Interview: Juan Otiniano – Director Representative Office, Erbe Peru



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Erbe Elektromedizin established its Peruvian representative office in 2013, the first in Latin America. Juan Otiniano, director of the affiliate, discusses the startup process and the importance of educating government stakeholders in terms of making valuable long-term investments in health technology.

What was the reasoning for choosing Peru as a first step into the region?

We thought a lot about which country we should choose. Most German companies go to the biggest markets first, like Mexico or Brazil. At that time we had a good partner in Mexico called Vitalmex. In Brazil, building up a company from scratch is very tough. Regulations in Brazil are a challenge for every company, there are so many barriers. After analysis, the options were either Peru or Chile. Peru was chosen for its more convenient geography for the rest of Latin America as well as having a better performing market than Chile.

What was initial mission given to you upon arriving?

I had to build up a team; we are here not only to attend the Peruvian market. Erbe works together with distributors here in Peru and we are selling through them. From the very beginning it was critical to have a team here with more people who can be in charge of other markets like Brazil and the rest of the Andean region, rather than to be concentrated only in Peru.

How have you changed in terms of management, moving from headquarters to a country/regional manager?

I realized that I could not come back to Peru with a German way of thinking. Implementing that in Peru is difficult, and costs time and experience. After one and a half years, I am starting to see good results. People in Peru want to work hard and improve every day. But organization and discipline are very important attributes from Germany for working in general.

What are the biggest challenges in bringing the Erbe brand to this market?

Peruvian purchasing groups, the most important being the Ministry of Health, need our support in order to find the best investment for them. Peru is still a poor country, so there is no money to waste. The health authorities need very well-trained and educated people so that all the money they invest is a true long-term investment. For example, some countries in Latin America have very little money but in their way of thinking they buy the best products so that they can be used for the next few decades. In Peru, this way of thinking is a necessity. Industry can also do much more to educate and work with government.

So is the tendering system here in dire need of improvement? Or with closer relationships, you are able to demonstrate value that much more?

Yes, but this is a very long-term method. Our basic sales arguments are education and training. We have been implementing workshops and other hands-on activities with surgeons, nurses and engineers. We still have a long way to go. We need about five years. But this is what we are looking for. The government and industry are all gaining something from this situation. We have well-trained people here, and Peruvians will ultimately benefit.

How will you take advantage of the construction of the 50 new hospitals in the coming years?

Four years ago, we started educating surgeons, nurses and engineers across the country. Our distributor also trains doctors four times per month in their facilities, testing and becoming accustomed to our products. Erbe will do tours around all of Peru with two trainers for our products. Three weeks ago we did a workshop here on animals, and we invited surgeons from around Peru. 20 surgeons participated, who also worked with our products. In the end we have, of course, this knowledge and experience, and doctors will request the best technology as that is what they think is the best benefit for patients too.

It sounds as if there is almost an obligation to ensure adequate training; without it, there is no added value!

They have to request from all the companies here to engage in much more training. They are buying products here. Ultimately, if the product fails after three years or the doctors do not know how to use the products or if patients do not have any benefit, they will end up wasting money.

How is the Erbe portfolio represented in Peru?

We have four columns of products: electrosurgical units, vessel sealing instruments, water dissection, and cryotechnology. All four are interventional surgery products.

Growth can be exponential for new affiliates. How will you continue to sustain that growth?

This is not that easy. You can grow, but maintaining that growth is indeed the big question. Erbe is investing heavily in human resources. By the end of the year we plan to have six people in Latin America, from technical service to product management, all working in and travelling around Latin America. ERBE works together with distributors; this is how we function in Latin America. Also, it is important to have customized products for the Latin American market. This region is very price-sensitive. Even if education is important, we also want to have more products suited for the region. Our sales channels are also very important, with very specialized people in our field. Those must keep growing.

What is the perception of Peru for German companies looking to invest here?

Business relations with Peru were very little when I joined Erbe. In the last few years, several visitors to fairs and institutions in Germany were from Peru. We are always participating in many fairs worldwide, like Hospitalar in Brazil or Medica in Germany. Many visitors are coming from Peru; it is usually ranked third for Latin American visitors. This illustrates how Peruvians really want to go out, learn and be trained and have relationships with other countries. This was one of the key moments for us – people are coming from Peru so often to Germany, to visit and have relationships with commercial trade offices in Germany. We know this and we have to take care of countries like Peru too. We have also offered courses around the world in countries like Brazil, Germany or the US and there are always some participants from Peru.

What are your expectations for growth in the future and how will you measure that success?

We expect to grow at a rate of 100 percent in Latin America within the next three to five years. In Peru, the next few years will be very good. There are many projects at this moment we are working on. We are considering opening a second Latin American office in Brazil, which is about to become one of the most important country markets in the region. Nevertheless, our Representative Office in Lima is our stepping stone to the continent and will stay the linchpin of our company in Latin America.

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