“Our growth is definitely driven by innovation and quality”

An interview with Gilles Pierson, CEO of the Acteon Group

During the 2011 conference of the Association Dentaire Française (ADF) in Paris, Gilles Pierson, CEO of the Acteon Group, gave insight into his company’s history, new products and future strategies.

Your business units Satelec, Pierre Rolland and Sopro were unified under the Acteon Group in 2003, followed by your Italian business unit, De Götzen, which joined the group in 2006. At IDS Cologne 2011, you introduced your new corporate identity and the new Acteon logo. What was the main reason for this initiative?

The change in the group’s name is due to the fact that at the very beginning in 1980, Satelec existed and merged with Satelec in 1985 to become Satelec–Pierre Rolland. After 1995, we decided to grow the brands’ recognizability, so we acquired different companies like Sopro and De Götzen.

It would not have been feasible to name all the group Satelec, Pierre Rolland, Sopro, De Götzen and so on. We saw the necessity for a group name while maintaining the companies’ individual names. So the group is the identity of each company in the group, while building a brand name that encompasses all of them.

With a turnover of €113 million and a growth rate of 16% in 2010, last year was a tremendous success for the Acteon Group. Over two thirds of sales were recorded in France. How was 2011 for you, and which markets do you consider most important for the group?

The year 2010 was another big and successful year with a 16% increase. We expect other 9% increase in sales, which is good if you consider the economic situation. Europe will account for a stable 2% and the US for 10%. But the highest growth we are experiencing in China, at approximately 20%. In general, Asia currently accounts for 20% of our global sales, so if we achieve a 20% increase, we will be very satisfied. Countries like Japan and India in particular are very strong markets for us, as was Thailand until November, before floods plagued the country.

2011 and the coming years will definitely be driven by Asia, and especially by China, where we have been doing business since 1987. We now have a team of 40 people there and expect an average growth of 30% over the next five years. China is definitely a booming market.

When we talk to other European companies that sell on the Chinese market, they often mention price sensitivity and the need to adapt to the local price level.

No, I don’t think it’s a question of price—it’s a question of mentality in China. They have cheap copies of all our products there. Twenty years ago, we sold the copies. However, we realised that this was not a good reason because if the company simply copies and reopens in the next garage, you are fighting a lost cause. More importantly, we realised that the Chinese copies are our best advertisements because the reality is very poor and the design is just ridiculous. Dentists first buy a Chinese copy but then they experience so many problems. As soon as they have the money to buy a European product at an European price, they will buy it. The real problem made in China is sold in Europe, but the real Rolex made in Switzerland is sold in China. The proper business-oriented Chinese client with a long-term plan will never buy a fake product.

On the other hand, we are seeing an alarming trend reversal in Europe. There are so many fake or copy products from China imported into Europe with a fake CE number or with a fake ISO 9000. The customs duties in the Shenzhen area do not block these fake products, so any kind of product can enter into Europe. These are healthcare devices to treat patients and they should not put patients in danger.

Do you believe that you will still be able to manufacture in France or in Europe in the future?

Acteon’s policy is to manufacture and conduct research in Western Europe, and not to manufacture in China, South-East Asia, Brazil, India, or anywhere else. Our policy is to produce continuously in Western Europe. Our factories are in France, Italy and Germany. Acteon has established itself in a niche of the healthcare market. This market is driven by quality and innovation. Western Europe is best known for these qualities and, consequently, you have to have your factory here to produce at such a level and to generate innovation based on technology. This is Acteon’s philosophy.

Over the past 30 years, we have invested a large amount of the company’s profits in R&D. We currently have a total of 70 people in our R&D departments in the different companies, and our growth is definitely driven by innovation and quality.

You have invested in the digital dentistry market in particular.

We invest a lot in the dental dentistry market indeed. This is one of the fastest-growing market today and we have reached a point where we are able to offer more or less the complete range of products. Only the panoramic is missing; however, within the next five to six years, the panoramic might disappear from the market and be replaced by the flat panel instead of the linear panel. We therefore prefer to concentrate on the flat panel, with a 2-D or 3-D reconstruction.

No one can deny any longer that the future of dentistry is digital. For example, at Sopro, we manufacture a camera to detect the future of dentistry is digital. For example, at Sopro, we manufacture a camera to detect...