

Swiss Company Reaches Out to the World

New management structure for an established name in European ophthalmology.

In late December 2009, *CRST Europe* spoke with Andreas Bosshard, at that time Chief Executive Officer and President of Oertli Instrumente, AG (Berneck, Switzerland), and his son Thomas, Head of Marketing for the company, about the history and prospects of this family-run Swiss ophthalmic instrument company. We learned during the interview that the company was about to undergo management changes and open a new chapter in its history in ophthalmology.

CRST Europe: Oertli is a family-owned business. What advantages and disadvantages are you faced with in comparison with your larger corporate competitors?

Andreas Bosshard: There are a lot of advantages for a company with a privately—or in our case family—owned structure. The main advantage is that, if you are the owner of such a company, you are not driven by shareholder values. You can concentrate on the customer's needs and the market's needs. We only have to please our customers, not investors. This also helps the company to plan and follow long-term objectives in every respect: in research and development, in market position, in whatever growth strategy the company has, and in finance. These are all advantages.

I worked in larger companies for many years before joining Oertli. I think every small enterprise has the opportunity for more efficient use of resources. Limited



Figure 1. From left to right: Thomas Bosshard, Andreas Bosshard, and Christoph Bosshard, all of Oertli Instrumente.

resources make you more inventive. Also, in a small company like ours, you have faster decision-making, shorter routes to making decisions, and customers in direct contact with company management. I think these are all great things for a small company.

The typical disadvantage in relation to corporate competitors is that the larger companies can get major financing, whereas we use a high degree of self-financing. Larger companies can employ foreign investment, and this gives them possibilities of undertaking larger projects and fast market growth. Of course a high level of financing is also a danger; we have seen this in the past in ophthalmology with at least two of the large competitors in our field. They chose to become heavily financed, and eventually they had to look for someone to acquire them.

In general, the larger companies also have more marketing power; that is a real advantage. Marketing power is the biggest problem for a small company like ours. Whereas large companies may invest 8% or 10% of their budgets in marketing, we have to do more just to remain visible. We do not get lower volume-discounted advertising rates, but we still need to buy ad pages.

Another difference between a privately owned business of our size and the larger corporate competitors is in obtaining access to international markets. We go through independent distributors in the target markets; however, the larger competitors, with a broad range of products, have their own daughter companies as points of sale in the various countries. This again gives them better visibility than we have.

On the other hand, we work with excellent independent distributors who are familiar with the local customers and their needs. Being excellent distributors, they also have access to other products of similar quality to ours, such as high-quality IOLs. So perhaps one should not say the marketing and sales channels are more difficult for a smaller company, but they must be handled in a different way.

CRST Europe: Andreas, how has your scientific background contributed to the company's current technology? Please talk about how you became involved with Oertli.

Andreas Bosshard: I am an electrical engineer by training. I spent my early working years as an engineer in telecommunications and microwave engineering—building microwave components, which are precision mechanical components. After about 20 years in microwave and high-frequency product design and as a marketing and sales manager in that field with an international company, I joined Oertli in 1988. For the first few years after that I ran the company, and in 1992 I purchased the company from Heinz A. Oertli, who founded Oertli in 1955.

At the time I became involved, Oertli was concentrated on the European market. From the beginning, the company had designed and manufactured surgical instruments, and by 1965 it was focused almost exclusively on ophthalmic surgical products.

Heinz Oertli pioneered vitreoretinal surgery instrumentation in Europe, including the introduction of the Klöti vitrectomy stripper in 1971, the first ophthalmologic bipolar diathermy instrument in 1972, and the first control apparatus for vitrectomy in 1974. In the early 1970s, vitreoretinal surgery in Europe was done with Oertli products developed in collaboration with Professor Rudolph Klöti at the University of Zurich, during a time when Zurich was the European center of vitreoretinal surgery.

As an aside, speaking as we were of marketing power, Bausch + Lomb (Rochester, New York) has touted the advantages of its dual-linear footpedal, but many people may not know that dual-linear footpedal control was an Oertli innovation in 1985.

CRST Europe: What does the company's location in Switzerland—renowned for precision technology—mean for you and your customers?

