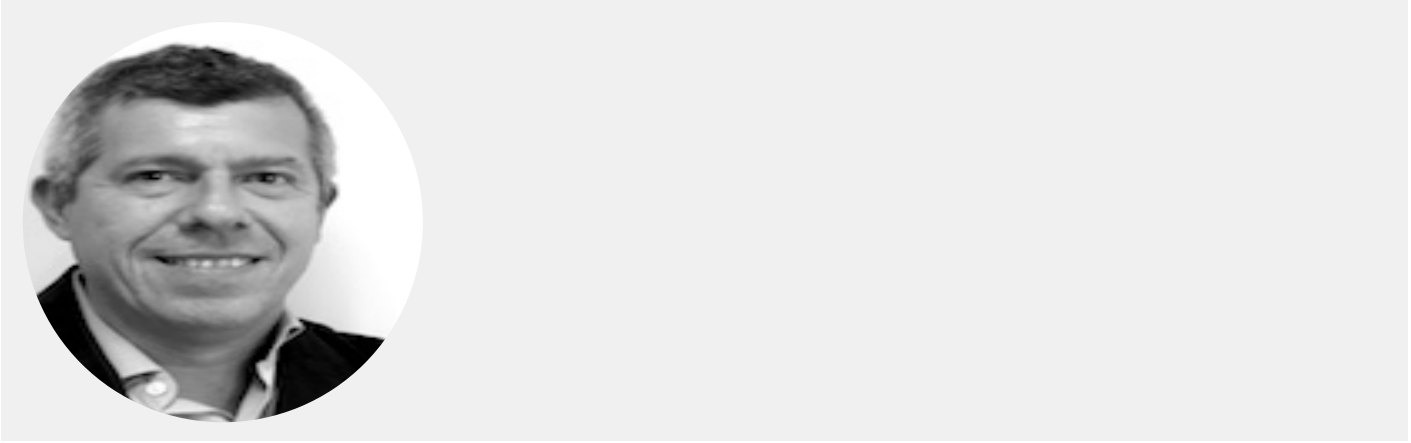
Medtronic Argentina – Ricardo Sanchez Moreno

Regional Director South Cone, Medtronic Latin America



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Medtronic's Regional Director for the South Cone shares with us the story of the company's impressive success since the rebirth of their Argentinian affiliate in 2007, and indicates that Argentinian physicians are as innovative as any when it comes to integrating new technologies and techniques into their practice.

What have been some of the key milestones Medtronic Argentina has reached since you became the country leader in 2007?

In 2007, Medtronic made the decision to take a more aggressive approach in Latin America, which included investing in the move and enhancement of the Buenos Aires office and training center as well as Bogota, Sao Paulo and Mexico City. When I joined, we didn't have any products registered in Argentina so one of our first tasks was to establish a local warehouse and have it certified by Medtronic first and then by ANMAT, which we completed in record time. Having this warehouse facility certified was a prerequisite for getting market registrations for the products in our portfolio, and once we received them we were able to start importing the products ourselves and begin selling some of them directly to our local distributors.

The next big achievement was moving to our current facility in Martinez and developing our educational capabilities, which include a surgical simulator that we use to train physicians on how

to safely use our products and therapies. We currently train about 300 physicians per year from across the South Cone region. Implementing SAP, while it may seem somewhat mundane, was also a very important accomplishment with regards to enhancing our capabilities. Our growth (in terms of volume and revenue) has been strong over the last five years, and we have built a solid team of talented, knowledgeable and experienced individuals. At this point in time, we are working on importing and selling our diabetes and neurological portfolios using a direct business model. Completing this transition will be the next big milestone for us.

Are Argentinian physicians mostly aware of the more innovative treatments that Medtronic has developed?

There is a core group of physicians who follow advancements in the industry extremely closely and are well aware of new technology developments and product launches; these are the experts and specialists who regularly participate in high level conferences, seminars and congresses both domestically and abroad. Our challenge is to help increase awareness among those physicians who don’t have the same level of access to these educational opportunities; it is apparent that we still have a lot of work to do in this regard as low awareness is one of the factors which contributes to the lower penetration rate of some therapies in Argentina compared to more developed markets.

Has the medical community readily accepted the new technologies they are learning, or is there a strong preference for more traditional methods?

