



## **Business Finland & SEHTA**

# **Understanding the UK Diagnostics Market Workshop**

**Meria Heikela, Director,  
Business Finland (London)**





FIN Time	UK BST Time	Webinar Programme
11:30 – 11:35	09:30 – 09:35	<b>Welcome &amp; Introduction to SEHTA</b> Meria Heikela, Director, Business Finland (London)
11:35 – 12:15	09:35 – 10:15	<b>Structure of the diagnostics market in the UK post-covid</b> <ul style="list-style-type: none"> <li>• UK Facts and Figures</li> <li>• The 'Crisis in Pathology' – Carter Reports</li> <li>• Exacerbation by the Covid-19 pandemic</li> <li>• Procurement</li> </ul> <p><i>Neil Roberts, CEO, SEHTA</i></p> <b>Followed by Q&amp;A</b>
12:15 – 12:30	10:15 – 10:30	<b>Screen Break &amp; Networking</b>
12:30 – 13:30	10:30 – 11:30	<b>Trends in the diagnostics market</b> <ul style="list-style-type: none"> <li>• Digitisation</li> <li>• Genomics and personalization</li> <li>• Managing the Covid-19 created back log</li> </ul> <b>Accessing the Market</b> <ul style="list-style-type: none"> <li>• Channel management – An introduction</li> <li>• How to manage UK distributors with success? Do's &amp; Don'ts</li> <li>• Examples of distributor and partner models</li> </ul> <p><i>Dr. David Parry, Director, SEHTA</i>  <i>David Wilson, SEHTA Diagnostics Advisor</i></p> <b>Followed by Q&amp;A</b>



## SEHTA and Business Finland Business Support Programme

### Opportunity

All are welcome to apply.

SEHTA will select 15 most potential for deeper discussions, then half of the group will be selected for meetings in the UK market.

- 6-8 Finnish diagnostics businesses selected
- 1-1 Mentoring to determine optimum sales channel/s
- Engagement with UK distributors/sales agents





## Next Steps

### Expression of Interest (EOI)

If you would like to be included in the Programme then please email Clare Ansett [clare.ansett@sehta.co.uk](mailto:clare.ansett@sehta.co.uk)

Provide details of your company, and describe your interest in UK market access.

Close of EOI – Monday 13<sup>th</sup> September.





## Facilitator Biographies



**Neil Roberts,  
CEO, SEHTA**

Neil was appointed as SEHTA CEO in April 2021, having previously been COO since July 2018. Prior to his role as COO, Neil had been our Medical Technology Advisor.

Neil has spent more than 25 years in the medical technology market, with a track record of success in driving business development and growth, via sales and marketing, domestic and international distributor management, market access, major accounts, new business integration, and change management, gained in the UK and in export within an SME and leading MedTech company environment. As of November 2019, Neil is also a board member and director of SEHTA.

His areas of expertise cover a large range of medical applications and technologies including; Ophthalmic imaging, diagnosis and consumables, Cardiology, Oncology treatment, Care of the Elderly, Surgical visualisation and lasers, Wound care, Anaesthesia delivery and theatre monitoring, Dermatology, Colposcopy, ENT, and EEG/EMG/EP in neurology. His approach is based on pragmatism, enabled by detailed market understanding, with the highest importance placed on the execution of consequent action plans as the key to success.

He has managed product through NICE Technology Appraisal (TA), and other market access processes. Served as Industry Representative on the RCOphth Working Party into the safety of laser eye surgery in the UK, and as Chair of the Ophthalmic Special Interest Group at the ABHI. A degree in Medical Biochemistry from London University has been enhanced by business management education at Ashridge and the completion of leadership courses from Harvard.





## Facilitator Biographies



**David Parry,**  
**Director, SEHTA**

**Dr David Parry** was previously SEHTA CEO from 2006 to 2021 and is now a Director and Board member.

Prior to this he ran his own life sciences consultancy company and was a SEEDA enterprise hub director for 3 years when he actively helped 20 small technology-based businesses to grow. In his role at SEHTA, he developed further his coaching and mentoring skills through working closely with over 300 medtech SMEs helping them to understand and develop their businesses.

