

# EXPORTS WITH A HEART

## U.S. FIRM PROMOTES HEALTH CARE IN LATIN AMERICA

by Curt Cultice  
*Office of Public Affairs*

Al Merritt has always liked gadgets; as a kid, he used to take apart vacuum cleaners and put them back together. Now as CEO of MD International, his gadgets of interest are of a lifesaving variety: medical devices that he helps to export around the world.

“Cardiac equipment, critical care units, operating tables, you name it,” Merritt says. “As a Miami-based distributor we represent more than 30 U.S. medical device companies and help them sell to Latin American markets.”

It was Merritt’s earlier medical sales background that gave him expertise in Latin America and insight into the needs of smaller medical device companies, enabling him to push all the right buttons for launching his company.

“I’ve always had an interest in health care, and in my previous sales job I found smaller firms often lack the resources to employ a sales force to market their products internationally,” he says. “So I founded MD International in 1987, a pretty good year.”

Well, sure. After all, that’s when he made his first export sale too.

“That’s right, Paraguay,” he says. “And I haven’t looked back since.”

Then, again, neither have his customers in Latin America, whose better equipped

medical facilities are helping people reap the benefits of better health care.

“Latin America is undergoing major health care reform with the privatization of clinics and hospitals, and many countries are trying to phase out of the social health care business,” says Merritt. “The result is more buying power for the purchase of high-quality U.S. products which are considered state-of-art in world markets.”

“That’s where we come in,” he says with a smile.

With its deep-rooted knowledge and understanding of the Latin American market, MD International maximizes export opportunities through working teams of doctors, biomedical engineers, microbiologists, and marketing managers from across Latin America. These professionals have expertise in general medicine, ENT, obstetrics-gynecology, ophthalmology, physical therapy, cardiology, surgery, critical care, anesthesiology and imaging. It all adds up to results.

For example, MD International facilitated more than \$400,000 in exports of examination tables, diagnostic equipment and scales to the well-known Clinica Alamana, a German-owned clinic in Santiago, Chile.

“The sale of products to our customers is only the beginning of our customer-driven approach, says Merritt. “We provide hands-on training to medical personnel in the use of our medical devices.”

Merritt should know; that’s exactly how his company was able to land a \$2.3 million contract with the Albert Einstein Hospital in Sao Paulo, Brazil, for operating room tables, surgical lights, Tycos blood pressure equipment, generators for use in surgery, and modular bathrooms for intensive care units.

“Throughout Latin America there is a lot of emphasis on women’s and children’s maternal health, as the population is very young,” Merritt says. “We also sell three times the amount of equipment for treatment of heart disease to Argentina than to Chile.”

Then there is Costa Rica, which recently closed a deal with MD International for the \$1.2 million sale of GE-OEC cardiac angiography equipment for one of their major hospitals.

“Now that was a great sale,” says Merritt with a lot of satisfaction. “We beat out a German competitor in a very hot contest.”

“What is interesting is that there are not many medical devices made in Latin America, most are imported to the region from the United States and Europe, including France and Germany.”

### OUTPATIENT CARE, A GROWING TREND

Merritt likes to think of his firm as an innovator, and with good reason. One example is the company’s design of prefabricated ambulatory clinics. Similar to the concept of a prefabricated house,

the clinics, complete with medical equipment, can be assembled in just four to six months, delivering more immediate health care while saving health care systems money, design time, and planning. Merritt says he expects to secure initial contracts for the soon-to-be-built ambulatory clinics with Latin American countries, the World Bank and USAID.

“In the 1940s and 50s huge hospitals serviced highly-populated metropolitan areas, now the population has spread out and ambulatory care clinics are the best means for providing medical care closer to the population,” Merritt says. “About 70 percent of health care procedures, including ear, nose and eye surgery, can be done at these ambulatory centers.”

“It just makes sense,” Merritt says. “Better health care, at much lower cost, closer to what is needed.”

#### A LITTLE HELP FROM HIS FRIENDS

Ask Merritt and he'll tell you that part of MD International's success stems from taking advantage of export assistance services such as those provided by the U.S. Commerce Department.

“We've had nothing but positive experiences with the U.S. Commerce Department, he says. “I've found the Commercial Service trade specialists like Linda Santucci at the U.S. Export Assistance Center in Miami to be extremely knowledgeable and helpful.”

For example, Merritt was recruited to join a Commerce Department trade mission to help recovery efforts in the wake of Hurricane Mitch in 1999. On the mission, he was able to meet with key government representatives including health ministers and local health care officials from Honduras, Guatemala, Nicaragua and El Salvador.

“I was able to make all the right connections, which I couldn't have otherwise,” Merritt says, “In Honduras,



Al Merritt (second from right), President of MD International and Linda Santucci, Trade Specialist celebrate MD International's receipt of the President's E-Award for exporting.

Photo courtesy of U.S. Commercial Service

for example, we were able to negotiate a contract to replace \$100,000 in equipment at hospitals in both Tegucigalpa and in San Pedro Sula.”

Merritt says that in the long run, his participation on the mission resulted in substantial sales totaling over a million dollars. He says his firm also continues to benefit from extensive export counseling, market research, and trade leads provided by Santucci — assistance that has translated into further sales of exports to Latin America.

Santucci says Merritt has been a client of the U.S. Export Assistance Center in Miami for over five years.

“Oh yes, we've done some troubleshooting for him as well,” she says. “One day he called to say that he had a \$1 million order pending to Venezuela, but it was being held up by Venezuelan Customs because he needed to prove the medical devices weren't intended for military use.”

“I was really nervous,” Merritt recalls. “This was a big deal, but Linda was able to have a letter written by the U.S. embassy and delivered within two days which we presented to the

Venezuelan government, and the deal went through.”

Merritt has also worked with the Export-Import Bank's regional director, Jim Morris, who has helped provide medium-term export financing for many of MD International's buyers. Last year, MD International exported more than \$25 million worth of medical equipment to 28 Latin American countries. The firm has recently begun offering services in medical facilities and equipment planning, hospital interior design, and project management and procurement. In 2000, the company won the distinguished President's “E” Award for achieving outstanding export success.

We had to ask: With all this success, does Merritt still have dreams of toying with vacuum cleaners? “You know, I've really been swept up by the excitement of the medical device business,” he says. “Contributing to the quality of people's lives by helping to alleviate pain is the best reward I could ask for.” ■

More information on MD International is available at [www.mdinternational.com](http://www.mdinternational.com)