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Sound strategy and clear focus is the secret recipe to Red Leaf Medical's rapid rise

BY SHAWN LAWRENCE • JULY 5, 2016 • FEATURED-SLIDES-HOME • COMMENTS (0) • ♥84



Charles Ko, Managing Director at Red Leaf Medical Inc.

Whether you're a urologist or a urology nurse in Canada, the chances are very good you've heard about Red Leaf Medical, or that you are using a product or service that they provide.

Despite its brief seven-year-existence and being relatively small in comparison to its competitors, the Mississauga-based company has emerged as one of the leading urology health product and service providers in the country. Moreover, the company was recently ranked 38th on the 2015 Canadian Business Magazine's PROFIT 500 Canada's fastest growing companies list.

"We're a young, dynamic company that is growing quite rapidly both in terms of our footprint and the innovative products and services we are able to offer the urology community in Canada," says Charles Ko, founder and CEO of the company. He adds that what makes Red Leaf Medical stand out is that it is the only Canadian healthcare company whose sole focus is urology.

"It's the only thing we do and that allows us to really understand the needs of our customers and the patients they serve," says Ko. "This knowledge gives us the edge to win in a highly competitive market."

The genesis of the company dates back to 2009, when Ko chose to leave his role as the general manager of Q-Med, a Swedish biotech.

"We were doing very well in Canada, but the parent company decided to sell off some of its core products," he recalls. Believing that the urology market in Canada had untapped potential, he made the decision to acquire assets of the company and launch Red Leaf Medical.

It's a decision he hasn't regretted. Since its launch, Red Leaf Medical has continued to add urology

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products to its portfolio, including products in uro-oncology, endo-urology, incontinence and pediatric urology. Through it all, the company has maintained a disciplined approach in both its specialization and target market.

“We decided very early to build a wide portfolio of urological products that urologists and urologist nurses would use regardless of whether it’s a drug, device, implant or equipment. Additionally, each product had to be unique and innovative with a meaningful weight of medical evidence behind it,” he says.

One example of the types of innovative products that they have acquired the Canadian distribution rights for is EMDA®, a treatment for non-muscle invasive bladder cancer.

“EMDA® is the first new treatment in last 20 years for bladder cancer, and the only treatment that is shown to be definitively and conclusively be better than the gold standard which is Bacillus Calmette-Guerin (BCG),” he says. “It’s a machine that delivers controlled electrical current to the bladder to help chemotherapeutic agents, such as Mitomycin-C, to better penetrate the tissues of the bladder and increase the effectiveness of the drug against tumours.”

Similarly, Red Leaf Medical also acquired the distribution rights for a product called Black Star®.

“This product is made by a German company (UroTech), but the inventor of this technology is a Canadian urologist. It’s a brilliant technology,” he says. “It’s a stent that is placed in the ureter to ensure that the urine flows freely from kidneys to the bladder after kidney stone removal.”



He explains that what makes it unique is that the stent comes with a small magnet at its distal end that hangs in the bladder which allows it to be easily removed by a customized magnetic retrieval catheter.

“Essentially the stent can be removed in a doctor’s office as opposed to in an operating room with expensive equipment for the removal,” he says.

Red Leaf Medical also owns pharmaceutical drug called Relaxa™, a laxative that many specialists, including urologists prescribe for the gentle relief of constipation. This product is one of the leading brands of a new generation of osmotic laxatives.

Moreover, the company has also recently begun to distribute a product called ATOMS, a surgical implant for men suffering from urinary incontinence post radical prostatectomy. This product is revolutionary in that urologists can adjust the pressure required to achieve continence in his/her office. And it allows men to void naturally without having to manipulate a device.

The product was initially promoted by a much bigger healthcare company in Canada prior to Red Leaf Medical’s involvement. According to Ko, because this company did not specialize in urology, they didn’t have the same intimate relationships with potential customers that Red Leaf has, which limited the product’s market acceptance.

