

Héctor Barillas Soto - General Manager Mexico, Wiener Lab



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Wiener Lab is a leader in diagnostics, with a strong focus on clinical chemistry, immunology, coagulation, and molecular biology. As Héctor Barillas Soto explains, the company has a significant presence in Mexico and Latin America and specializes in providing advanced diagnostic solutions for both small and large laboratories. Barillas Soto outlines how Wiener Lab differentiates itself from competitors through its exceptional engineering support and customer service as well as how the firm is actively expanding its product offerings in Mexico, including the launch of fully automated systems and advanced hematology technologies.

Could you introduce yourself and your extensive experience in the healthcare and diagnostics sectors?

Although I have been away from the traditional pharmaceutical industry for about 20 years, my career has been deeply rooted in healthcare. I initially worked with Abbott and Baxter in specialty pharma before transitioning to medical devices. For the past decade, I have focused on diagnostics, gaining expertise across various segments such as chemical chemistry, immunology, point of care, microbiology, and molecular biology. My recent roles include serving as a General Manager and Director for Latin America, and now, I am responsible solely for Wiener Lab operations in Mexico.

Could you provide an overview of Wiener Lab, including its footprint and operations in Mexico?

Wiener Lab has been operating in Mexico for over 30 years, with a local presence for about 25 years. We are an Argentine company with operations in more than 100 countries globally. In Latin America, we are active in Chile, Colombia, Argentina, Costa Rica, the Dominican Republic, Mexico, Brazil, Uruguay, and Argentina. The rest of the countries are managed through distributors. Our holding operations are based in Switzerland, and we also have offices in Barcelona for our global operations.

Wiener Lab is recognized as a leader in diagnostics and clinical nutrition. Could you elaborate on what this entails and the areas of expertise within your portfolio?

Wiener Lab specializes in several key areas. Our core expertise lies in clinical chemistry, where we originated. Over time, we expanded into immunology, coagulation, and hematology. Additionally, we have a notable presence in molecular biology with specific tests, such as those for Chagas disease, where we are a global leader. Although our molecular biology segment is relatively small, it represents a significant part of our innovation efforts.

In Mexico, our portfolio includes comprehensive solutions in clinical chemistry, with a range of instruments designed to accommodate various laboratory sizes. We recently introduced immunology and coagulation products, and we are in the process of relaunching our hematology solutions. For our instruments, we offer a range from small systems to high-capacity units capable of processing up to 800 tests per hour. We are particularly focused on supporting small to medium-sized labs with scalable solutions and have made strides in providing advanced technology to larger hospitals and government facilities.

Our main competition comes from Asian companies that offer extensive product ranges at lower prices. However, we differentiate ourselves through our strong engineering support and customer service, which justifies our pricing despite not being the lowest in the market.

Given that your products may not be the cheapest on the market, what would you say is Wiener Lab's unique value proposition that makes it stand out from competitors?

Our unique value proposition is rooted in our exceptional engineering capabilities. I have made a significant shift in our team, ensuring that all our engineers and application specialists are highly qualified, holding degrees in engineering and chemistry. This emphasis on technical expertise is central to our strategy. We have redefined job roles to focus on engineering excellence and have invested heavily in this area.

Our goal is to provide top-notch engineering support and application expertise, which enables us to offer superior customer service and technical solutions. This commitment to high-quality engineering sets us apart from competitors who may offer lower prices but lack the same level of support and technical proficiency.

In terms of innovation, what exciting new developments is Wiener Lab introducing in Mexico to stay ahead in the market?

We have launched the CM series, which represents a significant advancement from manual or semi-automated platforms to fully automated systems. This new technology offers the same speed, accuracy, and precision as the major players like Roche and Abbott but in a more compact, user-friendly format.

Additionally, we have introduced a new five-part hematology technology, with plans to launch a six-part system soon. We are also expanding into point-of-care testing and, within the next two years, will explore IVD analysis.

Our focus on these innovations has driven impressive growth, with a 25% increase last year and a projected 30% growth this year. This rapid expansion is largely fueled by these new product launches, which are central to our growth strategy.

Beyond new product launches, what other strategies have contributed to Wiener Lab's significant growth?

A key factor in our recent success has been our shift in focus. Historically, we concentrated on the private sector, but we have strategically expanded into government markets. By offering a broader portfolio to integrators, we can now cater to a wide range of hospital sizes, from the largest to the smallest.

We have managed to secure partnerships with four out of eight major integrators, which has been instrumental in our growth. This approach allows us to support the integrators with comprehensive solutions, enhancing their ability to negotiate and deliver value.

However, the landscape is evolving. There are discussions within the government about potentially phasing out the integrator model, which could shift responsibilities and financial risks to government entities directly. If this happens, it might require significant investments in infrastructure and reagents by the government.

In this potential new scenario, large companies with extensive resources, like Roche and Abbott, might have an advantage. Yet, companies like ours, which specialize in mid- and low-volume solutions, could find opportunities by forming strategic alliances. As the situation develops, we'll need to stay agile and adapt to these changes to continue driving growth.