David's earlier background was in research and development. He has held positions of Head of Entomology and Plant Pathology at East Malling Research Station and Reader in Plant Pathology at Harper Adams University College.

David has a track record in attracting funding from commercial, government and EU sources. His research work is widely published and he has written 2 books.

David is a graduate of Imperial College and obtained his PhD from Imperial College at Wye.





## Facilitator Biographies



**David Wilson, SEHTA  
Diagnostics Advisor**

David has almost 30 years international experience in business development, marketing and sales management in the in-vitro diagnostic medical devices industry, having held senior commercial and Board level positions in global corporations, angel and venture capital funded start-ups and a sector specific trade association.

Following a 12 year period at Genzyme Corporation where David led the international sales, marketing and business development functions for the Diagnostics Products division, he joined US/Israeli start-up Molecular Detection Inc. as Vice President Commercial Operations to lead the commercial development of a molecular diagnostics technology platform applied to the rapid, accurate detection of antibiotic resistant bacteria.

Building on his experience supporting the development of early stage businesses and technologies in the in-vitro diagnostics sector, David joined London/Boston-based specialist life sciences consulting firm Alacrita and led the development of their diagnostics consulting practice, providing both strategic and operational support to early-stage diagnostics companies entering new markets. More recently, as Head of International Sales for US-based Asuragen Inc., David led a team developing and delivering the international commercial strategy for a specialised genetic and oncology molecular diagnostic product portfolio.

He is currently serves as Commercial Director for the Diagnostics business of AIM-listed UK biotech, Avacta Group plc, and as a Non-Executive Director for Linear Diagnostics, an early-stage diagnostic businesses developing a novel point of care diagnostic testing platform. He has served on the Executive Committee of the British In Vitro Diagnostics Association (BIVDA) and currently chairs their Near Patient Testing interest group. David has a BSc (Hons) in Biochemistry and Microbiology from the University of St. Andrews and a MBA from the Open University Business School.





## South East Health Technologies Alliance

- Est. 2005 as a publicly funded organisation
- Today - A 'Not for Profit' membership support network – >1300 members
- Provide 1 to Many and 1 to 1 support -  
Events; Information and Networking  
Mentoring, Commercialisation  
Solve challenges in NHS Trusts
- Grant review + project participation





# South East Health Technologies Alliance



SEHTA driving collaboration:  
Academics, Businesses, Care + Clinicians





## Not a member of SEHTA?

It's free to join- so register today at

[www.sehta.co.uk/Post/sehta-membership](http://www.sehta.co.uk/Post/sehta-membership)