“They (the previous company) sold 30 units of this very sophisticated implant over the course of three years. After we launched it in September of last year, we sold 40 units in the first three months,” he says. He credits Red Leaf Medical’s strong relation with Canada’s urology community as the reason Red Leaf Medical was able to outperform its competitors.

Finally, there’s Deflux®, the product which gave the company its start. Ko says that Deflux® represents the gold standard of treatment for reflux of urine from the bladder into the kidneys.

“This is a condition that affects about one to two per cent of all children, and it leads to kidney damage or scarring. So the idea with this product is instead of surgically opening up that child in the operating room

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for an invasive surgery, you access that child's bladder through a cystoscope and inject this gel to close the ureteric orifice more tightly. This procedure prevents the backflow of urine to the kidneys without a single incision on the patient. the best thing about this product is that it enables children to return to normal activities the day after the surgical procedure."

According to Ko, the choice of this product as the company's first was not accidental, as it fit perfectly with his initial vision for the company.

"The business model from the very beginning has been to focus on one specialty within medicine, in our case urology," he says. He believes that the company's strategic focus on innovative products that meet special patient needs has allowed it to have a sustainable competitive advantage versus bigger companies.

"Yes, you've got the Pfizer's, the Abbot's, the Johnson & Johnson's of the world that have urological products, but it's a very small portion of their total business. It's not a blockbuster area and not their area of focus, so there's a void we can fill," he says.

With a strategic focus on urology, the company has also been able to more easily form strategic alliances with other innovative small companies in the field. This has been helpful particularly in terms of licensing or acquiring the Canadian distribution rights from foreign companies.

"All of our products are from Europe, and these companies like working with innovative, dynamic and agile small companies that really know their customers, urologists, like we do," he says. "This is where our business strategy is working for us beautifully. Again, we do few things, but we do them really well and as a result we've created a great reputation."

Coupled with its wide product offering, Red Leaf Medical also offers unique programs related to patient support, reimbursement, marketing and sales. Among these programs is Catheters PLUS™, a unique one-stop-shop for catheters and other incontinence supplies. Red Leaf Medical actually launched Catheters PLUS™ on the suggestion of Canadian urologists and urology nurses.

"They asked us to offer a service where their patients could purchase various types of urological supplies. And now it's one of our fastest growing businesses, and urologists and urology nurses across the country are referring patients to us. When patients are referred to us, they have access to a wide variety of brands and are sure to get the proper type, the proper sizing for their anatomy, and we offer reimbursement support to help them secure insurance coverage."

He adds that through Catheters PLUS™, Red Leaf Medical has taken a load off of urologist's plates by helping their patients purchase the supplies that they need, and this has meant that they are even more willing to work with Red Leaf Medical when they launch new products.

"It's about being a trusted partner to our customers, both within the medical community and the patients we serve," he says. As Canadian urologists represent a very small community, it's very important to keep them happy he adds.

"We're talking only 600 urologists in the whole country, so that's a small group of customers. If we mess up, word of mouth will bury us. On the flip side if we do a really good job, then they become our biggest champions or ambassadors. So we've really taken on the approach of wanting to provide exceptional service, so that our customers want to be an advocate of our technology and services," he says.

The final key piece in Red Leafs business plan comments Ko, is that the company has really benefited from being in Mississauga, Ontario. He speaks highly of the affordability to rent space in the City, and views Mississauga as a great place to both work and live.

"It's great not having to drive through traffic on highways to get into the office. Most of our employees actually live within 15 to 20 minutes of the building. Moreover, this really is the silicon valley of the pharmaceutical and biotech industries in Canada. With the great concentration of healthcare companies, it allows us to tap into a talent pool that's experienced in healthcare, in building businesses, marketing and sales, and in close proximity to bigger companies that we can potentially partner with."

And while urologists are found all across the country, Ko says that many of the key opinion leaders, influencers and buyers of Red Leaf Medical technologies are found in big centres like Toronto, which of course is in close proximity to Mississauga.

Overall, he says it's a great ecosystem for growth.


"There's convenience to being in a City that allows small companies like ours to efficiently get the resources we need."

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