Andreas Bosshard: Switzerland offers many advantages for a company in the field of microsurgery. First, we have a skilled work force, including skilled engineers. There is a tradition of micro-precision engineering, not only in watch-making, but also in many other fields such as optics. So companies have access to excellent people and to a wide network of manufacturers of precision parts. There is also stability in every respect of our environment: political, financial, and legal. And of course we use the name Switzerland and Swiss-manufactured in our marketing attempts. It is a good association to have.

CRST Europe: For a time, Oertli was one of a group of Swiss companies that joined together for marketing purposes. What happened to that venture?

Andreas Bosshard: When I joined Oertli in 1988, the

company was already in a situation where it had to compete against big international companies. The product line was inventive, but there were not the means of doing international marketing. A number of Swiss companies of similar size were in the same situation.

In the 1990s, a group of six Swiss companies joined together for marketing purposes. The Swiss Ophthalmic Instrument Manufacturers (SOIM) included the predecessor of Leica, called Wild; Grieshaber; Haag-Streit; Interzeag, a manufacturer of perimeters; Lasag, a laser company; and Oertli. Among other things, for a time we shared a common exhibition space at ophthalmology conferences. When you look at these companies now, Wild has become Leica; Interzeag and Lasag have been absorbed by Haag-Streit; and Grieshaber is part of Alcon. Oertli is the only company that survived in its original form. That is because we were striving for independence and had excellent product development.

CRST Europe: Please talk briefly about the company's newest technology, the Faros system. How does it improve on your previous technologies, and what does it add to the overall market?

Andreas Bosshard: We regard the Faros as a micro-surgical platform, with emphasis on the micro. Oertli has been a leader in development of microincision cataract surgery (MICS) technologies in recent years. We were the first to introduce cool bimanual phaco with an incision of less than 1.6 mm; now we have coaxial phaco with a 1.6-mm incision. We also had good experience with small portable platforms for phaco only, with the CataRhex and now the CataRhex SwissTech machines.

On the other hand, our instrument that was primarily designed and used for vitreoretinal surgery, although also phaco-capable, was rather large. We thought that there was a need for a combined platform, anterior and posterior segment, which is a common way of doing surgery in Europe and I am sure will evolve in a similar way in Asia. (The United States is different, with a great degree of subspecialization of anterior and posterior segment surgeons.)

Looking at products recently introduced by our competitors (which are turning out ever-more-complicated and larger machines) and comparing this with the situation in international markets—and of course these discussions took place before the current economic downturn—we thought we should do something smaller and more affordable, but providing the best technology possible.

The Faros is actually a mid-size product. We think on one hand it will be successful as a combined surgery

machine in Asia, including India, and in Europe for a large number of operating theaters that do not have tremendous budgets for equipment and where space is an issue, which is the case in many operating theaters. This was our basic idea, and now we feel we have a unique product.

What does it offer to the surgeon? Of course it offers the latest technology. In particular we have improved on the peristaltic pump design. This was a topic of significant discussion—should we go venturi or peristaltic?—and we considered it thoroughly and carefully from the perspectives of theory, practical measurements, and practical applications in the operating theater. What we have turned out is a system that is extremely stable for cataract surgery, providing a solid anterior chamber that also gives perfect flow control in vitreoretinal surgery—a real advantage over venturi for all maneuvers close to or at the retina.

We have also completely changed the fluidics paradigm; the earlier paradigm was that we should use low vacuum

and low flow settings. We have now turned to working with high flow and high vacuum, but with specific instrument and equipment design to prevent surges. Now the surgeon can use fluidics as an additional instrument in phaco surgery, and he doesn't have to worry about stability of the chamber. This is what we call EasyPhaco technology.

CRST Europe: Is the combination of anterior and posterior segment capability still important for European surgeons? Is there more subspecialization in European ophthalmology than there used to be?

Andreas Bosshard: A large number of surgeons do only cataract surgery. There is a small number who do only posterior segment surgery. The great majority of those who do posterior segment surgery also do cataract or combined surgery on a regular basis. Combined procedures, cataract and vitreoretinal surgery, are common here. So a machine like this is useful for surgeons who do that.

