

Interview with Mark Colby, founder & chairman, CGI Inc.

New Technologies Partly to Blame for Aging Issue

Extending Life Technologically Possible, But Expensive

By Antonio KAMIYA



“As a society, we need to decide what is important: Do we want to spend money on extending the life of people?” asks Mark A. Colby, founder and chairman of CGI Inc., a Tokyo-based medical software and publishing business. Mr. Colby, whose business focuses on bringing advanced Western clinical laboratory and pathology standards to Japan and providing continued medical education materials to medical professionals, argues that culture is an important element in determining how healthcare is managed in each country. “We have to remember the strength and power of culture,” he says. The holder of a fourth-degree black belt in Kodokan judo, Mr. Colby first came to Japan as a high-school student to practice the traditional Japanese martial art. Interested in things Japanese, he has been living in the country since 1988, first serving as Japan marketing manager for Abbot Laboratories, and running CGI since it was established in 1991. He is also the author of several books on Japanese healthcare and the publisher of *In-vitro Diagnostics Global News*, a Japanese-language periodical. Naoyuki Haraoka, the editor-in-chief of *Japan SPOTLIGHT*, had a conversation with Mr. Colby at the CGI office in Tokyo’s posh Azabu area recently.



Mark Colby, founder & chairman, CGI Inc.

Japanese Healthcare System Revisited

These days, many rich, elderly Japanese patients seem to be interested in being treated in American hospitals, rather than in Japanese hospitals. What is the reason behind this phenomenon?

Colby: I would question the numbers of Japanese of seeking treatment outside of Japan. Ten years ago, it was our feeling that the numbers would vastly increase, that people want to get the latest technology and leave Japan for treatment. In fact, the latest numbers that I have seen coming from hospitals in the United States in the field of so-called wealthy medicine, the majority of patients are coming from places like Saudi Arabia and India. The actual numbers of Japanese patients haven’t reached expectations that people thought they would. I’m aware of hospitals that in preparation for a large wave of Japanese patients actually brought on Japanese-speaking staff and created *tatami* rooms inside their facilities. But I think most of those plans haven’t gone the way people thought they would. A bit surprising, actually.

Some Japanese hospitals are said to be making great efforts to streamline management, such as adopting an American management style. Is there any potential for American hospitals to cooperate with Japanese hospitals in this field?

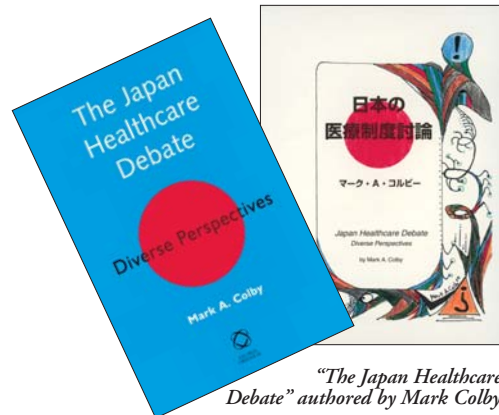
Colby: I think I would question whether Japan would want to emulate the US medical system. Quite frankly, if we take a look

at, for example, the Scandinavian system, the Australian system, Iceland, Finland or France, those types of healthcare systems, in my mind, are much more successful than the US system as a whole. The US system is very successful in one area: the heroic type of care. If you have a difficulty to treat disease, or if you want the most advanced medical care, I suppose there are areas within the US system that offer services you cannot find elsewhere. As for the healthcare system in general, frankly, Japan is not bad. In fact, the WHO claims Japan has the best healthcare system in the world.

There is another element at work too: the cultural issue. Even people with money here in Japan, most of the people I know, especially if they are dying – most of them don’t choose to leave Japan. I think there is a cultural issue of accepting your fate. This is probably another reason why we see more rich Chinese, or rich Indians, who would go to the United States for treatment.

Technologies Can Push Active Life to 90s, 100s

As aging goes on as a global phenomenon, hospitals as well as medical and biotech businesses will be very important. Here in Japan, perhaps the prescription to cope with this problem is to rationalize the Japanese medical business. Specifically, as Japanese hospitals are not known for management efficiency, raising the efficiency of Japanese hospital management is the way to go, isn’t it?