## Structure of the diagnostics market in the UK Post-Covid



**Neil Roberts, CEO, SEHTA**



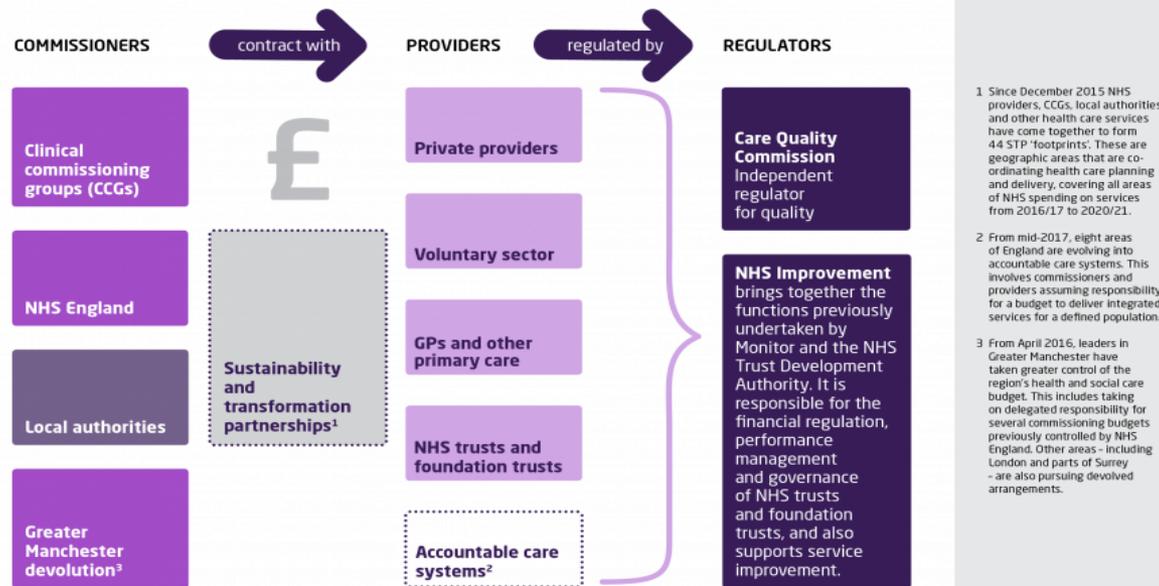


## NHS – How it Works

[How does the NHS in England work? An alternative guide - YouTube](#)

TheKingsFund> Ideas that change health care

The NHS: How providers are regulated and commissioned



1 Since December 2015 NHS providers, CCGs, local authorities and other health care services have come together to form 44 STP 'footprints'. These are geographic areas that are co-ordinating health care planning and delivery, covering all areas of NHS spending on services from 2016/17 to 2020/21.

2 From mid-2017, eight areas of England are evolving into accountable care systems. This involves commissioners and providers assuming responsibility for a budget to deliver integrated services for a defined population.

3 From April 2016, leaders in Greater Manchester have taken greater control of the region's health and social care budget. This includes taking on delegated responsibility for several commissioning budgets previously controlled by NHS England. Other areas - including London and parts of Surrey - are also pursuing devolved arrangements.

