



Exporter Bootcamp

June 20, 2013





AIDE to Healthcare™

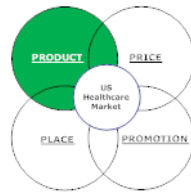
Address unnecessary healthcare costs, processes, and expenditures

Improve safety for the patient or caregiver

Drive compliance and improvement

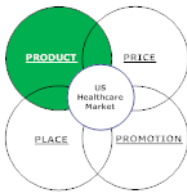
Enhance patient care

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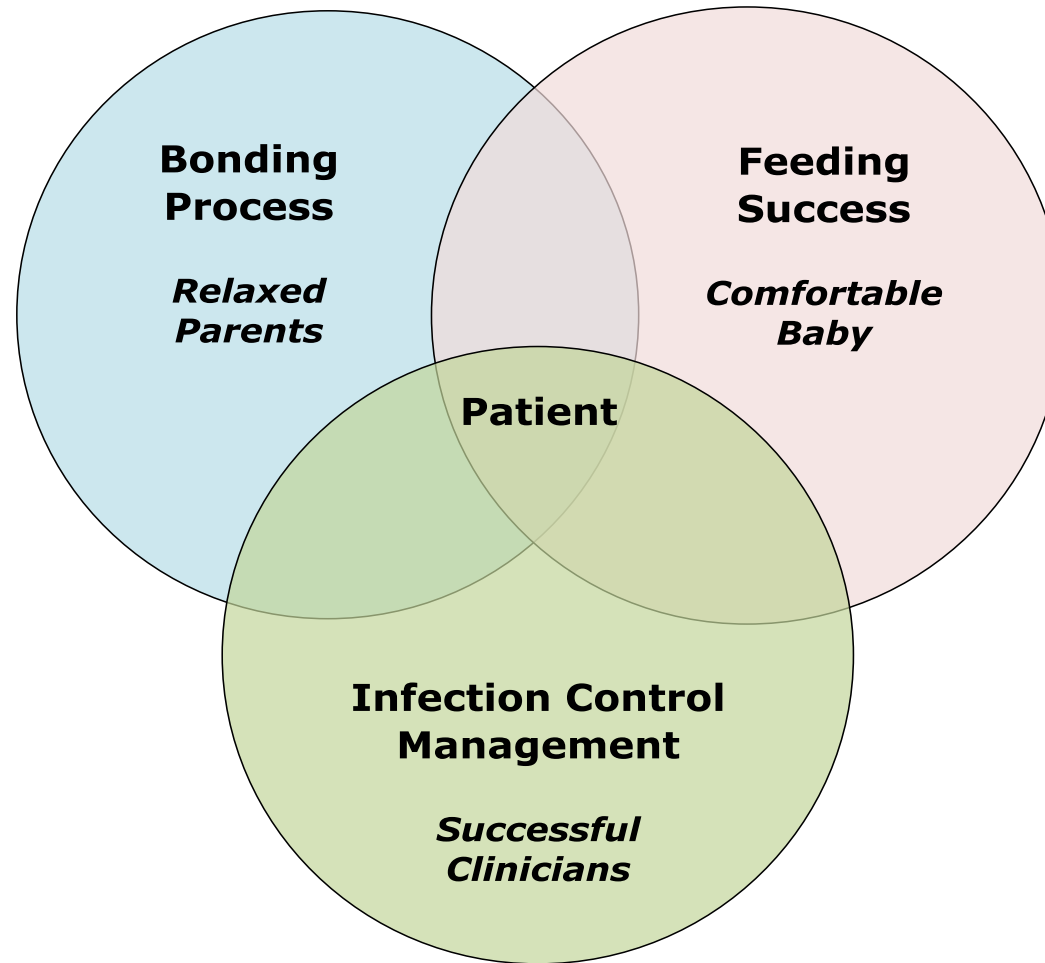


Product

- Identify product categories to pursue
 - Size
 - Complexity
 - Competitors
- Determine current market offerings
 - Product specs
 - Line breadth
- Identify proposed product line
 - Limited product breadth
 - Match or improve on current products
- Investigate regulatory needs
- Discuss manufacturing options

