Interview: Luz Stella Gomez – General Manager, Gemedco, Colombia



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04.09.2017

Tags: Colombia, Gemedco, Medtech, GE, Partnerships, INVIMA, Regulatory Reform

Luz Stella Gomez, General Manager for the Colombian medical device distributor Gemedco, talks about the positive impact that INVIMA's regulations have had on the Colombian health sector, Gemedco's portfolio evolution since General Electric's acquisition, upcoming partnerships for 2017 and the company's focus on bringing value to the market.

Ms. Gomez, last time we met in 2013, you described Colombia as a stable and well performing economy featuring simple registration process and highly skilled healthcare professionals. What changes have you witnessed in the Colombian healthcare system ever since?

I still consider Colombia a stable country. INVIMA (the National Institute for Medication Regulation in Colombia) has done a very good job in recent years. While there is still room for improvement, INVIMA has managed to attain standards similar to the best healthcare systems in the world and the registration processes are becoming more efficient every day. Additionally, and many healthcare sector professionals agree with me, the level of qualification and services available are beyond anything that exists in the region. Engineers, doctors and nurses have demonstrated much professionalism in the recent years. Unfortunately, the Colombian healthcare system is running out of cash. For this reason, Gemedco's sustainability very much depends on its ability to present itself to customers with cost effective products while bringing real value to the market.

What has been your strategy to tackle and overcome this challenge?

Gemedco is doing its best to choose the right market segments. Our strategists analyse the market and attempt to find the technological segments in which Gemedco has room to compete. We do so by looking at the population's profile and medical market statistics. Wherever we see opportunities, we try to come up with a product. Having done this, Gemedco's sales force reaches out to potential customers and starts the negotiation process. Bringing real value to the market is essential to closing deals and is also important for Colombians.

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How have Gemedco's operations evolved since GE acquired the medical imagery segment of the company in 2015?

Along with the portfolio changes, Gemedco has changed its mind-set. We've made a point of bringing the best service possible to our customers. This was facilitated by Gemedco's strong brand equity and great reputation in terms of the quality of products. This reputation is the result of many years distributing state-of-the-art medical machinery in Colombia. We still share customers with GE because hospitals have multiple departments, but no longer compete in the same segment. Instead we're focusing on cancer treatment and diagnostics. These segments have high growth potential.

Prior to the acquisition, you were representing medical lines of GE, among other companies. Can you introduce us to the medical lines currently represented by Gemedco?

Most of our partners are multinationals, as they are capable of producing the complex devices our local clients need. Unfortunately, the local players are not yet in a position to produce high-end technologies at an affordable cost for the medical device sector. In terms of partnerships, Gemedco continues to distribute BARD's products in Colombia since 2013. We have also entered discussions for four other distribution agreements. One of them concerns one of the largest medical device companies in the world.

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Gemedco reported reaching 45 million USD in revenues after the acquisition in 2015. In terms of sales, how have you been performing last year and what is your growth target for 2017?

2015 was an exceptional year marked by the acquisition of our medical imagery segment by GE. It is unlikely that we will have the same performance this year. In fact, in 2016 our revenue plummeted to USD 10M, and we expect our revenue for 2017 to be around USD 8M. This is the consequence of stopping the medical imagery division, and reorganizing our sales structure. Eventually our new partnerships should allow us to grow six-fold reaching USD 50M by 2022.

The medical device sector is a highly competitive landscape. What do you consider to be Gemedco's competitive edge?

With regards to the diversity of the Colombian Market it is important that companies adapt to their customers. Therefore, our size and flexibility are assets we can leverage upon to address the client's needs to the best possible. We are faster than larger groups because our decision-making process is more direct. Moreover, our experience with business culture in Colombia allows us to better connect with the realities of the market than certain multinationals. Indeed, numerous multinationals have a flawed perception of what the Latin American market is. Many fail in Colombia and Latin America by trying to replicate identical procedures in all their markets. Additionally, our longstanding presence, market expertise, and historic of being reliable helps us attract new partnerships.

What are the current strategic priorities that you are focusing on?

We're trying to achieve maximum coverage and accessibility of our products throughout the country. Also, the system and our customers are running low on funds. Many of them could not afford to renew their machinery this year. For this reason, Gemedco's employees are doing their best to come up with cost effective solutions for customers. We've hired a recent graduate in Health Economics, whose work is focused on preparing the value proposition for customers. It's very important that patient have the best available technologies to treat them. Building the value around our products also depends on the knowledge around our products. At Gemedco, we've just started implementing training courses to help medical personnel understand how much they can get from our products. Indeed, if they are not educated, physicians will not be able to take full advantage of our products functionalities. Lastly, with regards to our challenges, we do our best to attract talent and motivate them. Most of our employees are Millennials and it was important for us to create a higher sense of purpose to maximise their productivity. A lot has been done to communicate the values of Gemedco and this has worked very well for us.

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