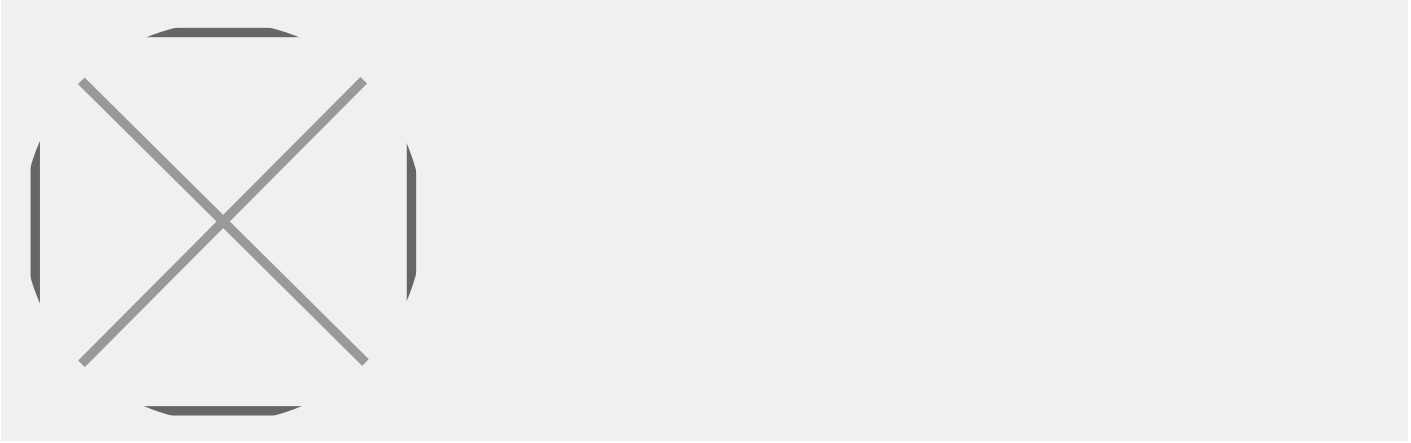
Interview with Enrique Saldivar, General Manager, Nobel Biocare Mexico



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Nobel Biocare is a world leader in innovative restorative and esthetic dental solutions. How is the Mexican audience responding to your products?

There is a wide segment of the Mexican market that matches our global value proposition. Even if Mexico had a different income structure, there is a broad part of the population that is interested in premi-um products and therefore asks for it to their dentists.

We believe Mexico is one of the most im-portant markets in Latin America – with Brazil- and we focus on the premium high value-quality segment, as well as dentists who do not regularly use these kinds of products but who value quality a lot. We are trying to communicate better about what Nobel Biocare can do to support their practices and patients better, aspir-ing for them to enter the premium-quality segment. That is our strategy in terms of costumer target. We don't have a product line for lower quality segment. Everything we have is premium for patients and den-tist, and is aligned with our global value proposition.

After looking at your corporate fi-nancial news, the interim 2012 review reported that: 'In Latin America, the company continued its growth trend.' How is Nobel Biocare performing in Mexico compared to other Latin American countries?

The company recently changed the strate-gy for Latin America managing direct op-erations only in Mexico and Brazil, focus-ing resources in the biggest markets. To market our products in the rest of Latin America, we have setup a well- supported dealer's network which serves patients and dentist

needs. The growth in our di-rect operations, countries of main focus is +20%, which means that we are doing better than the market growth for our sector that in Mexico is around +10%.

Armando Martínez Reyes also men-tioned that: 'Here, the opportunity relies on education, and spreading information so as to increase the importance of dental risk prevention.' Which strategy do you adapt to educate your audience and incentivize a more preventive approach?

To educate patients, authorities and den-tists around implantology is a great oppor-tunity and a challenging task. When trying to create awareness with patients through local authorities, our influence is not as strong as AMIIF members for instance, since our market is smaller and our prod-ucts are not directly related to health problems included in the government agenda. We have to leverage with these institutions or create our own dental entity to try to push improvements in our di-rection.

Even when there are a few implantology programs offered by Universities, these are still very limited considering the 80-100 thousands dentist practicing in the country. Lack of proper training is one of the main causes why dentists do not con-sider implants as their first alternative to treat patients. As an example, all dentists know how to put braces because it is one of the mandatory assignments during uni-versity; almost 70% of them have done it in their career. They are all legally capable of doing so, and patients are aware of what braces are because there is a relatively high awareness for those. For implants however, only 5% of dentists does it because it is risky and most of them were not taught on this treatment while they were studying.

A big number of dentists feel comfortable offering and placing braces for their pa-tients but untrained and insecure to offer a ¨"risky" implant treatment which hap-pens to include surgery. If a dentist would like to be trained in implantology, it would normally have to be outside and after uni-versity. It is also more expensive than al-ternative treatments such as placing bridges which is apparently cheaper and simpler. For that solution they are already trained and they receive the money im-mediately, although most of the times the patient and their practice could benefit more with using an implant treatment.