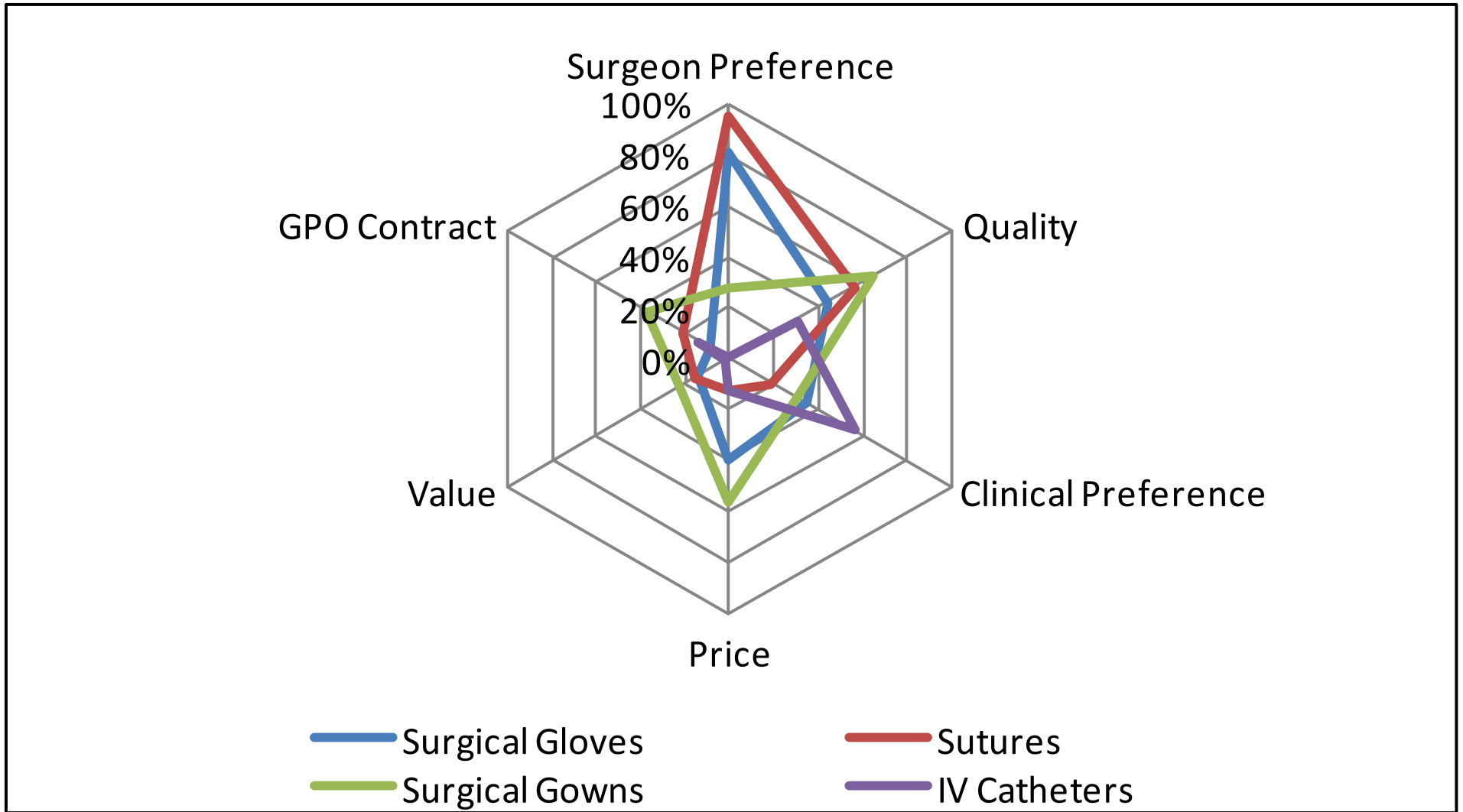


The Perfect Trinity



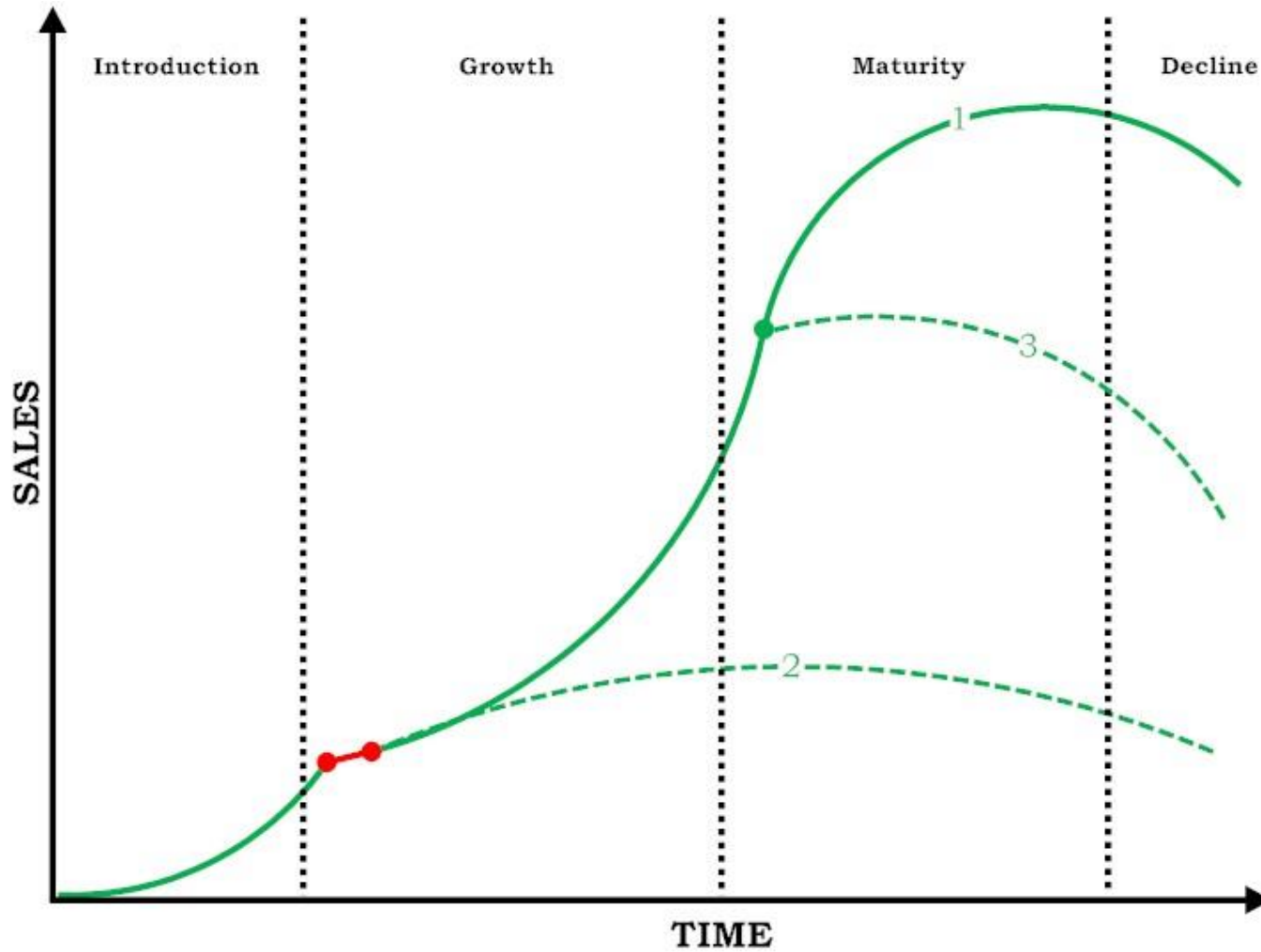
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Why do you use?

