

Sifi Mexico â?? Juan JosÃ© Davidovich, General Manager



11.12.2014

Juan JosÃ© Davidovich, general manager of the Italian ophthalmology leader Sifi, speaks about the importance of Mexico as a base to enter Latin America and sets the goal of prospering across the region with ophthalmic products and medical technology.

After an international experience in Russia, you were appointed regional finance manager and business development manager at Sifi for Latin America. What brought you specifically to Mexico?

I have been working with Sifi for over fifteen years including the eight years I have recently spent in Mexico. When I decided to join the company I was working in the finance department of Motorola in Russia and Sifi had initially planned for me to be reallocated from Russia to Italy. However, with the company's decision to expand their presence in Latin America in 1999, I was put in charge of developing a main office in Buenos Aires to create Sifi Americas. Unfortunately, a major crisis hit Argentina in 2001, which forced us to reconsider our plans for the region. We looked at countries such as Chile, Brazil and Peru as a new base to enter the Americas, taking into account market dimensions, language barriers, cultural differences and facilities. We soon identified an ease of business in Mexico and decided to look for a partner here. Mexico represented the second most important market in Latin America for pharmaceuticals, therefore it made strategic sense for us to enter this market.

Over the past years, several Italian companies have entered the Mexican market. How is the Italian Chamber of Commerce helping companies establish in Mexico?

The Italian Chamber of Commerce is working very efficiently in comparison to other chambers. They are very well connected and truly promote the consortium amongst different estates in Mexico with a wide range of events. They not only help companies organise their official launches but follow up with independent product launches too. The pharmaceutical community within the Italian Chamber is very strong. In fact, in collaboration with Alfa Wassermann and Menarini, we have created a committee whereby Italian companies of all sizes are gathered together regardless of their activity in the market. This allowed us to work closely with the Italian ambassador in Mexico and with COFEPRIS (the Federal Commission for the Protection against Sanitary Risk). This would not have

been the same without the active element brought in by the Italian Chamber of Commerce. The Premio Italia Mexico will soon take place, which is just but an example of the effort they make to bring all the key parties in the community together. They also do a great job in the education and promotion of Mexico and its benefits in Italy in order to attract companies to this side of the world. Internationalisation is fundamental for companies in Italy, especially if they wish to grow and professionalize their management and business culture.

Pursuing an increasingly significant geographic diversification is a strategic objective for Sifi, which started operations in Mexico back in 2007. What role does Mexico and its affiliate play in the company's global strategy?

Sifi already holds a position of leadership within the Italian market so the possibility for them to grow further in their country of origin is fairly limited. This is what led the company to expand its presence to Spain, England, Romania and, most recently, Turkey. Moving to markets such as Mexico, Chile or Peru, however, is a completely different story. The role that Mexico will play for Sifi, will be that of a hub to enter Central and South America. This is because of Mexico's agreements with other Latin American countries such as Chile and Colombia, which will greatly facilitate our operations in the region. Our strategy is to gather our products in Mexico to then expand from here. Additionally, we are also able to develop a multi-regional package that fits the needs of all Latin American markets. In terms of the process, I can say with confidence that we are slowly getting there. This will be done through agreements such as the one we have with Quintiles, which helped us grow in the past three years.

The ophthalmic market in Mexico is expected to show a double-digit growth over the next few years. What is the size of the market and what is your forecast for the sector?

The ophthalmic market in Mexico, as in all other countries, is relatively niche. Here, it accounts for only 2 per cent of the total pharmaceutical market and there are not many generics players competing within it. Generics are obviously targeting a mass market and operate in thousands of units which is something we cannot emulate, as the frequency of people getting an eye infection is much more dispersed. This means the way ophthalmic products are sold is completely different. The major players present in the market who we are competing against are Alcon, Allergan and Sofia. All of these are respected and well established organizations for which we have the highest respect. In terms of trends, I do not predict for the market to grow exponentially. In fact, I believe growth will only come with the introduction of new products and new forms of treatments for specific pathologies. For example, glaucoma is a chronic disease for which treatments are limited so there is definitely space for more innovation.

The number of diseases associated with vision or retinal disorders such as diabetes, influences the demand for advanced ophthalmic devices. How is the changing epidemiological profile of the country impacting Mexico and what opportunities does this open for Sifi?

I most definitely see opportunities in diabetic retinopathy and everything related to the prevention of blindness. This is because of its major social and financial cost as well as the government's demand for more support. The biggest development that I see opportunities in is glaucoma. This is definitely the biggest opportunity Sifi has to grow in in the Mexican market. Another opportunity can be noticed in the field of surgery. In fact, there are two sections Sifi is divided into in order to take advantage of these two areas of opportunity. The pharmaceutical side of the company remains the foundation of course. However, we have recently developed the medical technology side of Sifi, which will play a key role in the future. We are already present in several countries with our equipment and it will not be a matter of equally expanding our med tech presence here in Mexico.

Where would you like to see Sifi in five years time in Mexico?

In five years time, I would like to see Sifi as one of the market leaders of Mexico. Being able to truly compete with giants such as Sofia and Alcon is a very attractive goal. I would also appreciate to see Sifi well established in other Latin American countries. This can be done by finding local agreements with Brazil for example or, once its market is more stable, Argentina. Venezuela also remains a very interesting and attractive market to enter. To summarize it all, I would like to have a good presence in Central America as a unit, adding up all its small markets.

What would be your advice to a foreign company looking to enter the Mexican market?

My advice would be to have patience. Mexico is a market that will never show immediate results. The product life cycle is very peculiar here and although the initial stage of introducing a product may be excruciatingly slow, the maturity stage will last longer making the wait worthwhile.

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