INTEGRA'S DIGITAL TRANSFORMATION HELPS PROVIDE THE BEST PATIENT CARE

VIDEO TRANSCRIPT

TIM DURST: Hello, I'm Tim Durst. I lead Accenture's Medical Technology Practice globally. And, today, I'm here and pleased to introduce William Compton, who is the CIO for Integra Life Sciences.

Today, we're going to have a nice dialogue with William on the evolving medical technology industry and how William is evolving the IT organization to adapt to the new business environment that the sector is experiencing in transformations, but before Integra even more specifically.

So looking forward to having a great discussion here with William. And I'll turn it over to him real quick to quickly introduce himself and then, we'll get some questions.

WILLIAM COMPTON: Hey, Tim. Thanks for the introduction. It's great to be here with you. Look forward to sharing what we are doing at Integra LifeSciences with our digital strategy and plans, and how our efforts are helping transform the company. I'll share some insights on where I think this is going for our industry.

TIM: Great. Thanks, William. Why don't we start with you've been in the industry for quite a while in various roles, positions and companies. Why have you chosen this path within medical technology, pharmaceutical and medical technology in building your career?

WILLIAM: Well, that's a great question.

You know, it started off because I had a unique opportunity coming out of graduate school to come up and join a large pharmaceutical company. Frankly, I was a little naive to the industry, but jumped in with both feet and gained a lot of great experience in the process. And then, like a lot of people in this industry, you learn that what you do really makes a difference in people's lives.

And while it's exciting and transformational and there are lots of challenges, you appreciate the difference you are making for patients. At Integra, we like to say you do well by doing good. It's actually attributed to Ben Franklin, but what it means for us is when we do good for patients, we ultimately do well for our shareholders, colleagues and customers. I believe that's really what keeps a lot of us coming back to this industry.

TIM: Well, that's great. Clearly exciting times in the industry. I think myself even spending the bulk of my career in this space and we're at a key juncture in the industry with evolving reimbursement and revolving regulatory that's allowing for new types of products and solutions and enhanced customer experience, not only to the provider network, but even direct to patients.

And obviously, managing the entire patient outcome and patient pathways, becoming much more critical in the industry going forward and that's causing a lot of companies, such as yours, to have many more opportunities to serve the patients in a much more holistic manner. And maybe you can shed a little light on how your business strategy and the opportunities that Integra is going after. How is that business strategy affected how you've looked at the IT strategy in your organization?

WILLIAM: Well, sure. Healthcare has changed immensely over the last 20 years or so. I think if you go back to when you and I probably got started in this industry, you didn't ask your surgeon too many questions. You didn't even ask your general practitioner too many questions, you just took their advice, do what was recommended and then, insurance covered those costs.

In today's environment, there is a lot more dialogue between the provider and the patient and there's a lot more financial considerations when it comes to how that healthcare is going to be reimbursed or not as the case may be. So, it's about having good dialogue and good information for everyone involved.

Now our area is a little more subjective to the surgeon's point of view -- we're providing information primarily to surgeons and then to hospital care systems along the way and the patient gets involved a little bit. It's really about providing good transparency around all these modes of care.

TIM: That's great. So one thing in looking at Integra and the leadership statements that are coming out and the quarterly results, etc., there's a pretty strong emphasis on innovation and digital acceleration, including focus on data analytics, reimagining capabilities, virtual collaboration and a number of different things, I know, Peter Arduini, your CEO, has been emphasizing and, in particular, how do you see that affecting what you do in your organization and how you're helping to address that for the company?

WILLIAM: Integra's grown both organically, but also pretty significantly through M&A. When we first got started on our IT strategy, there was a lot of kind of basic consolidation and opportunity to bring things together and drive some standardization, which is important for a lot of reasons -- cost control, better operations and all -- the types of things that we're used to and information systems or information technology. But, the other thing that's done for us is really provide a platform that has led us to accelerate and invigorate our digital transformation by having some core technology underneath it to let us do things like analytics, digital and mobility. We couldn't have been as quick and nimble on that front had we not had the underlying technology infrastructure in place, like ERP, CRM and other similar platforms.

TIM: That's great. Are you seeing solutions required that are different than in the past? So we kind of talk about virtual collaboration and what does that really mean to Integra and what the business model is taking on, whether that's internal or external with customers? Give me a feel for what you're doing there?