INTRODUCING: CHRISTOPH BOSSHARD, CEO OF OERTLI INSTRUMENTE

CRST Europe: Please introduce yourself as the new CEO of Oertli. What is your background and what brought you to this position?

Christoph Bosshard: Before entering the family business in March 2009, I was working as a business consultant and management trainer in Switzerland, Germany, and France. From my earlier engagement with a Swiss retail company, I bring a lot of hands-on experience with me. At Oertli, I have the opportunity to bring two worthwhile things together: my theoretical background in managing a company and my pleasure in putting things into operation. Furthermore, I like the industry. I like products you can touch, and it makes me proud to help surgeons preserve people's eyesight.

CRST Europe: What will be your first order of business as CEO? What do you foresee as your duties in your first year in the position?

Christoph Bosshard: Oertli is a healthy and well-positioned company with innovative products, highly qualified people, and a good network of independent distributors all over the world. There is no need for radical changes. The question is how to develop the company while continuously considering future customer needs and future market conditions.

In 2010, our main focuses will be the following: We will set the course for our long-term product pipeline,

strengthen the relationships to our distributors and key users, and adapt our production capacity to the increasing demand for Oertli products. A personal goal of mine is to establish highly productive cooperation with the new board of directors.

CRST Europe: How do you plan to keep the family tradition alive at Oertli?

Christoph Bosshard: I share a deep belief in good and effective management with my father and my brother Thomas. In our view, the success of Oertli must be based on innovative products that provide real customer benefit.

For this purpose, we have to concentrate on a well-defined market segment, manufacture Oertli products ourselves so that we are in control of the quality at all times, and work with independent distributors who know the local markets and their needs.

Finally, we are convinced that it is a great advantage for Oertli, its employees, its distributors, and its customers if we stay independent and self-financed. So you see, it is a shared conviction on how to lead this company and not an elaborate plan on keeping a family tradition.

Christoph Bosshard is the new CEO of Oertli Instrumente. He may be reached at e-mail: christoph.bosshard@oertli-instrumente.com.



Thomas Bosshard: Due to the structure of health care systems in Europe, most surgeries are paid for by either the government or government-controlled health insurance. But surgeons have a lot of costs, and their real income actually is decreasing because they are getting lower rates from the government. So two things are happening: (1) many cataract surgeons have started to perform vitrectomy because there is more money to be made, and (2) many surgeons are doing more private surgery because they can charge more. These surgeons start to do vitrectomy to complete their repertoire of surgeries in ophthalmology.

CRST Europe: The Faros system has a relatively small footprint, and Oertli has long had an interest in portable phaco technology, starting with the introduction of the CataRhex as the first portable phaco machine. Do you see providing emerging markets or rural access to ophthalmic technology as part of your company's mission?

Andreas Bosshard: The promotional slogan for our new microsurgical platform is "Faros brings light to the world." The Pharos of Alexandria was a great lighthouse, one of the wonders of the ancient world, and now some form of *pharos* or *faro* means lighthouse in many European languages. The meaning of our slogan really is that we can offer affordable equipment that is practical in many situations because it adheres to simple design concepts. We want this machine to open vitreoretinal surgery to a larger group of surgeons, to remote areas, and of course to more patients.

Our guidelines when creating new products is that they must be beneficial to patients, surgeons, health care systems, and the industry. With the Faros, we believe these benefits can be achieved in any region of the world.

Today in China or India, and even in remote areas, surgeons are working with microscopes, and they have power available. Of course power failures are more common there. A particular advantage of our equipment in this situation is that it takes only a few seconds after a power break to have it operational again because you do not have to restart a PC or something.

CRST Europe: What are Oertli's principal markets? Do you hope to expand into other markets, and if so, how and when?

Andreas Bosshard: Our principal market is Western Europe. We do approximately 70% of our business in Europe, 20% in Asia, and 10% elsewhere, including some

in Latin America. Our efforts are clearly to increase our market share in Europe and in Asia. (Asia for us does not currently include Japan, due to the difficulty of overcoming regulatory restrictions to the market.)

Currently we have about a 10% to 12% market share throughout Western Europe; our target now is 20%. We think that because there are so many changes in the market right now, there is a possibility of achieving this within the next 3 years or so.

