, increased market shares and profits. That's the real return of investing in fun and happiness.

Sustainable happiness takes time

The trick is to think long term. These are not measures that will bring real gains in the short term. Long term is not exactly something that shareholders and financial markets appreciate, but it simply makes sense. We will have to shift our thinking to long term corporate commitments to create real and sustainable growth – not only for the shareholders, but for society as well.



Stephan Schulz
Chief Financial Officer, HARTMANN GROUP
and Labor Director, PAUL HARTMANN AG

"By ensuring that people enjoy their work, feel fulfilled, feel inspired and develop their potential, they will perform better."

Fun and happiness require investment

Companies need to take this change in values seriously. By 2020 Millennials will make up roughly 50% of the US workforce and the German workforce

is in a demographic vice grip with an increasing number of retirees on one side and a shrinking pool of younger talents on the other. Attracting talented Millennials requires focus and investment. Companies need to invest in training, development programmes, physical work environments like flexible office concepts and creative spaces, international assignments, health programmes – the list goes on. It also requires investment in leadership development. The traditional control and command style of the past will not work in an environment where people want transparency, teamwork and networking.

The rate of return on fun and happiness

These investments can easily be viewed as big fat negative numbers on a profit and loss statement. Quantitative rates of returns on such investments are not easily calculated as we're talking about human well-being and satisfaction. Not exactly a CFO's dream scenario, but could it be that these investments actually make business sense?



Life would be so much easier if we all shared the same views and values. Life would also be extremely dull and arguably one where progress would stagnate. We need diversity to innovate, to change and to improve. Innovating and improving are especially important when it comes to healthcare.

Dare to be diverse

Working in and managing diverse teams is not easy, but once you move beyond the differences and focus on your common purpose, you can make exciting leaps forward.

Today's healthcare systems are facing a number of challenges and we need new ideas and fresh thinking to make real and sustainable improvements. Product innovation is one aspect, but it is also about how we structure and think about healthcare.

Diversity sparking innovation

Diversity comes in many different forms, but for innovation to take place you need diversity of ideas and a diversity of experiences. You need a multi-cultural environment where people see things from different perspectives and can challenge each other.

The obvious solution to a challenge may be staring you in the face, but sometimes you need someone with a different view to point it out. If we surround ourselves with people exactly like ourselves, we stay biased and become blind to new and different solutions. There is a lot of research linking innovation with multi-cultural teams. INSEAD Business School, for instance, has found that people who have lived abroad tend to be more creative. It seems that simply the experience of living abroad enhances creativity. Additionally, people who immerse themselves in other cultures and identify themselves with two cultures are better at combining different perspectives and combining old with new.

"You may be big, but I am small"

"Culture" doesn't necessarily mean another country. It could mean a different social group or a different discipline. It's simply about expanding your horizons, which means diversity is very much within reach for all companies. Daffy Duck once said: "You may be big, but I am small", and he had a point. You don't have to be big to make diversity work. A multi-cultural workforce doesn't have to strictly mean people from different parts of the world. Companies can achieve diversity by hiring people with different educational backgrounds and different life experiences. Companies can encourage movement between very different departments. Companies can hire people who have lived abroad. You don't have to be big to do that.

The multi-cultural leader

Although cross-cultural teams have high potential for creativity and innovation, research by the University of Southern Denmark and a study by Harvard Business School show that cultural diversity in the workplace needs different leadership to work. Anyone who has worked in a multi-cultural environment can attest to the many differences when it comes to communication style, views on corporate hierarchy and authority, showing emotions, motivational drivers, etc. In order to manage such teams and get the best out of them, a traditional leadership style that relies on a hierarchical control and command style will not work.

You need leaders that themselves have a multi-cultural background, have a high degree of empathy, have diplomatic qualities, and are able to inspire. Working in and managing diverse teams is not easy, but once you move beyond the differences and focus on your common purpose, you can make exciting leaps forward. In order to transform our healthcare systems from large and rigid institutions that served us well for a long time to flexible healthcare solutions that fit us today, we need new thinking. We need diversity to go further. Let's all dare to be diverse.



Andreas Joehle
Chief Executive Officer,
HARTMANN GROUP

