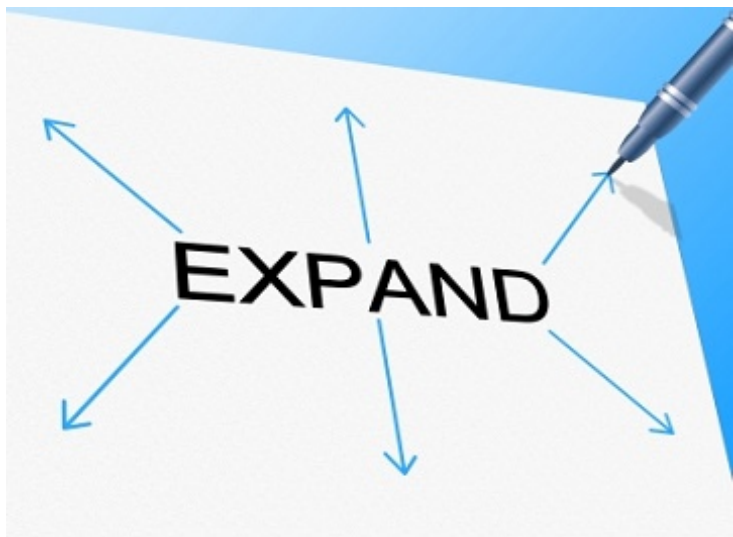


Medical device firms open to invest on R&D: KPMG survey

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Singapore: Medical device manufacturers are investing heavily in research and development (R&D), and are shifting their innovation strategies from incremental innovation towards achieving breakthrough innovation, according to Global Manufacturing Outlook survey conducted by KPMG.

Almost a quarter of all respondents say they spend more than 6 percent of revenues on R&D in the last two years, according to a further analysis of a recent KPMG International Global Manufacturing Outlook 2015 survey. This level of investment and distinct drive for breakthrough innovation is in contrast to the other manufacturers polled in other sectors.

In fact, leading medical devices manufacturers are also collaborating with a much broader range of players than before. The report found 80 percent of respondents seeking "partnerships rather than in-house efforts" in the pursuit of innovations.

Mr Tan Wah Yeow, Head of Asia Pacific Healthcare practice at KPMG in Singapore said, "More than other manufacturing sectors, medical devices have a special stake in innovation. The nature of the business requires companies to elevate their performance to offer better life-enhancing and life-saving technologies.

Medical devices companies need to embrace collaborative innovation with a broader range of partners such as suppliers, development partners and healthcare providers to develop product customisation to markets for an "in-country, for-country" business model."

Mr Ajay Kumar Sanganerla, Life Sciences Partner at KPMG in Singapore said, "It is imperative that medical device companies, especially smaller, low-cost manufacturers in Singapore develop breakthrough products through collaboration to stimulate growth and remain competitive in the industry. Compared to larger companies, these companies are more adaptable, better able to identify market niches and have more innovative potential."