Eastern Europe is in a difficult situation economically. There is limited financing available, and they are only now building up better health care system structures. Russia is unpredictable. There are some years when it is a fabulous market, and other years when it is more complicated. It is not easy to do business in that market, but we are growing there.

CRST Europe: Thomas, what is your current role in the company? And Andreas, has Thomas' participation changed the company, and if so, how?

Thomas Bosshard: I have been with the company for 3.5 years. I started as head of marketing, and I will now be taking over all product management as well. In the past 2 to 3 years we invested a lot in the brand name Oertli; we are doing advertising and promotion in all those countries my father mentioned. We increased our outlay in this area to bring visibility to the company name worldwide. This was one of my main tasks in the past few years.

In addition, our strategy now is to go deeper inside local markets—to develop promotional strategies for Germany only, for England only, and so on—to give more promotional support to local distributors of our products.

Andreas Bosshard: I mentioned before that a particular challenge for small companies is to get visibility and marketing power that is similar to the larger companies. Thomas has been assigned the job of overcoming this hurdle. He is young and full of ideas, and he knows new channels for disseminating ideas. I think it is good that he will work on this for us. He has already achieved a lot, and this will help the company move forward.

CRST Europe: What do you see as the future for Oertli?

Andreas Bosshard: First, we would like to increase our market position, as I mentioned previously. We can sell more in our existing markets, and this is our No. 1 effort. Second, we are working on new developments in the existing product line, meaning the platform for vitreoretinal

nal and cataract surgery, with additional instruments. At this time, I cannot be more specific about what we are working on in that area.

We do not plan any diversification into other fields. We want to remain a technology leader in this area of restricted focus. However, we shall see what the future brings.

One change that is about to take place is that I am withdrawing from the function of CEO. This is my second-to-last day as CEO of Oertli. (*Editor's Note: This interview was conducted in December 2009.*) We are instituting a different structure, what you would call in the United States a board of directors—a group on top that sets the strategies and has the responsibility for the company by law. As the shareholder, I have elected the board of directors.

In addition to myself, with all the experience I bring in ophthalmology and with this company, there are four other members, two of whom are also from the ophthalmic industry. One is the founder of WaveLight, Max Reindl, and the other is Walter Inäbnit, the chairman of Haag-Streit.

This will give us a different perspective on many matters. Another member, who runs a company in a different field, was named entrepreneur of the year for Switzerland last year. So these new members will give us a lot of support and input on how to run an international company locally and grow it. These are the people who will now set the strategies for Oertli for the future.

The CEO replacing me will be Christoph Bosshard, my elder son, brother of Thomas. He has been working with the company since March 2009 and has gone through all the departments. Christoph is not an engineer and did not study economics; he studied psychology, pedagogy, and human resources. For many years he has been a management consultant at Malik Management Centre in Switzerland. (See *Introducing: Christoph Bosshard, CEO of Oertli Instrumente.*)

This was a fortunate time for this interview, as the company will now have new, younger voices at the executive level, and at the director's level, we will now be getting the input of experienced people on the market. It is a great time for us. ■

Andreas Bosshard is President of Oertli Instrumente. He may be reached at e-mail: andreas.bosshard@oertli-instrumente.com.

Thomas Bosshard is Head of Marketing at Oertli Instrumente. He may be reached at e-mail: thomas.bosshard@oertli-instrumente.com.



LENTIS[®] Mplus

THE ONLY PRESBYOPIA LENS
WITH HD-VISION



LENTIS[®] Mplus

The first non-rotational symmetric MIOL stands not only for high contrast sensitivity thanks to its patented design but for minimizing halos and glare and its excellent far and near vision.

- Natural High Contrast Sensitivity
- No Image Jump due to a Smooth Transition Area
- Pupil Independent
- True +3 dpt Addition
- Minimal Loss of Light
- Fast Adaption Time
- No Ghost or Double Images
- Proven HydroSmart[®] Acrylic
- Minimal to no Glare and/ or Halo-Effects
- True Sharp 360° Continuous Barrier Effect for Enhanced PCO Prophylaxis
- Aberration Neutral for Increased Depth of Focus
- Patent Pending

For further information do not hesitate to contact us: www.oculentis.com