

Interview: Enrique Carballido – General Manager Mexico & Latin South America, Bio-Rad



– Mexico is the second largest contributor within Latin America to our global turnover after our Brazilian branch, followed by Colombia, Argentina, Chile and Uruguay. –

03.03.2017

Tags:

[Mexico](#), [Latin America](#), [Bio-Rad](#), [Pharma](#), [Clinical Diagnostics](#), [Life Sciences](#), [Strategy](#), [Internationalization](#)

Enrique Carballido,

general manager Mexico and Latin South America at Bio-Rad, showcases Bio-Rad’s offering in both diagnostics and life sciences and the crucial role of the entire industry in helping public health institutions more effectively allocate their resources based on the number of patients covered and the economical savings obtained.

Could you introduce the key activities and operations of Bio-Rad in Mexico to our international readers?

In Mexico, we are supervising all of the operations of Bio-Rad in Latin America minus Brazil , where we have another office fully focused on that market. In terms of our operations and activities, Bio-Rad is focused on two main business areas: diagnostics and life sciences.

In our diagnostics’s division, we are positioned as a specialty diagnostics company through a highly niche business model in the four areas that we are stepping into. Therefore, in infectious diseases we are developing solutions targeted to rapid testing of diseases such as HIV and malaria; in diabetes, we are focused on monitoring glycated hemoglobin; in immunohematology, we offer instruments dedicated to blood typing as well as identification of infection agents; and our leading area is quality control. However, our life sciences business line is presently more focused on offering products and solutions targeted to research and academia purposes.

We are currently working on the convergence of both business lines since we have perceived that we can bring some solutions and technologies developed in our life sciences business line into our

diagnostics arena.

Having recently been appointed as general manager for Mexico and Latin South America, what is your assigned mission in Mexico?

[Featured_in]

Bio-Rad in Mexico and Latin America has been growing significantly during the last decade.

Nevertheless, this growth has not been sufficient, considering the strong potential of the countries within the region; indeed, we should be looking at double-digit growth targets and this is the current ambition of Bio-Rad in Mexico and Latin South America.

Therefore, my major task is to identify new opportunities in Latin America and design the proper business model to take advantage of them. My mission is also to advance the convergence between our diagnostics and life sciences divisions.

How strategically important is the Mexican affiliate within the regional and global operations of Bio-Rad?

Mexico is the second largest contributor within Latin America to our global turnover after our Brazilian branch, followed by Colombia, Argentina, Chile and Uruguay. We have identified several opportunities to grow in the rest of the countries in the Latin South America region since, taking out Brazil, all those nations contribute as much as Mexico because of the low penetration of our health solutions there.

What is your strategy to ensure the success of the region considering the high dynamism of the industry in Latin America?

In general terms, we rely greatly on our distribution channels that in each country within the region; indeed, we only have offices in Mexico and Brazil. We are going to maintain such indirect distribution in the upcoming years, but we will remain open to establishing new offices in strategic countries according to the business winds.

Our strategic approach revolves around the patient and the development of mechanisms to increase Latin American people's access to top-notch diagnostic solutions. Since we are a key player in the research space through our life sciences solutions, we want to take advantage of the trend of convergence between these two worlds.

Could you expand on Bio-Rad's new indirect channel strategy?

[related_story]

One key element of our strategy for the region relates to our channel partners: As a large portion of our business comes from customers served by our distributors, we want to make sure we work with the best partners in the region, and at the same time, that we offer to them all the tools required for them to be successful.

Bio-Rad has quite a broad product portfolio sorted out in its main two business lines: life science research and clinical diagnostics. What is the breakdown per business line and where do you foresee most growth?

Diagnostics is the main contributor to our mix of revenues. This reflects the market, as funding for Diagnostics is larger than that for Research.

It is important to mention that the balance of both divisions in our mix of revenues is contemplated in our long-term global strategy and our objective is to ensure that our life sciences division contributes to over 40 percent of our business by 2020. This business objective is quite challenging because life sciences is still confined into the academic and research arena but we are planning to get there through fostering the convergence of both divisions and by taking some of the life sciences technology into certain diagnostics areas.