As someone with a decade of experience in the diagnostics field, can you shed light on the key trends currently shaping the diagnostics sector in Mexico?

Over the past decade, the Mexican diagnostics field has experienced notable changes, particularly influenced by the aftermath of the COVID-19 pandemic. Initially, the pandemic led to a surge in the use of PCR testing, which was crucial for detecting COVID-19. However, as the immediate crisis subsided, the focus shifted back to more routine and accessible testing methods, such as point-of-care testing. This trend is driven by the demand for quicker results and the ability to perform tests outside traditional laboratory environments.

Point-of-care testing has become increasingly significant, reflecting a broader interest in rapid and accessible diagnostic solutions. This technology is particularly valuable for conditions that require immediate diagnosis, such as cardiac markers.

The IVD sector is currently growing at around 5% per year, which isn't particularly impressive. There was a significant boom post-pandemic, but now growth has slowed, and we are likely to see shifts in the market in the near future.

What do you think is the reason for the relatively low spotlight and investment in IVD in Mexico compared to other countries, despite the growing awareness and importance of diagnostics?

In my opinion, the issue in Mexico is that investment levels from both private and government sectors have remained stagnant. This means that the only way for a person to get a test is through a physician's referral. People don't typically seek out tests on their own unless they're already ill, and even then, testing is underutilized, especially for infectious diseases. Often, a physician will diagnose based on observation alone and prescribe antibiotics without confirming if the illness is bacterial or viral. This practice is contributing to the global threat of antibiotic resistance, which could become the leading cause of death by 2050 if nothing changes. Another factor is that certain states are improving their testing capabilities, but it will take time, possibly another two or three years, to reach previous levels. Pharmacies and ventures like Walmart partnering with Quest Diagnostics for lab services are also emerging trends that could improve access to diagnostics. Additionally, rural areas are seeing growth in laboratories, addressing the gap left by larger chains. These dynamics indicate a gradual shift, but significant challenges remain.

Given that Wiener Lab primarily operates through distributors rather than direct sales, how does the company approach developing collaborations to enhance its impact and awareness within the sector?

At Wiener Lab, we primarily rely on distributors for our market presence, as they enable us to cover areas that we might struggle to reach directly. Unlike larger competitors such as Abbott or Roche, who have a high density of instruments within a small radius, our strategy involves working closely with our distributors. Our sales representatives act more as account managers, partnering with distributors to identify and seize opportunities. We use a robust CRM system to track and manage these opportunities monthly. Additionally, we support our distributors through engineering assistance, product training, and negotiation support, ensuring that they are well-equipped to effectively represent our products and drive sector growth.

While distributors handle most of the sales and logistics, we remain actively involved in the final stages of negotiation to ensure that our products meet the specific needs of the market. By supporting our distributors and leveraging their local expertise, we aim to enhance our impact and grow our presence in the Mexican diagnostics sector.

How does Wiener Lab approach expanding its impact on diagnostics and increasing market share, particularly through collaborations and educational programs?

Wiener Lab focuses on expanding its impact by partnering with various stakeholders and implementing educational initiatives. We engage in continuous medical education for chemists to keep them updated on the latest trends and technologies. Leveraging the ease of virtual meetings, we conduct sessions via Zoom or Teams with experts from Argentina and other locations to share valuable insights. Additionally, we collaborate with government institutions like INS to provide

educational support. By concentrating on these collaborative and educational efforts, we aim to increase awareness and accessibility, thereby fostering market growth. This approach allows us to extend our reach and impact despite limited direct resources.

Given the competitive landscape and your company's positioning, how do you ensure that Wiener Lab remains the partner of choice for stakeholders, and what is your vision as a managing director?

Ensuring that Wiener Lab stands out in a competitive market, especially against major players like Roche and Abbott, involves a strategic focus on service differentiation. Although we may be 30% to 40% more expensive than some competitors, we prioritize delivering exceptional support and comprehensive solutions. My strategy has always been to emphasize the quality of our service and the robustness of our support system, ensuring that our partners and customers receive not just the product but the full backing they need for its effective use.

We invest in customer experience by offering detailed support and maintaining strong relationships with our partners. This includes working closely with them, providing robust training, and utilizing our CRM system to monitor and support opportunities effectively. Moreover, we are in the process of enhancing our customer portal and order entry systems to streamline our service further.

This approach has proven successful, as evidenced by our recent 15% growth from the previous year, surpassing our budget expectations. My vision as managing director is to continuously refine and expand our customer support capabilities, ensuring we provide unmatched value and remain a trusted partner in the diagnostics field.

To conclude, what message would you like to leave with our viewers?

My final message is that in the diagnostics field, we must continue advocating for the significance of our sector to physicians. It is noteworthy that around 70% of medical decisions are influenced by diagnostic tests. Therefore, it is crucial to provide high-quality products and ensure accessibility for patients. Historically, obtaining lab tests could be a long and arduous process, but we are working to shorten that journey and make diagnostics more accessible. Diagnostics are often the unsung heroes of healthcare, deserving more recognition and focus. We are committed to bringing testing closer to people and improving overall accessibility.

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