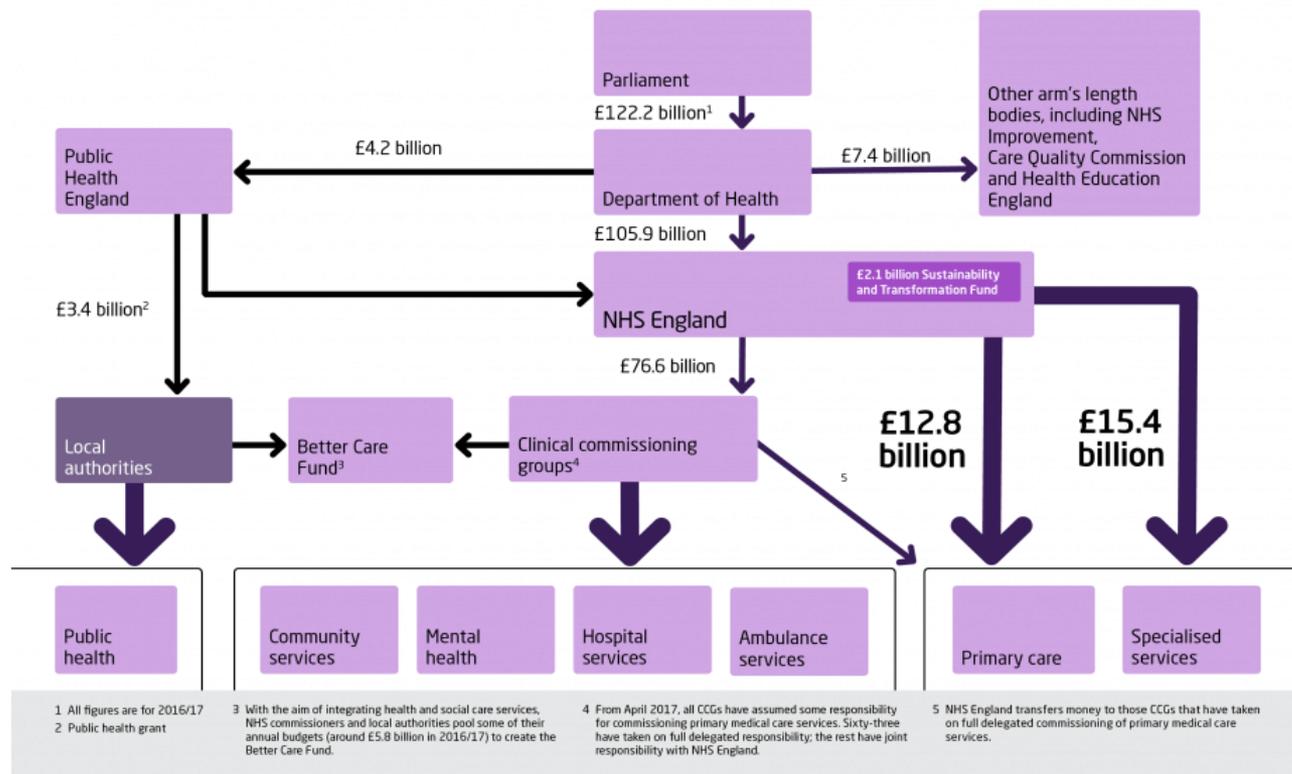




## NHS – How the Money Flows

TheKingsFund > Ideas that change health care

The NHS: How the money flows





## NHS – Long Term Plan



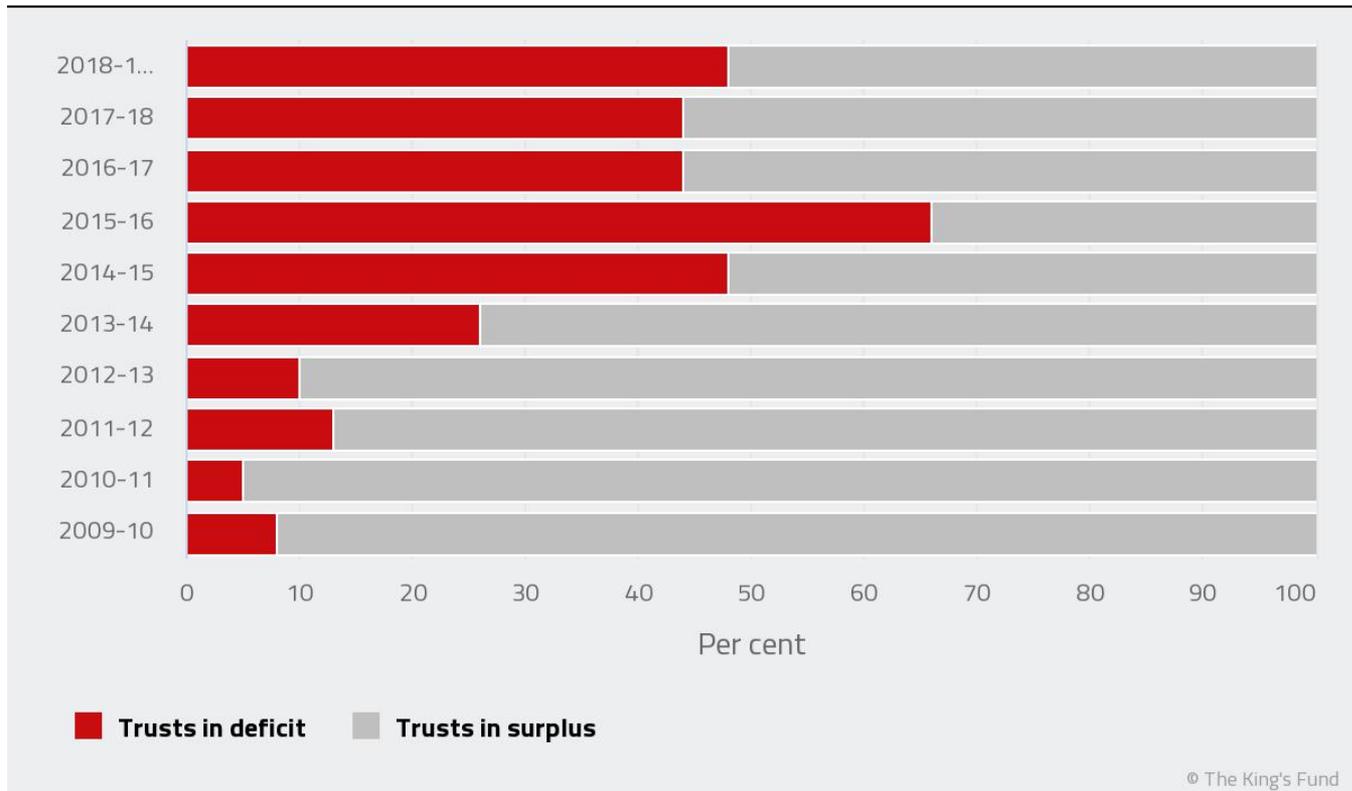
- Making Sure Everyone gets the Best Start in Life
- Delivering World Class Care for Major Health problems
- Supporting people to Age Well





