

A powerful marketplace serving vendors and buyers alike

Xatena: Prospects for hospital procurement

Xatena receives support for the further expansion and internationalization of its digital market platform. Vincent Irrling has been responsible for business development since September 2018 and is confident that Xatena is becoming the standard for healthcare procurement.

Last year Vincent Irrling completed an intensive MBA program at the University of St. Gallen. He previously spent six years in medical technology, most recently as global product manager at B. Braun Aesculap being responsible for one of the most innovative product lines in neurosurgery.

His experience in marketing and sales quickly made him realize that the current sales and procurement structures are still very complex and expensive. He soon developed his own concepts for an online marketplace for surgical supplies. He met Andreas Heizmann, CEO Xatena, during his MBA. "I'm delighted

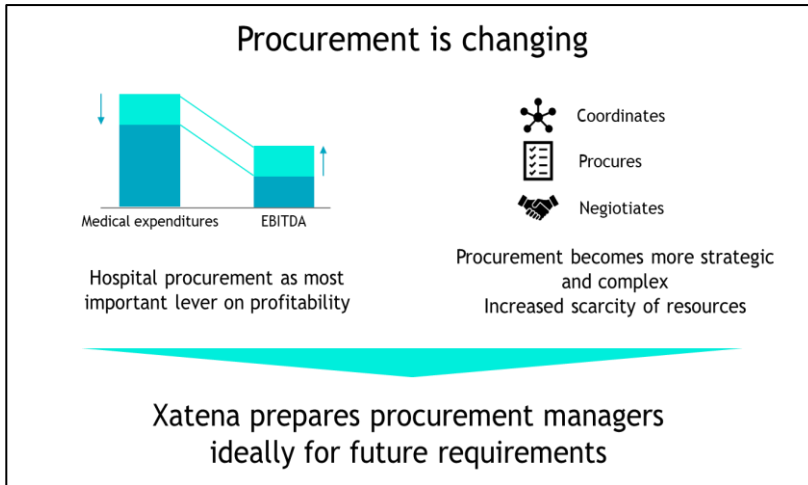
to have met Andi, someone who has the same vision for a digital marketplace in the healthcare sector and now have the opportunity to do it together with an experienced team." - This sounds proactive and motivated. We wanted to learn more about Vincent Irrling.

What is it about your new job that attracts you personally?

Vincent Irrling: For several years now, I have had the idea for a digital marketplace in the healthcare sector myself, and I was also considering founding one. I'm excited to implement this new business

model with an experienced team. The market is developing in exactly this direction and still offers a lot of potential. I think we can make a substantial contribution to making the healthcare system more efficient, and that is ultimately in the interest of all. In addition, I feel more attracted to young digitization companies than to a career in a corporate group. With new business models, there are basically no limits to the scope of tasks and you can very quickly see the influence of your own work on business success. It is particularly exciting for me to implement these insights





2: Shopping in the hospital is undergoing a major change.

quickly and thus help the company grow.

What do you see as the greatest advantages of the Xatena solution for buyers and suppliers?

Both purchasing and sales are changing. It is a challenge for almost all hospitals not to make a loss. Hospitals know that purchasing is the most important lever in terms of profitability. This means it is under more pressure to perform than ever before and is trying to position itself more strategically, often with the same amount of resources. This also means trying to obtain and compare more offers from different suppliers. However, the system is still based almost exclusively

on manual processes and is therefore inefficient. As a result, purchasers often miss out on advantageous alternatives and suppliers (especially without a physical sales presence) who miss out on submitting offers.

Pure product advantages are rarely sufficient for the distribution of medical goods, especially since product characteristics are becoming more and more similar. The tasks in sales are therefore to offer more services and to emphasize the socio-economic benefits.

