Interview: Gonzalo Valdebenito, Country Manager, Medtronic, Chile



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Medtronic, world's largest medical technology company

, opened a direct operation in Chile in October 2013. Gonzalo Valdebenito elaborates on the affiliate's first steps in the country and the mission he was given as Country Manager.

Could you please begin with a brief overview of this affiliate with some of the recent key achievements?

Medtronic has been present as a direct operation in Chile since October 2013 and the commercial office currently employs 35 employees. We decided to set up offices in order to optimize our products and services offering to patients and physicians in the country. To achieve this, we concluded termination agreements with our former distributors with the objective to enhance our presence in some of our key therapeutic focus areas.

Medtronic is the world's largest medical technology company, offering an unprecedented breadth and depth of innovative therapies and we therefore focus on training and educating Chilean physicians and patients to help them understand the technologies that we have available. We are closely collaborating with physicians in order to develop products and services to fulfil their needs.

We are focusing on strengthening the company's pillars, building an efficient business model and investing in key support functions such as educators and clinical specialists. In Chile we are making sure that Medtronic's strategy is properly executed by bringing our global expertise to the local

market. With a global reach that extends to more than 140 countries, we have a deep understanding of many universal healthcare challenges that we translate into the Chilean market.

Medtronic was founded in 1949 in Minneapolis, United States and has been present in Latin America for a long time. Why did it take Medtronic so long to open offices in Chile?

Our business model via distributors in Chile has been successful for many years; these local partners contributed to develop the market and build adoption of our therapies. As a leadership team, we are constantly evaluating and looking for ways to do business more effectively and expand access to our products and services. Chile is a stable country with a solid economy, a clear institutional framework and well-respected democratic institutions. And, considering the country's overall economic growth we see an increase in healthcare spending. These are all good reasons to open local offices.

Moreover the country has well-developed hospitals and excellent doctors, which means that medical professionals in the country see the advantage and usefulness of our high-tech medical devices and want to partner with us directly to offer them to their patients.

Furthermore there have been notable changes in the market. There have been positive changes on the reimbursement side. In the field of pacemakers we initially did not receive reimbursement while today it is a standard of care both in the public and private sector. Additionally we are supporting physicians by providing data to the authorities with the goal to obtain reimbursement for other innovative products. Again, we have the best technology available in the world but without reimbursement our products are not accessible for every patient who needs it. In the end what matters is that patients get quick access to our technologies.

To take our diabetes division as an example: our insulin pump, with a fine catheter delivers the exact amount of insulin required and significantly contributes to the quality of life of people living with diabetes. For this product we are currently working together with the relevant stakeholders in order to obtain reimbursement.

Medtronic's mission in Chile is to be a full-solution partner, provide leading-edge products, therapies, and innovative solutions, for quality patient care with clear, sustainable value. We aim to partner with physicians to shape the future of healthcare.

Could you give us an overview of the therapeutic areas Medtronic covers?

In fact, in Chile all Medtronic products are available. In Chile however some products are sold directly while others continue to be sold through distributor channels.

We sell directly our Cardiac Rhythm Disease Management (CRDM) products which represent the majority of all sales. CRDM is our oldest business division and we have an ample portfolio of pacemakers, defibrillators, diagnostic and monitoring systems.

We also have a Neuromodulation division. For this division, penetrating the market is challenging since there is no reimbursement for our products. The Neuro division provides brain stimulators to manage Parkinson's, Dystonia and other movement disorders as well as spinal cord stimulators for chronic pain. In the medium term we expect to obtain reimbursement for our product, which will result in a better positioning.

And as mentioned we have our diabetes division with two main products: our insulin pumps and continuous glucose monitoring systems.

How does Medtronic Chile stand out in a market that is so competitive?

Medtronic has positioned itself not just as a medical device provider but as a medical technology solutions partner. We are closely collaborating with Chilean physicians and institutions in order to train and educate them about our high tech products and make them more accessible to patients.

How are Medtronic's products received by Chilean key opinion leaders?

Currently Medtronic's global portfolio is available in Chile. With regularity we perform clinical studies together with leading physicians. For that we supply devices applicable to the studies we are conducting in the hospitals. In the future we expect to significantly increase participation in clinical studies in the country.

The Chilean clinical study environment is very fertile because physicians are highly trained and work in university hospitals. They follow protocol very well. In fact last year the Chilean team was the first to conclude a clinical study on a lead we were about to launch. Chilean physicians are definitely contributing to global knowledge.

Moreover the low regulatory barrier to enter the Chilean medical device market makes it available for physicians to be leaders and innovators. Chileans have been pioneers and early adopters for many of our products.

As a high technology medical device company, how do you assess the quality of healthcare in Chile – and what could be done to improve it?

I see room for improvement in two areas: the first is a move towards effective universal coverage and the second is training and education for physicians and patients. This is also our responsibility

as industry partner. In Chile, there are a number of therapies that are still underdeveloped and this is where we need to provide solutions to help patients.

With regard to the healthcare system we do see improvement on the reimbursement side of new therapies. We believe that in a way, the government and relevant institutions need more clinical and economic studies to better understand our therapies and how to apply these in the private as well as public sector.

Sometimes the cost of the device looks like a barrier. It is important to look at benefits in the long term such as reduction in hospitalization costs and length of stay. The implantable defibrillator is a good example. Initial costs look more expensive than to treat a patient with pills for congestive heart failure. However, over the long term, the defibrillator will prevent the patient from visiting the hospital for the treatment of fluid in the lungs, swelling, renal failure or other complications. Our device, which is implanted, can alert the physician if there is a fluid build-up in the lungs. The physicians can intervere much faster and not wait to subsequently treat these complications.

That being said, it is a challenge and our responsibility to influence decision makers, to make them look at the long term and adopt a long term cost benefit approach to treatments.

Mr. Valdebenito, Medtronic opened its office in Chile eight months ago and you were appointed Country Manager. What made you the right man for the job?

Prior to this position I worked seven years for one of Medtronic distributors. I have therefore gained significant experience working as a partner with Medtronic. **Medtronic is the company with the broadest and most innovative product portfolio in the industry and due** to my previous experience I learned about the tremendous solutions the company offers to the public and private sector in Chile.

At Medtronic, we seek to deliver truly innovative and life-changing devices for our patients, in order to improve lives worldwide. There are still a lot of patients who need our products and do not have access to them. Our greatest goal is help people, and whether we are a young or an established organization, this ambition does not change. I am extremely motivated to continue to build what we have started here.

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