Ronald Boueri – General Manager, Zimmer Biomet Middle East



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Boueri of Zimmer Biomet Middle East discusses the challenges of establishing the business, the importance of providing the latest innovation and assistance to medical professionals in the MENA (Middle East and North Africa) region, and the need to constantly adapt in the ever-evolving Middle Eastern markets.

Can you share with us your career that has spanned 17 years at Zimmer Biomet?

I have been in the industry for around 25 years. I spent the first 7-8 years in Lebanon, working for a large local distributor. There, I managed Zimmer, Medtronic and Linvatec's orthopaedic portfolios. Through my position as a well-regarded local distributor, I was contacted by the Zimmer regional manager based in Barcelona and offered the opportunity to establish their business in the Middle East.

We began with a Zimmer office for the Middle East based in Lebanon, where I was initially located. I began working on my own for the first year, building the structure and the base from the ground up. It would eventually expand from Beirut to across the Middle East and beyond, to Greece, Turkey, Cyprus and Malta.

When Zimmer acquired Biomet, I was handed the responsibility of integrating the business within the Balkans too. This was a particularly busy period, requiring the integration of 65 distributors across 32 countries within a two-year period. The goal was to ensure that we had at least one fully-fledged distributor in each of the markets that we cover.

Today I am focused on the Middle East, where there are three main clusters. The first is the joint venture in Saudi Arabia, where we employ 50 people. This is a unique business model, and unlike the other MENA markets is not based on a local distributor model. The other large cluster is the UAE and Gulf, where Zimmer Biomet also has a sales and marketing team based in Dubai employing six people. The final cluster is in Lebanon, where we have a team of 30 employees across all business functions, supporting the Middle Eastern markets.

How well-represented is the full Zimmer Biomet portfolio in the MENA region?

The full scope of the portfolio is available in the MENA region, stretching from reconstructive surgery products to Sports Medicine, Trauma, Extremities and biologics. The only exception is our dental line. This has always been a separate entity within Zimmer Biomet and possesses a different customer base.

Zimmer Biomet is the market leader in Reconstructive surgery, namely hips, knees, and shoulders. This constitutes 70-80 percent of what we do. Our plans post the Biomet integration have been aimed at diversifying our portfolio and expanding our business within the “emerging” segments of sports medicine, trauma, and biologics.

In reconstructive surgery, the business dynamics are different. Our position in the market is also different. In sports medicine and Trauma, we are not yet market leaders. However, our plans are aimed at accelerating growth in those segments, leveraging our strengths in reconstructive surgery.

How would you describe the uniqueness of the business model that you have built for Zimmer Biomet’s joint venture in Saudi Arabia?

After the acquisition of Biomet, the expectation was to be present in all of the emerging markets. In order to expand, sometimes it is necessary to change the business model. This was achieved previously in Greece, where Zimmer transitioned to an agency model.

In the Middle East, we sought out the market with the greatest potential. Naturally, that was determined to be Saudi Arabia. Many factors were considered when developing this venture, for example, how to manage such a large and diverse portfolio and accelerate growth in practically all segments.

We also considered the external contexts, which were favourable, in addition to the internal challenges of the Saudi Arabian market. It was determined that there was no distributor locally with sufficient resources to cover our full portfolio, neither in terms of financial capability nor in talent and resources.

In Saudi, and as said, we determined a joint venture was preferable and subsequently signed an agreement with a local partner, a former distributor for Johnson & Johnson. They bring the distribution channel, and we bring the products and the know-how.

It is always optimal to have full control of your market. However, to do this requires a direct sales force and direct organisation. Saudi Arabia, while promising, is at the same time a very complex market. I looked at the balance when recruiting those people. Getting talent is not easy, retention is also a challenge. Nonetheless, we have created a solid foundation in Saudi Arabia.

What are your expectations for Zimmer Biomet's growth potential across the region?