The majority of dentists are not educated regarding implants represent as a valuable solution in the sense that it completely repairs the missing tooth issue, and is a long-term solution that will outlast.

In the other hand, even when education for dentist mainly relates to clinical train-ing, for us also includes promote best practices. In our sector there are implants that enter the market illegally. That is one issue that we are working on by trying to communicate about the risks involved for patients and dental professionals on using products that are neither registered, tracked, or not providing legal and fiscal invoices.

Education also affects the way dentists buy products. It is common that Dentists buy products using of of these two decision processes: There is the dentist who thinks on implants as tools to provide a more efficient solution for their patients, whereas others consider it mainly as cost, and its relevance for them and the patient is mostly how they elevate or decrease their treatment cost. The latter is not aware or perhaps does not trust the as-sumption that quality of the product, company services and support could nega-tively of positively affect patient results and ultimately his practice success.

How do you deal with these issues as a company? Do you have your own training courses?

We support the initiatives of associations of dentist and universities that provide training after university degrees to dentist. Sometimes we follow their lead but occa-sionally we also ask them to support our projects. Our main goal is to train dentists for implant placement at different levels. Until we tackle some issues and until we do make sure that dentists get trained, and that awareness among patients is raised and that legal regulations are properly applied to all the products being marketed, the market will not grow ac-cording to its opportunity. The potential in Mexico is huge, but unreached yet.

Insufficiently trained doctors and surgeons seem to be a common issue in the country. How would you explain the education problem in Mexico?

One of the main causes is the fact that university programs are not matching den-tist needs and market potential. Among Mexico, which is a huge country in terms of population and size, there are a few solid implantology programs at University level.
It would be highly desirable to have a stronger representation of dentist organi-zation towards the government, so educa-tion programs can actually be increment-ed and changed to match dentist and pa-tient needs. As a company, what we can do is to accompany their efforts, following their lead, driving change, just like the way it works in the medical field. Doctors have the Academia Mexicana de Medicina, which has the highest recognition by the government; they have councils (Consejos) for each specialty with precise educational programs and even treatment protocols. For dentist there is still not a unified or-ganization which can lead this intent, and for those who are doing an effort, trying and belong to dentists associations, seem to be less successful achieving internal consensus.

The Medical Tourism Corporation offered discounts on Nobel Biocare All-on.4 dental implants in Algodones, Mexico. Why are such initiatives nor more widespread in Mexico?

We want to drive our differentiation based on unique products and services. One of them is All-on-4 philosophy, so this year we initiated an intense program to train dentist outside who were interested and sensitive to his kind of solutions. We also train their patients and our team involved. The first stage was in learning centers outside Mexico and now we are imimplementing the second stage

with the 1st session locally in the country. The city we choose, that we believe would be the one of the fastest for implant growth, which is Algodones (BCN). This place is almost entirely dedicated to implantology with specialists focusing in that particular dental treatment.

This can be explained by the fact that the American border is very close and there are even people working to find patients for dentist clinics. There are hundreds of dentists working, providing dental services. The issue is that a lot of patients are look-ing for very cheap services and some doc-tors are using low-end products try to conduct their practices based on volume. On the other hand, there are patients that are directly looking for quality/Nobel Bio-care products, especially All-on-4, howev-er with a better price than a US practice.

For us it used to represent a big market, and nowadays with the insecurity prob-lems, a lot of patients are just not crossing the border anymore. It used to account for around 15-17% of our sales in the country. Now it is less, however, we hope security perception will change soon for patients to cross the border again as there are many new services provided to attract them, such as limo transfer for safety.

Mexico has a great potential for medical tourism, the level of services is increasing and many clinics really understand the needs of these patients segment by providing them guarantees and certifica-tions with international standards.

You have previously worked at Ormco de Mexico, Cardinal Health and J&J which are well recognized companies. Throughout your experience in these companies, what important lessons have you learned and as a general manager at Nobel Biocare what do you wish to ac-complish in the next five years?

My experience in other companies taught me a great understanding of the healthcare industry dynamics in the coun-try. I was lucky to have extensive exposure to different products and services being provided in the pharmaceuticals and med-ical devices markets.

But regardless the type of product and market, adding value for patients and healthcare professionals will remain as the key goal when serving them. What I still have to achieve here, is making sure that Nobel Biocare organization develop a solid structure that would last and support patients and dental professionals for future years. Only that will ensure our sustainable and profitable growth as an organization.

What would be your final message to our readers?

Nobel Biocare is making sure we help den-tists treat more patients in a better way, with long-term results, through value ser-vices. The quality of our company is our most reliable offer; still, genuine and con-stant evaluation of our costumer’s percep-tions and needs is very important to us, so our organization is changing to meet them. So far it is working. We want to give den-tists the sense of

quality approach in order to make them successful.

If we succeed, we will then become their partner of choice.

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