With Xatena, we want to optimally prepare buyers and suppliers for future requirements. This means that we are a holistic system

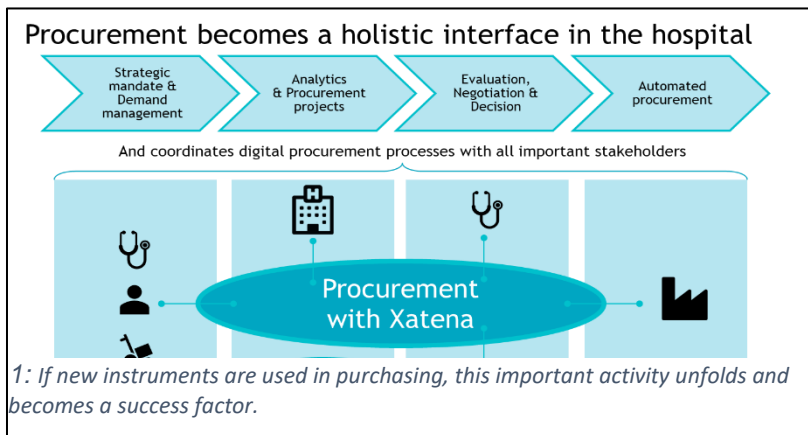
provider that digitally maps various processes and ensures that both buyers and suppliers can concentrate on their core competencies.

The exciting thing is that every hospital has individual requirements and challenges. As a system provider, we can respond to these and thus offer all hospitals decisive advantages in procurement management.

A brief stocktaking: Do Swiss hospitals not purchase effectively enough in a targeted manner? On the other hand, do suppliers offer sufficient transparency?

My impression is that hospital purchasing often still has too little insight into the market and therefore cannot effectively compare offers. The market is characterised by the personal interfaces between suppliers and hospitals, which means it is very non-transparent. This is partly due to the individual challenges in hospitals and the consulting services required. The market for consumables is already more transparent. It therefore depends on the products and the form of procurement how transparent the offers are.

The so-called "Maverick Buying" is also still a problem



1: If new instruments are used in purchasing, this important activity unfolds and becomes a success factor.



3: Vincent Irrling, Head of Business Development, Xatena AG, Zurich

today and leads to the fact that purchases can completely bypass the materials management system and thus there is no overview of how much of which products is actually procured. As a result, hospitals find it difficult to make targeted purchases because they simply do not have the right tools to do so.

What experience have you already gained with your customer contacts?

At the beginning, our contacts at the hospital are primarily CFOs, COOs and Head of Purchasing. As a rule, they recognize the advantages of the platform very quickly and show interest. Most customers are aware of the challenges in purchasing and see digitalization as an opportunity. However, in some cases it is still difficult to classify us because there is no comparable provider in this sense. Customers also confuse us with purchasing organizations, EDI providers or simple online shops. In fact, all this is partly correct, since we have several modules on Xatena. From time to time a feedback we hear is that first of all internal projects have to be completed and homework must be done. We are the ideal partner to support exactly these homework tasks, for example master data management with the eClass and MDR classification. We also have various network partners who can support us and our customers with special topics.

And what about manufacturers and dealers?

On the manufacturer side, a distinction can be made between two groups: Smaller suppliers directly see the advantages of the platform in marketing and offering their products. Larger suppliers often still rely on the existing structures that worked well for them in the past. However, my experience at B. Braun was that there is also optimization potential with large suppliers and that sales and marketing activities are changing.

Our task is therefore to work together with the various players and digitally map their requirements to Xatena.

How could hospitals benefit even more? By increasingly forming purchasing associations ...?

Of course, purchasing associations and groups can exert pressure on suppliers due to their high demand and thus negotiate better framework agreements. I assume that the classic business model will change in the future and that more purchasing associations will fall back on digital platforms. Digital platforms also offer opportunities for independent hospitals and clinics. They can simply professionalize their procurement management and bundle ad hoc procurement if required. This makes it possible to organize themselves in open and

flexible connections for joint procurement.

Hospitals can benefit even more if Xatena becomes their central working instrument and all procurement tasks can be conducted via the platform. On the one hand, they can efficiently map processes and keep track of their activities. On the other hand, it offers market access and creates direct links to suppliers. Ultimately, this does not just result in better prices, but also in a cost savings result from increased efficiency and reduced errors.

What are your personal goals for the future? What do you want to achieve in the healthcare sector?

My personal goal over the next few years is to help shape sales and procurement in the healthcare market for the benefit of all participants, i.e. providers, hospitals and patients, and to make it more efficient with Xatena. This means, of course, that I want to enter into many new cooperations with hospitals and clinics and advance Xatena's expansion, not only in Switzerland. For Switzerland, I hope that we can do our part to increase the profitability of hospitals and free up resources for investment in innovation.

Further information

Xatena AG, Vincent Irrling
Phone +41 76 746 03 70
www.xatena.com
vincent.irrling@xatena.com