Zimmer Biomet's global aggregate growth rate is at single digits. However, it is expected to be higher in an emerging market such as the Middle East. Prior to COVID-19, our objective was to reach double-digit growth, continually expanding the business across different segments. Unfortunately, and similar to other companies within our space, we expect that our 2020 performance will be slowed down as a result of the pandemic, but we are confident, that we will be able to be back on track very soon as the situation is returning to a new normal.

Business sustainability is highly important. Achieving double-digit growth alone is insufficient. We must constantly adapt, or we will be outperformed by a competitor in the market within a few years. This does not mean reinventing the wheel, but one must look at change management tactics and initiatives, reinvent oneself and shape the industry.

Furthermore, it may be necessary to consider new business models, as was done with our business in Saudi Arabia. The Middle East is a fast-changing market with many uncertainties. Consequently, Zimmer Biomet must be agile and adaptable to the changing business winds of the local market in order to thrive. It is important to constantly review our strategy and plan, thus ensuring that our

objectives for the next 3-5 years can be realised.

How do the unique requirements of the MENA markets affect Zimmer Biomet's offering?

When analysing the growth in orthopaedics, one must look at two aspects: trauma, and elective surgery. Considering the demographics in this part of the world, they are comparatively young. Elective surgery is more tailored to an ageing population, which is not really the case for MENA. Regarding elective surgery, HCP's (Health care professional) experience and expertise is also important to consider. Many surgeons in some countries of the Middle East are expatriates and their aim is more to stay for a finite length of time and then go back to their home countries after around 2-3 years. Conversely, a local surgeon is there to stay, and the dynamics of the surgeries they wish to conduct varies.

In Europe, there are many surgeons in university hospitals and are trained by their local professors. Conversely, this is not ubiquitous in the Middle East. Often it is the role of industry players to help educate and increase the expertise of surgeons for the safe and effective use of their products. The infrastructure is present, given that Dubai has state-of-the-art hospitals, also in Saudi Arabia. What is also key is the role of resources. In my opinion, these are human resources – the healthcare professionals. I believe Zimmer Biomet has played a critical role in elevating the level of care and the complexity of elective surgery which can now be more conducted locally. 15 years ago, there were countries which did not have the capabilities to conduct some of these procedures and they would fund their citizens to travel overseas for the surgery.

Zimmer Biomet conducted its first robotic surgery in 2015 in Dubai. What is the appetite for new innovative technologies in the MENA region?

Robotics was a new area for Zimmer Biomet. Four years ago, we acquired a French local company and began developing robotic platforms for a wide variety of surgeries, spanning from our *ROSA®Brain* platform to the *ROSA®Knee* System.

We are in a region with a clear appetite for technology. I have always believed that we need to have the latest developments available in this region, rather than receiving outdated technologies that soon become obsolete.

For Zimmer Biomet, we don’t see it as only robotics in isolation, but as providing a holistic solution. The robot alone is of no use if the correct implants, surgical expertise and care process management know-how are unavailable. As the market leaders in the MENA for reconstructive surgeries, we want to ensure that the surgeons have the comprehensive services at their disposal, so they are able to treat their patients in the best possible way.

With a strong robotics platform, a competent surgeon, a high performing prosthesis and well-structured processes, patient outcomes will further improve. Therefore, we are combining our robotics platforms with other new technologies, for example, our most advanced knee system, *Persona*® – a highly personalised system very close to the natural anatomy of the knee.

What are the key success ingredients to build strong relationships with stakeholders in the Middle East?

The most important aspect is to select people for our teams whose values align with the organisation and with your own. I believe that work and business ethics outdoes experience in terms of their long-term importance. At Zimmer Biomet, we commit to the highest standards of patient safety and quality in our products and services, and to world-class integrity and ethical business practices. We live a culture that is open, transparent and is prone to developing our employees. Consequently, our employees are encouraged to stay in the longer term. This is imperative in a challenging time such as the current COVID-19 pandemic. To overcome this difficult period and mitigate its impact, we must motivate and engage our employees. Retention is key and is part of our plans for sustainable growth in the region.

Any business relationship must be based on trust, aiming towards a win-win approach. If that is present, the sky is the limit. That is true for relations with all stakeholders, be it internal team, with customers, and with third parties.

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