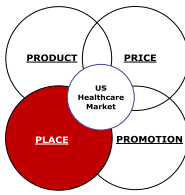




Mind the Gap

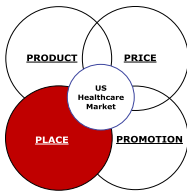


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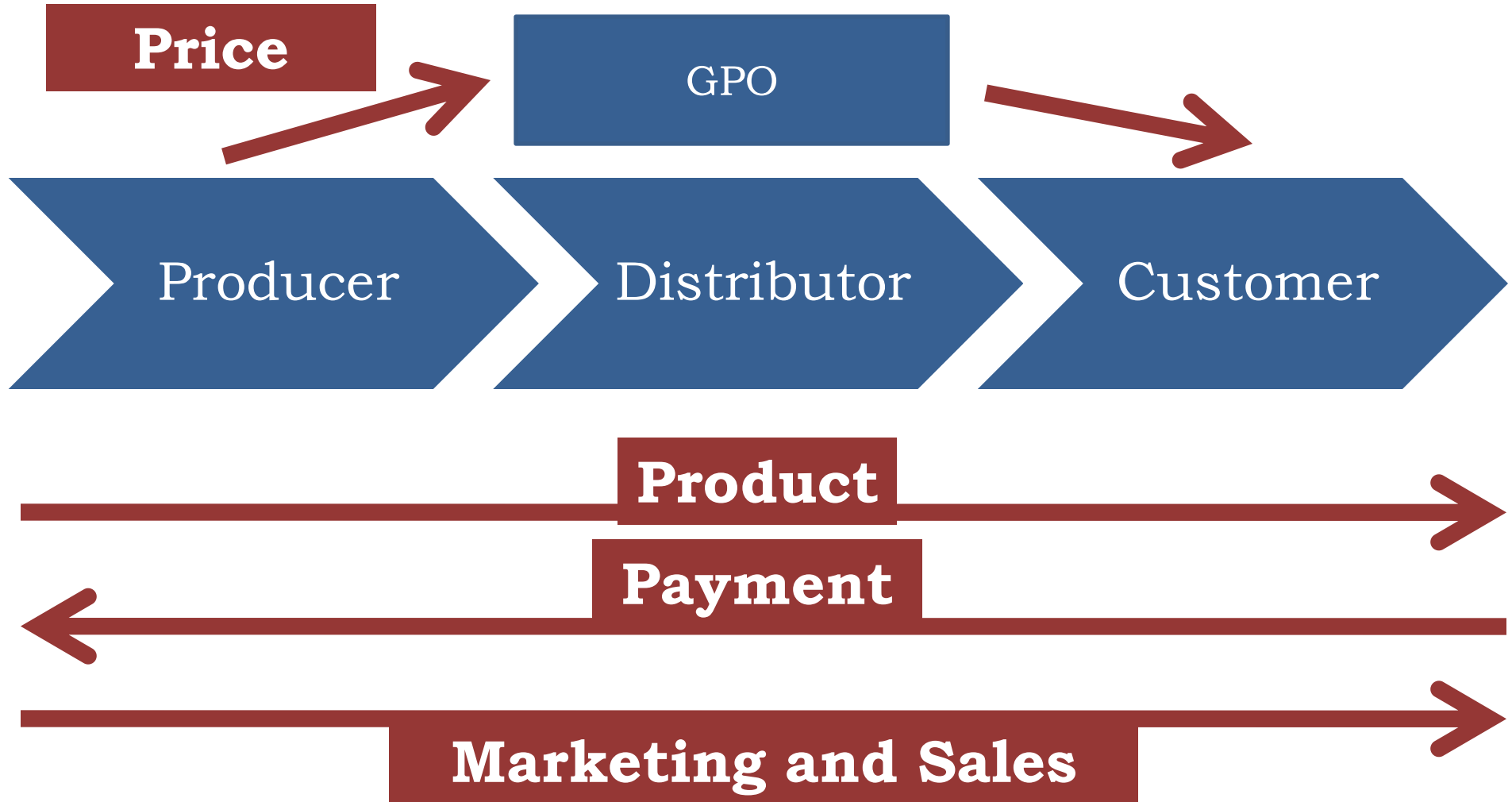


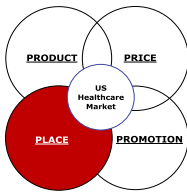
Place

- Identify the current channels used by competitors
 - Sales
 - Distribution
- Determine which channels are best suited for new product line
 - Sales
 - Distribution
- Establish relationships with players in each channel
 - Hospital/IDN coverage
 - Non-hospital coverage



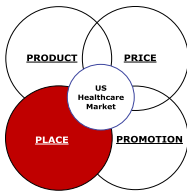
Healthcare Supply Chain





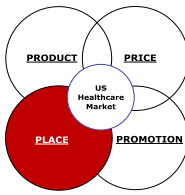
Major Healthcare Markets

- *Acute Care* – hospitals and integrated delivery networks (IDNs)
- *Primary Care* – physician offices and clinics
- *Ambulatory Care* – surgery centers and surgical hospitals
- *Long Term Care* – nursing homes
- *Home Care* – agencies which care for the patient at home, and retail outlets which sell home care items (i.e. walkers)
- *Occupational Health* – on-site care for employees
- *Retail Health* – in-store clinics for minor illnesses (i.e. RediClinic)



