Interview with Octavio Zendejas, Regional Manager Latin America, Bio-Rad Mexico

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Tags: Bio-Rad Mexico

Bio-Rad products are used in hospitals, universities, major research institutions, biotechnology companies, reference laboratories, pharmaceutical firms… How is Bio-Rad Mexico positioned with its products in the country?

Based on the dedication and excellent work the Mexican Team did for several years, in the clinical diagnostics market, Bio-Rad is immediately linked to quality control. We have also been promoting and educating about quality in clinical labs, and nowadays Bio-Rad is the reference in this field.

In the research segment, academic institutions and research centers acknowledge Bio-Rad for its innovative technology.

Quality and innovation are the two main drivers since the company's foundation. We are very proud this perception has spread to the market, and we dedicate all our efforts to maintain this positioning.

Today, in terms of Quality Control, we offer to the Mexican healthcare system a very differentiated value proposition – not only do we offer the product, but also the software and the connectivity. For this, we have to thank the resources the corporation is allocating to our subsidiary, as well as the creativity of your sales & marketing group.

Could you give us a breakdown of Bio-rad's products and the company's main achievements in Mexico?

60 years ago, the company started as a Mexican medical company, with its own manufacturing facility. This Mexican company experienced several acquisitions over the years to end up in the hands of Sanofi Pasteur – which in turn was acquired by Bio-rad in 1999.

Bio-Rad Mexico started its operations about 20 years ago, by selling quality control and research products through distributors only. It was only in 1998 that Bio-Rad Mexico was set up as a subsidiary.

Regarding our products, on the diagnostics business segment, one of the most important market segment for us in terms of positioning is quality control for clinical labs. Another line of business is blood banks with tests for screening blood for diseases such as HIV, Hepatitis B and C. Third, Bio-Rad is today the worldwide leader in immunohematology, but we are just starting with registration process for this line in Mexico. The fourth line is microbiology in which we are highly specialized, and our work in Mexico is focused mainly in Micology and on the detection of tropical diseases like for instance Dengue fever. Besides, we have a clinical system division with three main lines: diabetes monitoring, autoimmune diseases, and newborn screening. Our main focus in Mexico remains on diabetes in which we are the leader in technology, volume, and a reference in the market with HPLC which is the “gold standard” for the industry.

We also have a Life Sciences business segment – which is related to biotechnology – proteomics and genomics. The company is recognized for the quality of its electrophoresis, reagents, imagers and thermo cyclers.

Diagnostics is by far the largest business segment here, and we can easily explain this by the low level of investments in research we have in Mexico. This is real pity for our country, especially when you compare this with the investments in research you can find in Brazil or other countries. Besides, It has to be said that Mexico invests in basic research and we are lacking a more practical, market oriented approach.

In your opinion, what should be done to increase the level of research in Mexico?

I believe it should be government policy to motivate the researchers and give them enough resources to conduct research. However, projects must be well analyzed, and the focus should be on an efficient allocation of resources. For example, we really need to link the industry needs to the researchers, and make sure the research conducted helps fulfilling the strategic objectives of our country.

You have mentioned education and training around quality control for clinical labs. Can you develop more on one specific program that you have?

Each year we organize the international quality conference for the labs and we invite experts from everywhere around the world to round table discussions on how we should move the labs to the

next level in terms of quality and regulations. We also evaluate how to build up a basic quality control for the lab or for more advanced labs, what is the next step for quality control. Secondly, we focus our attention towards the labs by implementing the quality control of the results, discuss statistics with statistics tools, and evaluate pre-testing preparations. These sorts of practices must be monitored to assure that the end result is correct. We are not the company who carries out the certification or consultation but we help them organize their procedures and facilitate their work. Nowadays we also have monthly web seminars, where we make basic or advanced training to help the labs and answer their questions.

In June of 2001, Mexico celebrated the opening of a state-of-the art manufacturing plant in Mexico City to cope with the increase of manufacturing requirements. Was this manufacturing plant sufficient to cover Mexico's growth for the past 10 years? What is Bio-Rad's Mexico overall production strategy?

We are very proud of this facility because it was the first manufacturing plant for diagnostics with state of the art facilities in Mexico. Our manufacturing facility is perhaps the only one in the Diagnostics Segment fully ISO 13485 certified in Mexico. Thanks to this certification, we are exporting, mainly to Europe but also worldwide. We are producing according to the highest international standards of quality, and this is perceived positively in Mexico. When you invest in such certification and with all the high tech production systems, your products maybe not be the cheapest on the market, but they are the best. The subsidiary in Mexico is full- fledged, and one of the prides of the company because of our manufacturing capabilities, and life sciences and diagnostic commercial capacity.

Seguro Popular covers half of Mexico's population today. What is your view of Seguro Popular's achievements in Mexico?

In remote states like Chiapas or Yucatan, Seguro Popular has had a very efficient approach with investments in highly specialized hospitals and good quality diagnostics clinics. Seguro Popular has done a successful work when approaching these poor areas, yet efforts still have to be made to raise awareness about its benefits and actions to the poorest audience.

Today, Seguro Popular requires an integral offer to provide full equipment and systems to assist patients in the hospitals, and this must be done with the help of integrators who are capable of providing such a complete package.

To continue improving the system, the next step is to implement a global insurance in Mexico, like for instance in Colombia or Brazil. Their healthcare system is efficient with a very good attention to the customer, which is hardly the case here in Mexico.

Mexico has experienced positive results for the past six years, and represents a real investment opportunity in Latin America – probably why Bio-Rad chose Mexico to establish its regional headquarters. Nevertheless other countries like Brazil are showing even more promising signs of success. What is your view on the regional importance of Mexico in Latin America and for Bio-Rad?

In 2006 Bio-Rad Mexico was growing at 20%, and nowadays we have more than doubled our revenues compared to 2006. Mexico has had a very good performance those years, and Bio-Rad decided to close their offices in Miami who used to be in control of Latin America to set up the regional headquarters in Mexico. Moreover since Mexico is a Spanish speaking country, so it really facilitated the control of Latin American countries.

However, it is true that Brazil is booming thanks to a very efficient development model. For the poorest areas in critical need of investments, the country is widely open to foreign investments. President Lula made an agreement with the small and biggest investors in the country to invest and help develop the poorest parts of the country, so today, if we were to invest in Recife or Fortaleza in Brazil, our investment would be protected and incentivized by tax credits. Also, Brazil is creating more high level employment opportunities for its people, and therefore developing the economy and improving the country. Last, the income is exceeding inflation in Brazil, so the middle class is growing and gaining higher purchasing power.

To experience the same boom as Brazil, Mexico needs to resolve three key landmarks: safety, investments, and research.

In Mexico, because of criminality issues, I know many small entrepreneurs do not want to develop anything else here, or have immigrated to other countries to avoid being threatened. The government needs to give higher security to the citizens, and also reduce restrictions for private capitals to access the market. Finally research is a major issue here in Mexico, and time will dictate if we can reach the level of Brazil’s investment on research and development.

As a final note, I would like to raise awareness around Mexico’s difficulty to level with the other BRIC countries. To summarize, Mexico needs to understand the importance of allowing foreign and national capital investments, increasing the purchasing power of the public and developing research thoroughly by investing massively not only on basic research but also on practical research.

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