One of Bio-Rad's non-traditional business lines is food science. The food safety testing market was worth over USD nine billion in 2015 and is expected to grow up to USD 15 billion by 2024. How will this trend affect your operations?

The globalization of the food supply trade is one of the major factors increasing cross-contamination levels and hence fuelling the growth of food science services; we have identified strong business opportunities for us in this niche. Food science is within our life sciences division and it is one of our major bets in the future because of the size of such market and the high quality of our instruments in

this division.

We are small compared to other big players in this segment but we are leveraging our relationship with multinational food companies in the world to bring those relationships into the Latin American region and become the partner of choice of these companies in that specific niche.

What is your footprint in the public and private market?

Public health institutions currently represent around 80 percent of our sales in Mexico due to the tenders that the large public health institutions publish every year and the nature of our products. Obviously, the Mexican government is a big consumer of quality control and diabetes monitoring devices since such solutions are addressing national health challenges.

Notwithstanding, we are also enlarging our portfolio in Mexico in order to expand our footprint in the private market through new products such as our new immunohematology instruments.

What is the rationale behind the fusion between life science research and clinical diagnostics and what have been the advancements so far?

In Latin America, we have focused more strongly on oncology treatments. In this sense, Bio-Rad is developing ideas that combine both life sciences and diagnostics solutions, targeted to the early detection of oncology patterns. It is a reality that such technology could generate strong benefits both for patients in terms of quality of life and also for the government in terms of reducing the cost of treatment of chronic diseases.

This is the way we are advancing towards the convergence of both divisions in order to offer most effective and attractive health solutions. The added challenge to such a strategic guideline is to find the right way to ensure that the aforementioned technology is accessible to the Latin American patients.

These technologies are normally financed through private grants and create an obstacle to their rapid roll-out in other territories.

In my opinion, the entire industry should work to showcase the results and the long-term savings that will come from such technological solutions in order to help public health institutions to allocate their resources in ways that allow larger coverage in terms of number of patients, while keeping an eye on overall cost benefits.

In the meantime, we are already engaged in discussions with private investors and institutions to enlarge the penetration of such technologies in Latin America but it will obviously take more time than if we were able to capture the attention and stronger support from government healthcare authorities.

How does Cofepris's ambition to be a regional quality standard bearer, on par with the EMA or FDA, act as a potential lever to drive Bio-Rad's internationalization process?

Cofepris is continuously evolving and strengthening their positioning as one of the most advanced regulatory entities in the Region, raising the standard of how health authorities and other regulatory bodies in the region should act. Nevertheless, there is still a long way to go, and the industry in general is very interested in the continued success of Cofepris

However, it is also important to mention that such strengthened regulation makes it more difficult to bring innovative solutions to Mexico. This generates scenarios in which new technologies are first introduced in markets with less regulated frameworks, such as Chile, for example. We see this as an opportunity to develop marketing strategies that maximize the benefits of phased-out introductions throughout the region.

What are the key competitive advantages that position Bio-Rad as the leading specialty diagnostics company worldwide and in the top five life science companies?

Our key competitive advantages are different depending on each one of our divisions. In life sciences, for example, Bio-Rad offers high quality technologies, some of which were developed by us. In some cases, our technology is complementary to the instruments introduced by other players. And in areas such as Gene Expression and ddPCR, we offer top notch solutions for the research, and now even diagnostics, of diseases that are relevant around the world, like cancer. In clinical diagnostics we have also good examples of leadership: we are the number one provider of quality control solutions. Our diabetes monitoring solutions are based on methodologies that are the gold

standard around the globe. We are also entering new markets, such as Mexico, with a solution that leads the immunohematology market in Europe. Our rapid testing solutions for infectious diseases like HIV, malaria and dengue are the standard of choice of many worldwide healthcare organizations. We are proud to be a strong contributor in the quest to improve the lives of patients around the world every day.

[See more interviews](#)