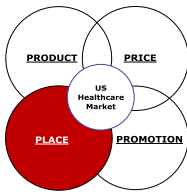
Med-Surg Distributors

- Products
 - Full breadth of products – multiple suppliers
- Geography
 - Distribution Centers in local or regional areas
- Markets
 - Hospitals, surgery centers, physician offices, nursing homes, clinics, etc.
- Operations
 - High volume, operationally focused
- Sales
 - Relationships are deep, and the rep is considered a consultant/partner for all their needs

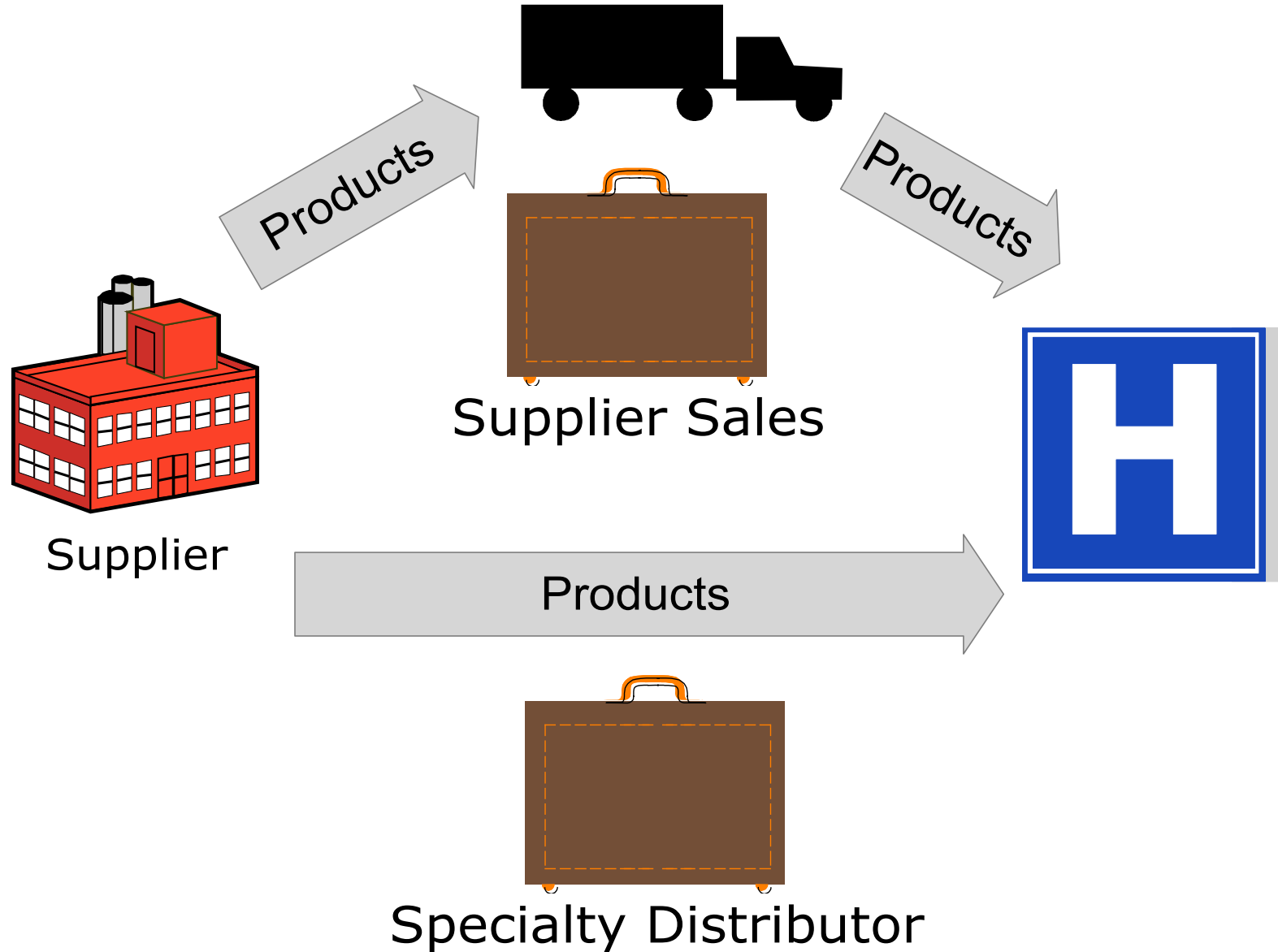


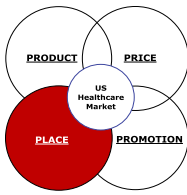
Specialty Distributors

- Products
 - Niche or highly technical products
- Geography
 - Local or Regional with small territories
- Markets
 - Most often surgeon or specialty specific
- Operations
 - High service, high touch model
- Sales
 - Relationships are often deep, and the rep is considered a technical consultant/partner