## NHS – Financial Performance

### Proportion of NHS trusts in financial deficit





**70%**

of clinical decisions are based on IVD tests

*In vitro* diagnostics is the largest category in the global medical technology market with annual sales of

**£41 billion**  
in 2017

**2 million**

units of donated blood are screened for infectious disease using diagnostic tests to enable safe transfusion into patients

The UK is the **fifth largest IVD market** in Europe



**£12** spent per capita on IVD products, less than two thirds of spend in France, Germany and Italy



The UK IVD sector was worth **£820 million** in 2017



**10% annual increase** in demand for blood and tissue tests over the next ten years due to an ageing population and rising incidence of chronic disease



**900 million**

tests are carried out each year in the UK

The UK is a net exporter of IVD products, with **£1.1 billion** exported in 2013





## NHS – Crisis in Pathology





## Improving the quality and value of NHS pathology services

122 Pathology providers

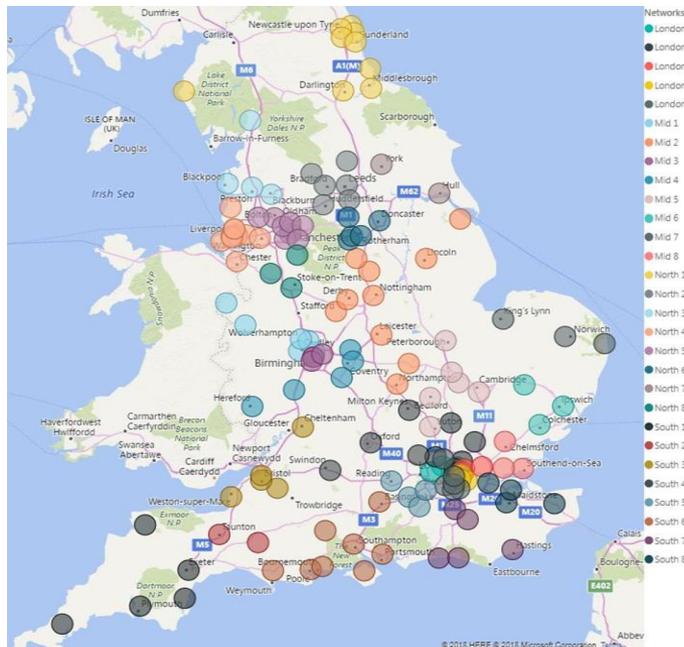
Workforce of 27 thousand

Processing 1.1 billion tests per year

£2.2 billion delivery cost

£2.2 billion delivery cost

NHS Improvement is working with trusts to move towards 29 pathology networks across England



- Pathology is essential in over 70% of patient pathways.
- High quality services, delivering timely results for patients, will also support national priorities in genomics, cancer care and integrated healthcare
- Currently there is **national excess capacity in equipment**, yet we are seeing **local workforce shortages**
- **Variation** of non-pay costs in routine testing from **2p to £1.26 per test**
- **Networking at scale** allows for better value, better utilisation of capital equipment, faster turn around times where required and more **opportunities for the workforce to undertake extended roles**.
- NHS Improvement is engaging with the sector, with **strong support for the hub and spoke model**