"The Japan Healthcare Debate" authored by Mark Colby

Colby: What do we do about aging, especially as it equates to new technologies? The fact of the matter is, the new technologies in part are creating as well as aggravating

the aging problem. In fact, with the kind of gene technologies and medical devices available, mankind is going to have the ability, if we choose to, to extend life – good, active life – into the 70s, 80s, 90s and 100s. But it is going to be very expensive. So, as a society, we need to decide what is important: Do we want to spend money on extending the life of people, or not?

Another question is: Is this the society's decision, or is this the decision of each individual? In America, the land of individualism, certainly the Americans believe the individual chooses. If the individual has the money, he should have all the technologies and live as long as possible. From the Japanese perspective, if the construction worker down the street can't get it, then the corporate executive shouldn't get it either.

With regard to the issue of hospital management, once again, the cultural element is very important. In the West, management of a hospital is a team approach. The administrators are not necessarily medical people, they are businessmen. In Japan, driven from the *"senpai-kohai"* (seniority) system, hospitals are run by doctors. The doctor is the leader. The head doctor knows everything, and the doctors underneath would do what the head doctor asks. The *"kangoshi"* (nurses), the medical technologists and everyone else are just the soldiers. They do what the doctor says. Japanese culture does not provide for a team approach. Maybe in 100 years culture will change, the society will change. But now we need to deal with the cultural reality that doctors are going to run the hospitals. So, we need to try to drive efficiency through the physicians, and support the physicians.

Culture As Determinant in Management Style

Won't hospital management in Japan become more efficient by taking full advantage of information technology, and adopt a more horizontal, team approach? And would management education help improve the Japanese style of hospital management?

Colby: In terms of trying to educate the management of hospitals to change their management style, I think that is beyond the scope of what anybody can do, frankly. Again, we have to remember the strength and power of culture, and Japanese culture is a wonderful thing, it is a powerful thing. To try to turn it upside down, to change everything, to throw out all of thousands of years of history and culture, to do something new – I believe it is counterproductive. We need to look at the culture the way it is, take the strengths and slowly change it. And use IT in a way that fits Japanese culture and Japanese mentality.

I understand that's exactly the way how you've achieved business success in Japan.

Colby: I've learned a lot. I think in Japan everybody needs to get along, everybody needs to work within the system. That is why it works.

Cultural Sensitivity Key to Business Success

I would like to ask you a little bit about your own business in Japan. You started your company here 19 years ago. What has been the most difficult part of your business?

Colby: Nineteen years ago, this was a very different place. Nineteen years ago, (Japan's economic) bubble had broken, but we didn't know it yet. At that time, the *"shosha"* (Japanese trading house) was the sole entry way for biotech and medical technology companies coming to Japan. The initial business we started was as a market-entry consulting business where we would help companies to have an alternative other than the *"shosha."* We were very successful at that for many years. And then the environment changed. We learned a lot. During that course of learning, we saw certain areas where Western ideas are culturally appropriate, (and) that would work and help bring value to Japan. We slowly changed our business to importing these Western ideas in appropriate ways, localizing them and then essentially wrapping our business around that.

We represent the College of American Pathologists, and we bring in a lot of their intellectual property to the clinical laboratories and we work very closely with Japanese medical, professional societies. These kinds of things need hands and they need feet; we are the humble hands and feet to try to grease the information from the West to Japan.

So you feel now you are confident in being part of the inner circle of this business?

Colby: That is my goal. I want to be helpful and supportive of Japan and hopefully make things better, particularly in the field of medical laboratories, the area where I have worked most of my adult life.

Lastly, could you tell us about your business blueprint for the future, particularly against the background of the current financial crisis?

Colby: Well, the financial crisis scares me. We try to bring in new ideas and try to localize those ideas. When the economy goes down, people have the tendency not to spend money on those kinds of things. In saying that, though, I think our plan is just to keep doing what we are doing, and to keep finding ways to provide value, to work very closely with all the stakeholders, to be culturally sensitive. **JS**

Antonio Kamiya is an Asian news editor with the English-language wire service of Kyodo News.