All of our minimally invasive surgical technologies have been extremely well accepted here in Argentina. Our health professionals are very open to new technologies, and physicians have a very open-minded and innovative mindset. Argentinian physicians have actively sought new and innovative treatments for their patients for many years and have actually led the way. Prime examples include René Favaloro and Julio Palmaz, the inventors of the bypass surgery and the coronary stent respectively.

What role does the educational center play?

Our surgical simulator is a tool for surgeons to use to accelerate their learning process with new technologies. It allows them to perform the steps of certain minimally invasive procedures in a virtual environment that is very realistic. Building experience and muscle memory with this simulator, and being able to replicate a variety of clinical challenges that they might face in the operating room reduces the steepness of the learning curve that they face in the actual operating room. It is an opportunity that physicians actively seek out in many cases. As I mentioned before, approximately 300 surgeons have practiced with our simulator each year for the last few years.

Which product lines has your affiliate placed the most emphasis on developing in recent years?

We started by focusing on our cardiology portfolio, as can be expected of Medtronic; as a company founded by Earl Bakken who invented the first battery powered pacemaker in 1958, cardiology has always been our core business area. We are currently working on balancing out our portfolio by trying to develop sales in our diabetes, spinal and neurological product lines.

There is a lot of room for growth in all areas as the rate of medical device implantations per million is still well below the number of implants done in the US or Europe in every category. Growth has been strongest in our coronary products portfolio, perhaps due to our history and good reputation.

How comprehensive is the reimbursement of medical device products in Argentina?

The Programa Medico Obligatorio (PMO) theoretically pays for all of our registered products. However, in actuality, budgets can be somewhat inconsistent for products without specific coverage. At present, there is good coverage in the cardiac stimulation and interventional cardiology areas, and we are starting to see good coverage of transcatheter aortic valves.

Medtronic already has two plants in Mexico; do you see potential for another plant in Latin America, possibly in Argentina?

There is potential, for sure. If we truly want to become a part of the Argentine medical industry, then sooner or later we will have to explore this possibility. Argentina is very rich in human capital so I am sure that we have the professional resources needed to develop a strong manufacturing base. The future will tell.

Looking forward a few years, what do you think the biggest changes in the Argentinian medical device industry will be?

As in the rest of the world, one of the biggest challenges that the medical industry faces is to work with policymakers, healthcare professionals and non-profit organizations to elevate chronic disease management on the public agenda. Non-communicable diseases (NCD), such as heart disease and diabetes, are way above communicable disease as the world’s primary health concern. According to the World Health Organization, NCDs already account for approximately 60 percent of all deaths worldwide and that rate increases as the population ages.

For Argentina in particular, the key challenge is to work to establish a stronger presence of medical devices in the mindset of the clinical physician. In the 21st century, all physicians need to be

thinking beyond pharmaceutical solutions as the future of medicine will involve many more integrated treatment options that incorporate pharmaceuticals and medical devices.

Could you tell us a bit about yourself, and what motivated your decision to join Medtronic?

I have more than fifteen years of experience in the healthcare industry and I am an industrial engineer by trade. When I first joined the healthcare industry, I was hired by Schering AG as a bit of an “experiment”; they contacted me and offered me a position selling ultrasound contrast media. Three years later, I joined Boston Scientific where I spent seven years working with cardiology and vascular cardiology products. In my last year with Boston Scientific, I reached the position of Director of Operations in Chile. After that year, I decided to move back to Buenos Aires and got in touch with Medtronic. The Medtronic mission, to contribute to human welfare by application of biomedical engineering to alleviate pain, restore health, and extend life, was my first and meaningful invitation to be part of this company.

At that time, back in 2007, I was also informed that Medtronic was preparing to re-launch their Argentinian operation that had been significantly downsized during the economic crisis during the 1998 to 2002 depression. It sounded like a great opportunity because at the time there were only five people based in Buenos Aires, the business model was fully indirect with all sales going through distributors. The challenge was to help increase sales by supporting distribution channels while developing our own distribution capabilities and building our own portfolio by registering new products in Argentina. After seven years, I am very happy, as we have achieved so much as a team. If I have to highlight one major success, I would say that I am extremely proud of the local team that I created to run the company. They are excellent professionals, and even more importantly, they are great people.

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