## Benefits of consolidation

**NHS**  
Improvement

### Clinical

- Allows for ESL to focus on what is clinically urgent and provide shorter TAT
- Allows for greater collaboration between pathologists, resulting in better quality diagnoses
- Increases the standardisation of service across the UK
- The economies of scale benefits can lead to faster turn around time of routine work and can enable the latest technology to be purchased

### Financial

- Economies of scale benefits allow for better utilisation of expensive capital equipment
- Less duplication of functions across the network such as HR, finance, logistics, marketing etc
- Increased volume allows for greater negotiating power to drive down costs of equipment, IT, reagents and consumables

### Operational

- Improves service resilience through backup sites and increased workforce
- Networking across wider geographies provides a solution to localised recruitment challenges
- Economies of scale allows for centralisation of low volume, high expertise testing
- Allows for standardisation of IT systems, logistics and result delivery

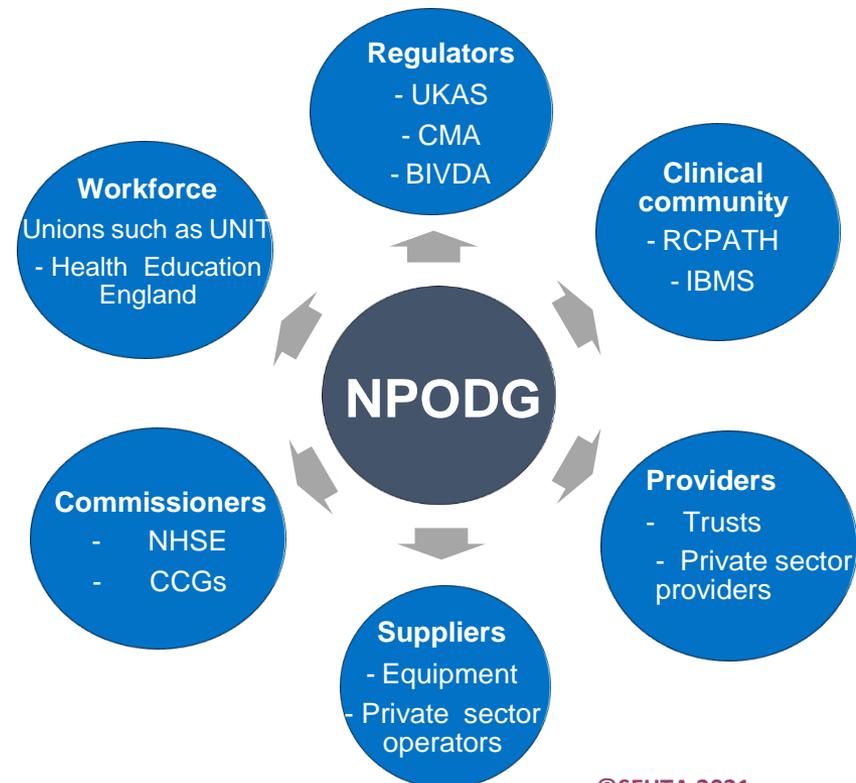


## Communication & Engagement

National engagement with key stakeholders through  
National Pathology Optimisation Delivery Group [NPODG]:

**NHS**  
Improvement

- Royal College of Pathologists
- Institute of Biomedical Science
- NHS England
- Regulatory bodies such as UKAS
- British in Vitro Diagnostics Association
- Equipment suppliers
- Private sector operators
- Health Education England
- Workforce Representation Bodies
- Competition and markets authority
- NHS Digital / NHSx
- STPs