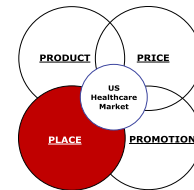
Med-Surg Distributor





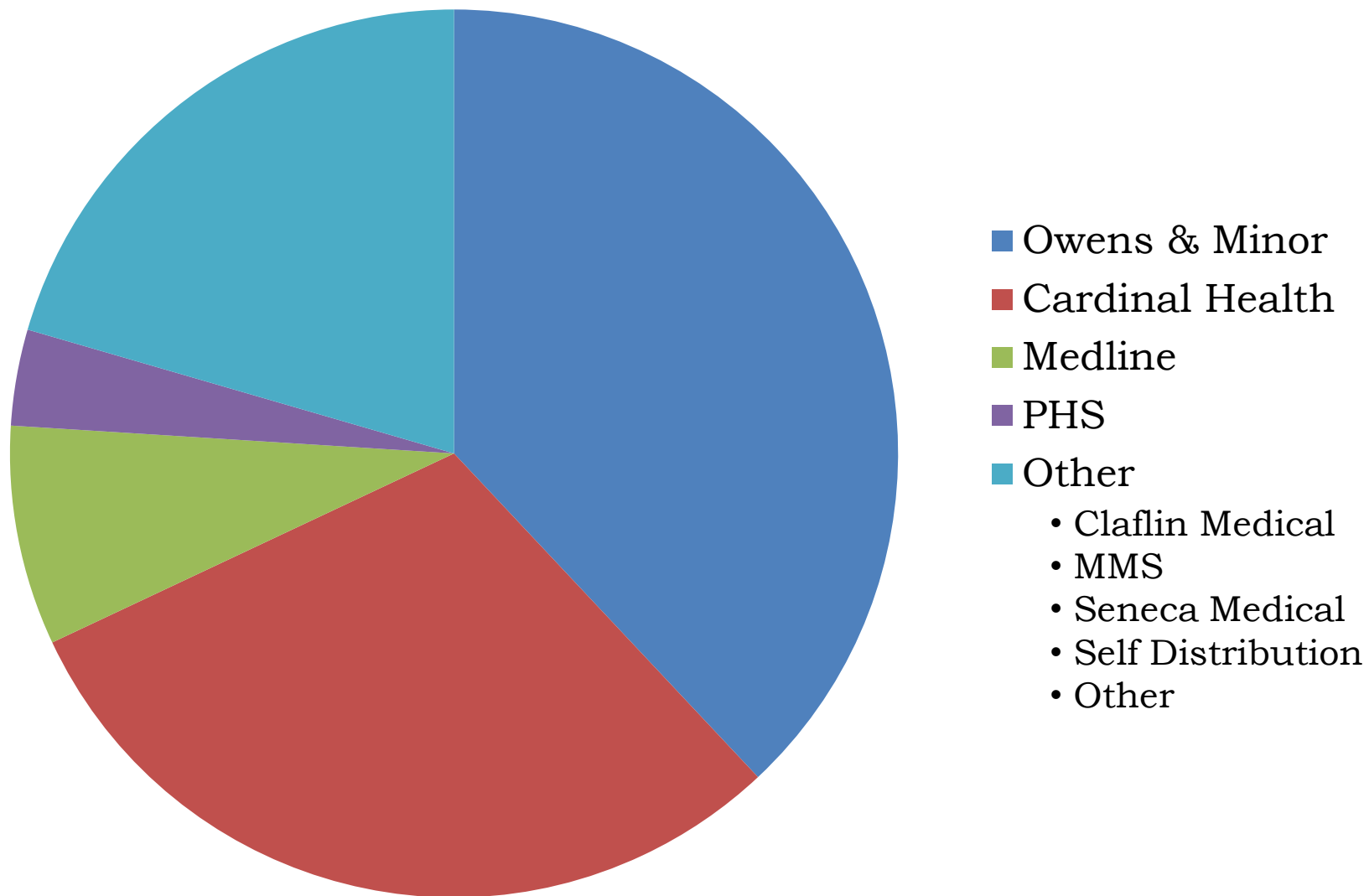
Benefit of Distributors

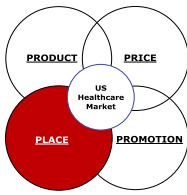
- Operational savings
- Access and Awareness
 - Med-Surg Distributors – No Pull
 - Specialty Distributors – Sales Support
- Relationships with providers
- Marketing opportunities
- Ease of transaction for CUSTOMER



Hospital Market

\$18B Market





Hospital Representative

TERRITORY:

- \$10-45+MM, ~7% GP
- 5-15 hospitals
- Affiliated care locations
- 90%+ time spent in Materials

Fill Rates

Pricing Issues

Convert Direct Prods.

