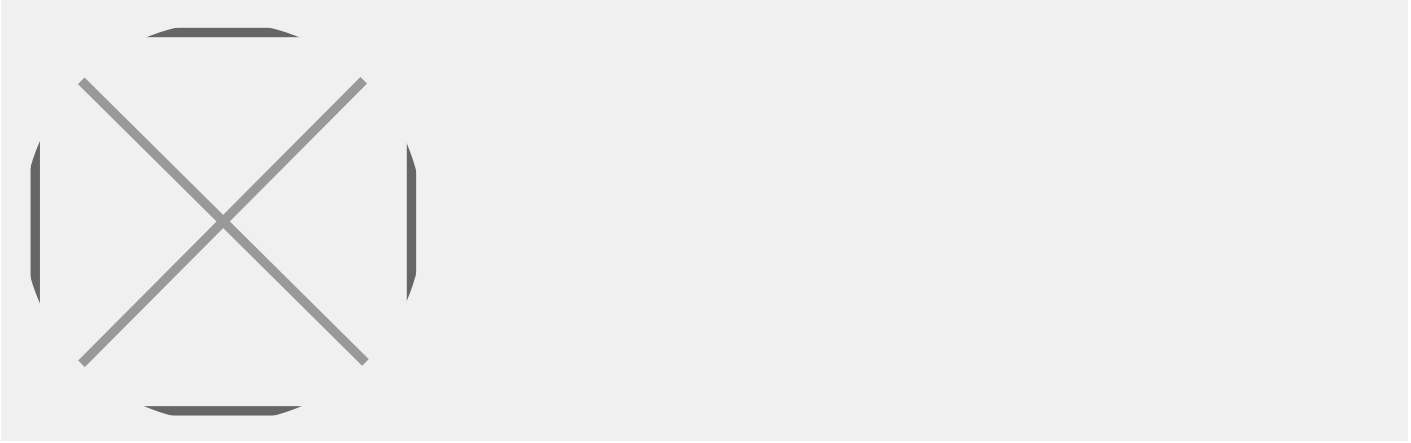
Interview with Juan Diego Gutierrez, General Manager, Siplas



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Sr. Gutierrez, when we interviewed your father in 2010, he described to us the strong potential of the medical industry in Colombia in the future. Since that time, would you say that Siplas has been able to take advantage of that potential? And if so, how?

Siplas has been growing over the past three years. A big part of the company's business is to provide services to multinational companies. Since their number has been growing and direct foreign investment as well, Siplas has taken advantage of this favorable conjuncture.

And for you, what would you say have been the key milestone achievements that the company has enjoyed since you took over?

Since 2010, Siplas' growth in sales has increased by 50 percent; the company's staff increased from 100 to 150 employees. We have opened 6 new facilities. Siplas has been able to meet the growth objectives set by the Board of Directors.

Economic turbulence frequently mandates the use of outsourcing worldwide. As a laboratory that focuses on performing research for CRO's, has the global financial crisis brought about more opportunities for Siplas?

The global crisis has forced many companies to look for other opportunities abroad. European companies, for example, have started to look to this side of the world. In that sense, Siplas benefited from multinationals establishing their operations here in Colombia.

Several of our interviewees have noted the favorable environment for clinical trials in Colombia compared to the rest of Latin America. What would you say are the primary characteristics of the Colombian market that make it such an attractive location for this kind of research?

I would say that the large population available to participate in clinical trials is the main asset. Moreover, Colombia has well trained researchers who studied in European and American medical schools, where good clinical practices are followed. Clinical labs like Siplas provide the same standards as US or European labs. Colombia also has good infrastructure. Siplas has laboratories that meet international regulations and therefore provide a good environment for successful clinical trials.

The healthcare sector will be restructured soon with the new reforms of Minister Gaviria. What do you think will be the main impact for the pharmaceutical industry and for Siplas?

There are still a lot of uncertainties with those reforms, especially concerning the results and benefits. Regarding the healthcare environment, patients are going to have better options in terms of their individual needs. From the pharmaceutical industry perspective, there is going to be an emphasis on the regulation of generics, compared to branded drugs. Siplas will not benefit directly from the reform, because we do not depend on health care providers or work with them that much; our clients are usually MNCs.

Among your large portfolio of services, what is the split?

I would say around 60 percent of our revenues would be the occupational health services that we offer to MNCs, 30 percent would be prepaid medicines and private patients and close to 10 percent would be clinical trials.

In 2013, what would you say are the primary areas of research that you are being contracted to perform?

A clinical lab will be always contracted for blood tests; it is the core of the activity. For any disease or clinical trials, we can provide blood tests.

Partnerships are paramount to the structure of Siplas, such as the alliance formed with Roche Diagnostics and the Jackson Memorial Hospital in Miami. What advantages has Siplas enjoyed as a result of such varied cooperation?

Those agreements are very important; they allow us to lead technology for labs testing. Siplas also has enjoyed a new partnership with the Mayo Clinic since 2011, one of the most renowned institutions in the States. It allows us to enlarge the menu of testing we can offer. Through them we are able to provide what is called very specialized testing, such as blood testing confirmation. We send the samples to the Mayo Clinic, who sends us the results. We do not have to invest in technologies.

What makes you the partner of choice in the Andean Region?

Siplas is focused on quality. It was the first laboratory in Colombia and the only one in Bogotá to have been accredited by the CAP (College of American Pathologist), a private institution that has accredited more than 6,000 labs around the world. Fundación Valle de Lili in Cali and Clinica Las Americas in Medellin have this accreditation as well. Siplas is the only private lab not affiliated with a hospital. With that accreditation, our resources are comparable to any test in Europe or in the States. Siplas is also a leader in quality in clinical trials and diagnostics in Colombia. Moreover, the infrastructure and the partnerships that Siplas made allow us to work similarly with any laboratory in the USA or Europe.

Would you like to introduce the Siplas Foundation to our readers?

It is a very young organization, created only last year. The goal is to provide not only health services but cultural benefit to employees of Siplas and to the community. This is Siplas’ way of committing to Corporate Social Responsibility.

If we were to return to Colombia in another three to four years, what is your vision for the company by that point?

We would like to be in other cities of Colombia, and even in other countries in the Andean Region, such as Panama and Peru. In terms of portfolio, I would like clinical trials to represent much more than 10 percent of the company's revenues. However, it depends on global conjuncture. The business unit that has more potential to grow will be the occupational services to multinational companies: pre-employment exams, compulsory blood tests.

Does the legacy of your parents as founders bring about a certain responsibility that you must carry on as General Manager of Siplas?

Siplas is very well known in Colombia because of the recognition that my parents have within the medical community. From 2004 to 2013, the number of employees went from 50 to 150, and I feel there is a responsibility to make sure that Siplas' employees and their families continue to benefit from the company. We are very focused on the well being of our "Siplas family". The Foundation will play an important role to maintain the quality of work.

What would be your final message to our readers?

Colombia is a country that has demonstrated that, despite all the security problems, the benefits overcome those issues. The last two governments have succeeded in providing a favorable environment for any company to settle its affiliate or headquarters here in Colombia, and be able to find highly skilled salespeople. My message is that investors should trust those economic indicators; the steady growth of the past few years will continue!

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