

Interview with Mauricio Monjardin, Healthcare Business Director, 3M de Mexico SA de cv

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3M is a global company with a very diverse range of activities & business. Can you present us the portfolio of activities of 3M Mexico healthcare division?

As a global company, our main philosophy is to adapt to the local needs of the market and find new solutions for the specific business we are present in

Always oriented in the Innovation, 3M is one of the most Innovate companies in the world. We put this in practice through a very aggressive business plan 2012-2017 where we plan to invest more than 229 million dollars :

- 105 million dollars for infrastructure
 - 124 million dollars to increase in 40% our workforce
- As a whole in Mexico, 3M is also planning to hire around 70 new Phd employees for the R&D Center, which shows that we are committed to Innovation.

Our strategy is to increase our penetration through R&D as Mexico is at a very embryonic stage for Research and Development and we believe we have a role to endorse towards that end.

We have one of our most significant centers for Innovation and manufacturing worldwide located in Mexico in San Luis Potosi and we try to turn it into a regional hub for our company, in order to focus all our research efforts there.

Healthcare is one of the oldest units among the company, where we started with a chemical indicator tape for sterilization. Our cornerstone in healthcare is endorsing patient wellness through technology.

Our main areas of focus in the Healthcare Division are on health management systems, dental solutions, medical devices and food safety. We started in 2009 as a small business division with a lot of ambition. Our main goal has always been to build a unique portfolio here in Mexico based on local requirements and patients needs. Since the 2009 we have been investing more than 25 million dollars with a focus on local manufacturing. We started from scratch very recently, but we happen to have very satisfying sales revenues through a mix of products manufactured in Mexico such as skin and wound care management, food safety, infection/prevention, dental and oral care where we are the world leader in brackets.

We have very innovative technical infrastructure and we invest a lot on education to train our staff, whether they are in R&D, sales, or marketing.

We view Mexico as an underpenetrated market with a lot of opportunities. The country has one of the largest social security systems worldwide with IMSS and private companies are allowed to play a huge role in the healthcare system.

3M Mexico invests 5.4% of its sales in R&D. According to you, could Mexico reach a higher level of innovation and research and how?

There are a lot of people holding Phd's in Mexico, but the issue is to retain them and give them opportunities to serve the country in terms of R&D, and this has to be a joint effort between private companies in Mexico and the government.

Our corporate ratio, with or without crisis, always focuses on R&D. When other companies have the tendency to cut the budget for R&D and marketing, 3M never did, because innovation is really the core of our business.

Our efforts in Mexico not only focus on R&D but also on long-term commitment through investment in infrastructure that will allow us to develop innovative solution locally in the future.

What is your strategy to ensure that 3M Mexico is at the cutting edge of technology, regardless of the long registration processes of COFEPRIS?

We have a very close contact with our customers: this is how 3M started and it is still our core values. Our main commitment remains quality on products for infection prevention, food safety or dental. The goal of this very close relationship we manage to have with our customers is to be able to discover new needs and requirements that can be met rapidly after we identify them. We are always up to date in our technology because we understand our market, and adapt to it promptly. We are at the top of technological solutions for our customers and we tailor-make our offer as much as we can.

Regarding COFEPRIS, our philosophy is to avoid complaining and spend our time working on challenges to ease the processes as much as we can. Indeed, our experience with COFEPRIS has

been great because we decided to act. We have an entire division devoted to regulatory matters; it is a separated group composed of employees coming from all divisions of the company, to address internal and regulation processes. What we decided to do with COFEPRIS is to really select the priority products that we wanted to be registered instead of wasting time on trying to get all our products approved.

We allow them to save time, and we get more efficiency from them, so it is a win-win situation at the end. We can even focus more on training them so that we are sure they know our products perfectly well. We understand them as an institution, as a whole and unlike some members of the pharma industry that tend to think that COFEPRIS is only dedicated to their industry, we understand they have many other divisions to supervise and regulate. There are a lot of highly qualified experts in COFEPRIS and we should get the most out of it instead of complaining.

We have been pioneers in this new way of dealing with them and in a way, we are offering them a pilot that they can duplicate with other companies if it is efficient. As a result, 80% of our products have been approved on time and we think it shows the great relationship we have with them.

Where would you like to take 3M's operations in the next years to come?

We should become one of the top 2 business groups among the company, and we will have around 35% of our portfolio commercialized and manufactured in Mexico.

We will increase our investment for some priority divisions such as infection prevention products, and we will focus on the products based solution selling process, into a total benefit for the hospital as well for the patient. If we work with a much more efficient and professional healthcare system, we can participate in raising the level of health in Mexico. In the few years to come you will see a committed team to health economics trying to get the best solutions to boost the country.

We have a very transparent company in bidding processes and we are willing to be the best-cost alternative for the government as well as providing the best quality.

There are some great initiatives in Mexico and universal coverage is one of them, but it should become more efficient through innovation for the country such as telemedicine in prevention for instance.

What would be your final message to our readers?

We are a professional company willing to improve the competitiveness of Mexico through efficient solutions in healthcare providing systems.

This goal can be achieved through 3 areas of focus. The first one is hiring, retaining and training local Phd researchers. The second one is to train our workforce as much as possible and put education at the core of our operations, and finally increase investments in localization and Innovation.

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