WILLIAM: Sure. You know, we've had, obviously, a crazy last 15 months or so of this pandemic. While there's been a huge humanitarian and economic crisis, it's actually accelerated a lot of things, both accelerated adoption and, frankly, validated investments we've made pre-pandemic. We saw real results for things that we had established previously. A couple things happened in the collaboration space. First, our colleagues were able to pivot pretty quickly internally to a mostly remote or hybrid work environment. We knew that we were eventually heading that way, but we got there really quickly about a year ago. We feel good about that.

The second thing the pandemic did was really change the way we interacted with surgeons. When the pandemic was first unraveling, hospitals started limiting the amount of time we could spend with our customers face-to-face, so we had to come up with alternate ways to communicate, whether it's via video chat, like you and I are doing today, or scheduled appointments. And, again, providing that right level of information in a way that is easy for surgeons to consume, but in a way that's also easy for us to deliver. Collaboration in 2020 was quite significant.

TIM: That's great. That's excellent. When you look at opportunities such as that or other digital enablement of the organization, whether that's in the supply chain or broader leverage of data for decision making, etc., what do you see is the biggest challenge in taking advantage of those opportunities, looking at those changes in the operational capabilities cross-functionally? You have a vision, but it's one thing to get that vision actually implemented. What have you seen the biggest challenges being for your organization?

WILLIAM: Undertaking transformation is tough, Tim. And I think if you're going to ask people to work differently, think about how they engage their customers differently or think about how they make decisions differently, you have to be prepared to support what you are asking people to do. And whether you think of it as change management or better implementation, you have to really get in front of this and show people the why -- why are we doing this, why is it good for us, how is it going to be helpful? And then, I think people's expectations are just higher than they used to be.

Process improvements are an intrinsic part in our information systems career, but people's expectations of how they engage with technology is completely different, whether it's expecting more simple interfaces like Google or Facebook or managing more complex data. So combine rapid change with high expectations, it makes our job a little more difficult.

But it also makes it a little more fun when people are more engaged in consuming what you're delivering. So that always helps.

TIM: Yeah, that is great, the changing expectations and having that applied internally from what I see in the ecommerce side of different types of industries and businesses is obviously a really great opportunity for companies, but it also has to cause you to reflect a little different on what the standard in technology needs to be that underpins it. How about as with many of the medical technology companies, they're identifying opportunities to grow their portfolio, they're having to go after different types of solution sets. The niche acquisitions, in particular, have been really, really heating up, but it's not only niche, it's also large scale.

But the challenge of bringing those in, integrating them, both business wise and operationally has always been a key challenge for Med Tech. How has Integra looked at that transaction space and the frequency and the types of transactions? How has that evolved into how you think about your IT strategy to allow that to happen most effectively?

WILLIAM: Well, I think you're spot on. I think deal flow in Med Tech is going to continue to stay pretty heavy, I would imagine. I can't see that changing any time soon. And you refer to really what we think of as both types of deals, some larger, more transformational and tuck-in acquisitions to bring complementary products and technologies into our portfolio. And we'll continue to explore both of those. The standard IT architecture that we have underneath is really key to how we integrate acquisitions. While we have to always remember the part of what we're acquiring or the reason we're acquiring that business is to gain value and complement our efforts. We want to maximize what we're acquiring.

But at the same time, we want to integrate that business into our standard platforms as fast as we can, so we minimize the disruption for our customers and really be able to make sure we get to realize its value quickly , whether it's topline synergies, maybe some cost synergies along the way, and just a smoother transition for everybody involved.

TIM: That's great. That has a lot of foresight to maybe if we're going to do more transactions, whether it's integrations and/or separations, having that backbone to allow that to happen much more quickly and fluidly, especially with the need to manage data is a key part of I know what many of our clients are asking for.

When we look at the IT organization and Op model in conjunction with these new technologies and moving to cloud, etc., how are you seeing your organization evolving over time to meet these challenges?

WILLIAM: It's definitely a great time to be in technology. Things are as exciting as ever. Things are as dynamic and that, frankly, I think a lot more fun to work in than maybe some other environments. Cloud computing is here to stay. There's no surprise there. I think some of the reasons it's here to stay are different than it used to be.

I think we all jumped into cloud thinking about saving money and lowering our capital expenditure budgets. And maybe ignored some of the speed, resiliency and time-to-market that cloud computing brings. It lets you focus on some other areas of your business rather than say, platforms as a service. There is a terrific business case for cloud and we're going to continue on this path. That's going to continue to drive what we're doing.

