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Business education : Profile Jose Almeida, CSEP 126

Covidien's Almeida: a direct, decisive leader

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Leadership: José Almeida has employed several techniques to become a more effective manager

When José Almeida had surgery on varicose veins in his leg in March, the sight of his surgeon's equipment put him instantly at ease. The device was created by [Covidien](#), where Almeida works; the procedure was quick, and he was up and running almost immediately.

A few years ago, the same operation would have left him out of commission for days, painfully stripping the corrupted veins from his leg rather than efficiently stopping the flow of blood.

As head of Covidien's medical device division, Almeida, 47, knew exactly what he was getting into.

A veteran of the industry, he has deep knowledge of subjects ranging from medicine to management, melding financial acumen with the mind of an engineer.

"We're here to produce products that save lives," he says. "These are the things that make people get out of the hospital faster and be healthier."

Almeida grew up in Brazil and trained as an industrial engineer. But he was unexcited by the prospect of working in the car industry, where many of his classmates were heading. Instead, he jumped at the opportunity to join a global company, bringing his rational discipline to the world of consulting at what was then Andersen Consulting, and getting broad corporate experience through the firm's training programme.

From São Paulo, Almeida was transferred to Boston in the early 1990s. "I didn't want to come," he says of his move to the US. "But for a Latin American, coming to America to work for a consulting company was a great deal."

Nevertheless, consulting was not in his blood, and he yearned to see the fruits of his labour rather than merely moving on to the next project.

He was poached by a client and went to work for Johnson & Johnson, the pharmaceutical company that Covidien now rivals.

After bouncing around the medical device industry, Almeida worked his way up through Tyco Healthcare. He also did a short stint at Greatbatch Technologies, which makes components for implantable devices. When Tyco spun off Covidien three years ago, Almeida was picked to head the device unit.

Like most companies, the past few years have been a testing time for Covidien and its leaders. Research-endowment returns have been savaged by the downturn, and hospitals have slowed their purchase of expensive equipment such as X-ray machines.

As part of its strategy to survive, the company let go of some executives and cut 70 employees, or 15 per cent of the workforce, at its plant in Norfolk, Nebraska.

"These are tough decisions," Almeida says. "The recession has made things more complicated in general. At the end of the day, these decisions fall upon my shoulders, the CEO's shoulders and the CFO's shoulders."

For Almeida, the recent challenges have been another part of his journey to become a more effective leader and a better manager. Since his first years in the US, he has faced cultural hurdles as well as the task of taking his technical know-how and translating it into business success.

“It’s very difficult for people who don’t live here to understand,” he says of the differences between working in the US and working in Brazil. “By now, I’m quite adept at doing business in the US.”

In Latin America, people are more accommodating and understated, he says, and personal relationships can have more influence in business decisions. He recalls a lesson that one of his early mentors at Andersen imparted upon him: “Don’t beat around the bush. You have to tell people the way it is.”

Taking that to heart, Almeida made an effort to become more direct and make swift decisions. In fact, he took the lesson so far that once, when his relatives came to visit, they were taken aback by his new-found decisiveness, making him think it might be time to “recalibrate” and be less “harsh”.

“People are more open here,” he says. “It doesn’t matter where you come from, but what you are contributing to the team and what you are bringing to the table. It doesn’t matter about your background.”

One experience that Almeida says helped him grow immensely was an intensive four-week course that he attended last year as part of [Columbia University](#)’s senior executive programme, a corporate boot camp for emerging leaders. The programme combines time at campuses in Norwalk, Connecticut, and in New York, and focuses on stimulating an executive’s leadership potential.

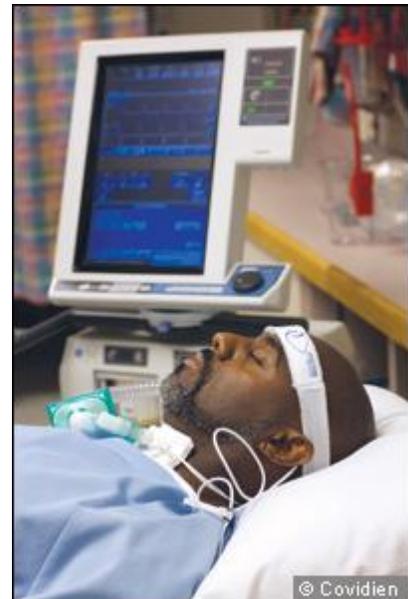
“If I know who I am, I manage people better,” Almeida says, pulling out laminated, wallet-sized cards listing his core values of honesty and relationship integrity. “When I’m faced with an integrity issue and I have to take disciplinary action on somebody, I know why I think the way I think. It’s very personal.”

The Columbia programme blends some basic management coursework with case studies, group teambuilding activities, personality profiles, personal fitness sessions and lectures on the latest academic research.

Almeida says the course has benefited his hiring philosophy, helping him spot natural leaders, and made him a more effective dealmaker.

“Most people destroy value when they negotiate,” he says. “They try to squeeze every dime. But you have to know where to squeeze.”

Back at Covidien’s US headquarters in Mansfield, Massachusetts, a leafy enclave halfway between Boston and Providence, Almeida’s office is decorated with the fruits of his company’s labour. Covidien’s latest devices, which to the layman look like the contents of a toolbox from the future, are perched like trophies around the room.



High-tech medicine: a patient receives care using Covidien equipment

Even with signs of economic recovery, device makers such as Covidien face big challenges as the US healthcare system undergoes a historic overhaul. The passage of the healthcare reform bill has threatened the industry with new taxes, and heaped scorn upon it for allowing medical costs to swell.

Almeida treads carefully around the topic. “Devices are not the biggest contributor to costs by far,” he says, pointing to the rapid growth in the expense of medical services, and the fact that technologies such as the one used on his leg reduce recovery times and expenses.

Still, he says Covidien will go along with the new rules and “make it work”. It supports greater access to healthcare, but is still figuring out how the new law will affect the company, he adds.

“As a company and as an industry, to be able to introduce these innovations is what we are about,” Almeida says, handling a suction tube device that reduces the chance of throat infections during anaesthesia. “They are not gimmicks.”

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