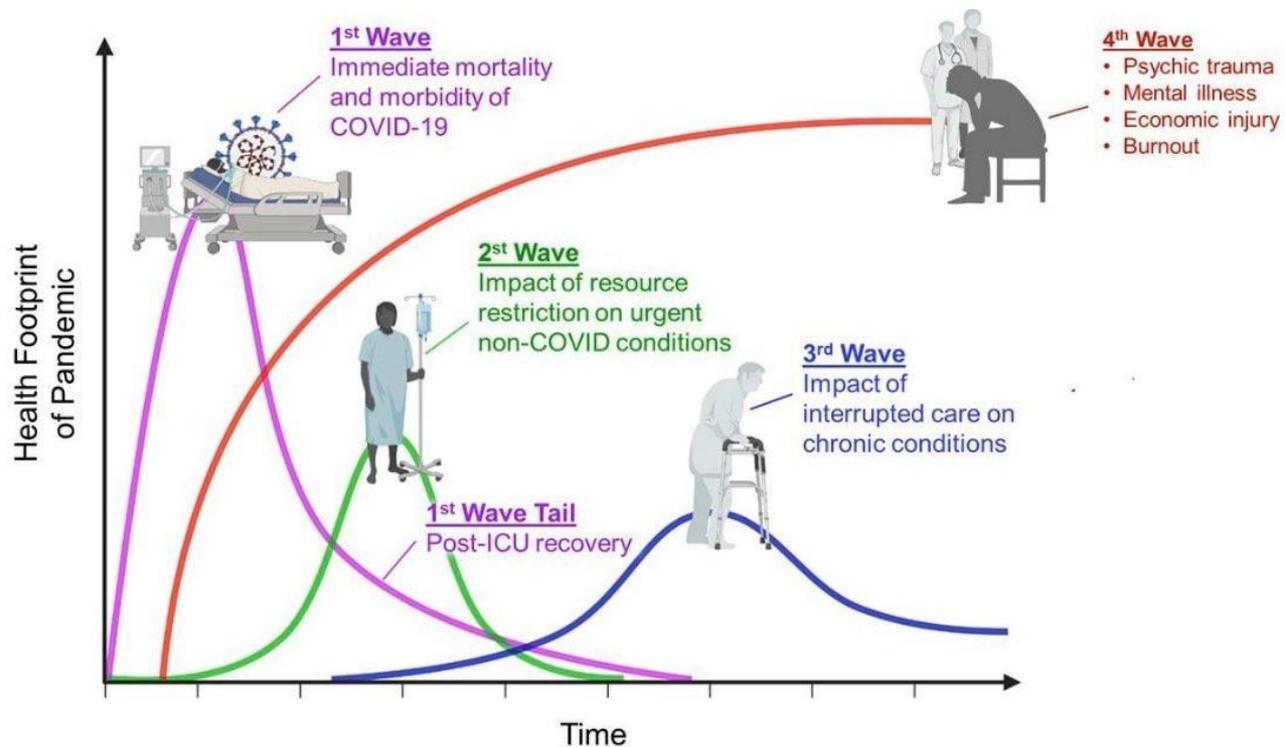
## Outputs

- Described and enabling 29 Pathology networks
- Publication of clinical and operational advice in the form of toolkits
- Development of specialist testing networks
- Facilitating network workshops involving clinical and operational teams
- Development and launch of the National Pathology Quality Assurance Dashboard:
- Identifying national funding and innovations:





## Since 03/2020 how Covid-19 has affected Health care demand





## As a consequence of Covid-19 The 'New Normal'

### Opportunities



- Much more will be done via Remote technology
  - Consultations/Diagnosis/Monitoring/Surveillance
- Barriers to entry will come down, and adoption rates will be enhanced
- Technologies in demand that address the inevitable & worsening Waiting Lists for –
  - Cancer, Cardiology, Orthopaedics, Pathology





## NHS - Procurement

- £5.7bn (Around 4% of the NHS Budget) currently spent on General Supplies and Medical equipment
- In the climate of austerity NHS Trust Capital applications way outstrip the capital available
- Concentration on making purchases that are 'cost-effective'





## NHS – Core principles of Procurement

- Does it Work? Evidence of efficacy
- Is it Safe? Does it comply with the required Standards
- How does it compare? Competition
- Is it Cost Effective? Economic modelling





## NHS – Historic Systems for Procurement

- All Public spending requires a Tendering process to ensure a fair process
- Administered by the hospitals themselves working with Purchasing and Supplies Authority (PASA)
- Membership of the EU meant applying the EU Tendering requirements for public procurement