And what that means to our workforce has got to change to make sure that it can adapt those new technologies. It means we need to be a little bit more trusting of our partners and make sure we've got the right relationships in place, whether it's the providers themselves or the people that help us implement these technologies.

And then we've got to keep our systems secure. The key to resiliency is the one that keeps us coming back to cloud over and over.

TIM: That's great. That's great. It is excellent to move from kind of the IT infrastructure cost savings into the broader business growth enabler, speed to market, that it is heading down the right path for sure.

And when you think about, you kind of brought up data and analytics in that context and in others. How do you see that evolving in your organization, whether – you know, we'll see it where there's a step up in the leverage of that data. There's often times much data that we actually aren't taking advantage of as much as we could within particular businesses in a corporation that has multiple business, let alone across business. How are you looking at that and those opportunities?

WILLIAM: You know, data seems to be the area that has been hot for a couple years now and I think it's going to stay that way in the foreseeable future. I remind people, that's why we establish these transactional systems. It's not only because we wanted to automate transaction process, but we also want to make sure the data is more easily accessible, and we've finally got to a point where we can do this. I believe the role my team plays is to make that data available -- widely available -- to people, so that they can become "citizen developer."

What I really mean is our colleagues around the company can get access to that data, extract it, trust that it's accurate, timely, and as real time as we can get it. Our businesses then have the confidence to make the right decisions with that data.

The days of coming to information systems and asking for an analysis or a report are kind of over. Through new technologies, we enable people to do the analytics on their own and we provide some support or maybe some advanced data science capabilities on top of that if they want to take it to the next level.

But the easily asked fundamental questions of how's my business running, is something everyone can find out through these newer technology platforms.

TIM: That's great. That's great. Relative to COVID, you mentioned before that it cost you to put some additional things in place here. You were forced to whether the salesforce not being able to engage in the same way and how can we enable that? A lot of the companies in Med Tech have had that experience some moving in that transition faster than others. The big question out there is going to be how much of that has kind of energized the future, will stick to the future once we get more vaccinated, things open up like it was in the past? How much of that will stick and what are your views on that?

WILLIAM: Great question. We've seen some survey data of the customer landscape that says that one of the things people hopes will stick -- and this is coming from the hospital provider space mostly -- is they hope some of this remote learning and support will stay. For us, we really value the relationship between our account executives and our sales teams, and the relationships they have with their surgeons, their hospital customers and their procurement teams. We're not trying to replace that engagement, in anyway. What we're trying to do is to enable that in way that lets them be more effective in the field or provide them with more timely data. I still think the feet on the street or the account executives out there working closely with surgeons and nurses are really still the primary way to deliver the right information.

At the same time, I think we can augment that in ways that will help everybody, help us from an efficiency side, help our customers from a timeliness side. I believe it's going to stay, but I think it's going to become more of a balance and hybrid approach.

TIM: Well, that's excellent. That's what I'm hearing also. So we're kind of at the close of the primary questions. I'll just open it up to you for one last kind of closing set of wisdom.

We talk about the evolving industry, how technology is playing a role in that differently than what it has in the past and how Integra and Specific is kind of managing through that transition. Is there anything else when you're listening to – giving some advice out there to others that are thinking about their journey, is there anything we haven't talked about that you would like to share?

WILLIAM: Well, whether it's Accenture or Integra LifeSciences, as we start to think about how technology can transform the way we work, it means different things for everybody, your customers or your colleagues, the business processes that you run or, frankly, the products that we deliver and sell. You need to worry about using the right technologies in all of those areas.

If we went back a several years ago or longer, we spent a lot of time thinking about process. We didn't

how they do their work. All those things are coming to fruition now. For us in information systems and Integra more broadly, we're trying to think about how technology plays in all those areas. And then, making sure that we can turn around our IT projects faster and quickly, so we can deliver that value sooner rather than some of these monolithic projects of days past. So those would be my couple of thoughts going forward. Let's make it quick. Let's make it broad. Let's see if we can demonstrate value more sooner every day.

TIM: That's great. And as we started this conversation, we have an opportunity as an industry and Integra specifically to help patient outcomes in ways that we've already been doing, but we can even put it on steroids going forward if we get all these pieces correct and invest in the right way to - in the right places in order to really be the glue in helping to evolve the healthcare system.

So very exciting times for sure. And I do want to thank you, William. I think this was great insight for me and I'm sure our audience here really want to thank you once again.

WILLIAM: Hey, Tim, it was great. Thanks for making the time. It's good to catch up with you.

TIM: Take care.