## NHS – New approaches to Procurement

- Establishment of NHS Supply Chain – paid as a % of Cost Savings
- Nationally Contracted Products programme (NCP) led by NHS Improvement
- High Cost Tariff Excluded Devices by NHS England
- 2019/20 National Tariff Payment System





Supply Chain Coordination Limited (SCCL)  
Management Function of NHS Supply Chain

	Products and Services	Providers
Medical	NHS Supply Chain: Ward Based Consumables	DHL Life Sciences and Healthcare UK
	NHS Supply Chain: Sterile Intervention Equipment and Associated Consumables	Collaborative Procurement Partnership LLP
	NHS Supply Chain: Infection Control and Wound Care	DHL Life Sciences and Healthcare UK
	NHS Supply Chain: Orthopaedics, Trauma and Spine, and Ophthalmology	Collaborative Procurement Partnership LLP
	NHS Supply Chain: Rehabilitation, Disabled Services, Women's Health and Associated Consumables	Collaborative Procurement Partnership LLP
	NHS Supply Chain: Cardio-vascular, Radiology, Endoscopy, Audiology and Pain Management	HST
Capital	NHS Supply Chain: Large Diagnostic Capital Equipment Including Mobile and Services	DHL Life Sciences and Healthcare UK
	NHS Supply Chain: Diagnostic, Pathology and Therapy Technologies, and Services	Akso & Company
Non Medical	NHS Supply Chain: Office Solutions	Crown Commercial Service
	NHS Supply Chain: Food	Foodbuy
	NHS Supply Chain: Hotel Services	NHS North of England Commercial Procurement Collaborative
Support Services	NHS Supply Chain: Logistics	Unipart Group Ltd
	NHS Supply Chain: Supporting Technology	DXC Technology



## Screen Break





## Trends in the diagnostics market



**Dr David Parry, Director, SEHTA**





## Context

- COVID – lateral flow, PCR, antibody testing
- 70% medical decisions supported by diagnostics
- Massive leaps in technology
- Still adoption hurdles...technical (sensitivity, specificity), clinical, political, territorial, budgetary





## Emerging Trends

- Digitisation – more automation and AI
- Genomics and personalisation
- Real time diagnostics
- The advance of wearables
- Managing the COVID backlog





## Digitisation

- Every medical device/diagnostic should be connected....faster diagnosis, more/better data (deluged by data!)
- Push by NHSX (NHS AI Lab awards)
- Push in imaging (radiology) – especially cancer (detecting tumours, assessing tumours and disease progress) –think about clinical conservatism and existing software systems





## Genomics and personalisation

- Advances in understanding human genome and sequencing
- Earliest advances breast cancer –therapeutic linked to presence of gene
- Moving towards understanding cancer genotype and linking to therapeutic
- Moving towards predicting more widespread chronic conditions eg. asthma
- NHS genomic medicine service (offer whole genome sequencing as part of routine care by 2023/24)





## Real time diagnostics

- Move away from snap-shot measurement – better accuracy, more convenient e.g home heart monitoring over time (AliveCor etc)
- Predict onset of exacerbation at home e.g. breath tests, or early diagnosis of problem e.g Owlstone medical (cancer, gut problems etc)
- ‘virtual wards’ (COVID –O<sub>2</sub> monitor and thermometer)





## The advance of wearables

- Long history –telecare pendant (1960s)
- Smart technology monitoring vital signs
- Useful as part of ‘virtual wards’
- Deluged by data – confidentiality - authenticity of data





## Managing the COVID backlog

- Better, cheaper, faster, COVID diagnostic tests
- Better, cheaper, faster other diagnostic tests – cancer, imaging, ophthalmology, endoscopy, blood sampling, urine sampling
- Better, safer triage in Emergency departments





## Accessing the Market



**David Wilson, SEHTA Diagnostics Advisor**





## Accessing the Market

- Is it worth it? Changing Regulatory Landscape
- Channel Management
  - Sales channel options
  - Distributor Selection
    - What makes a good distributor?
  - Distributor Management
    - How to maximise distributor performance





## Q & A





## Contact details

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