Contract Maint.

Delivery Delays

Product Backorders

Sell Private Brand

New physician items

Intro New Product

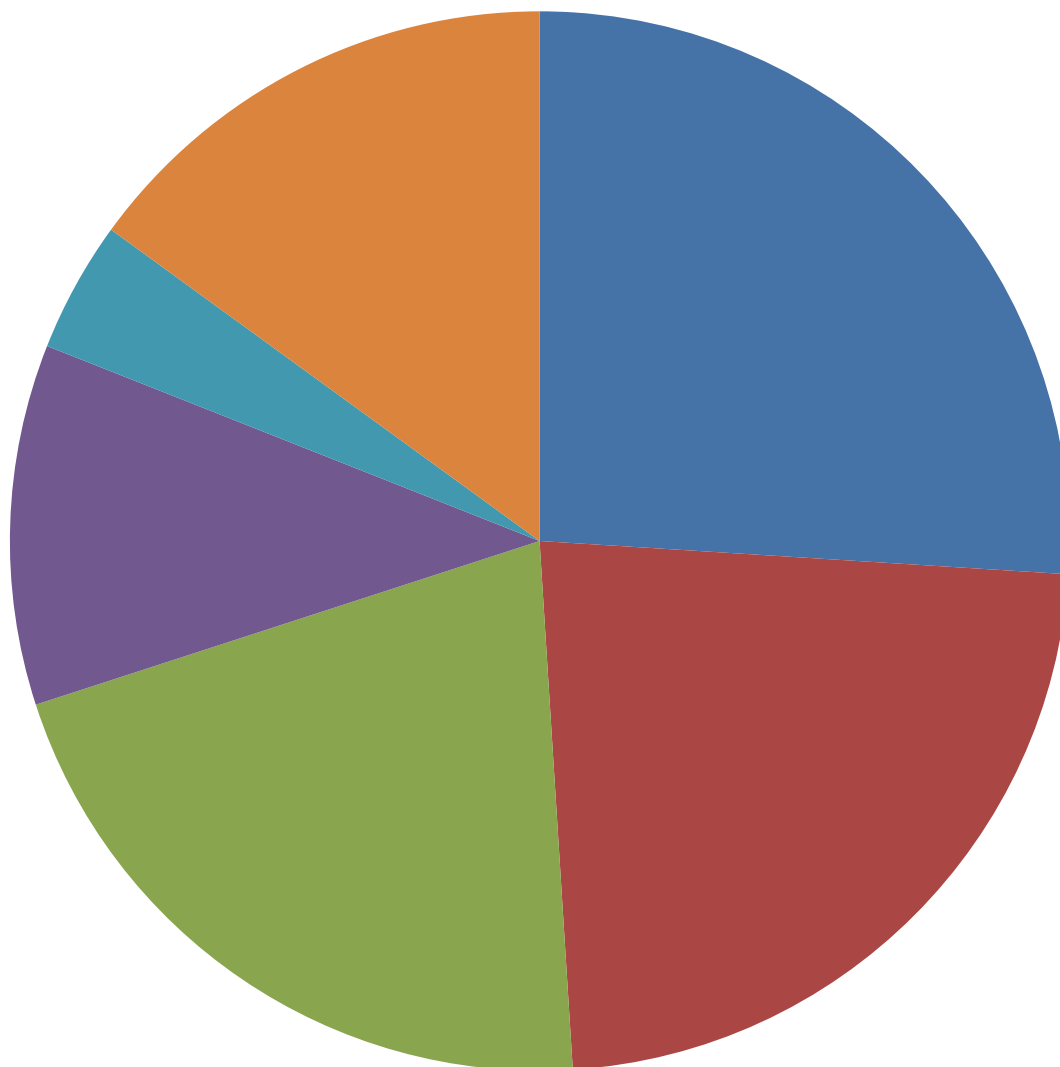
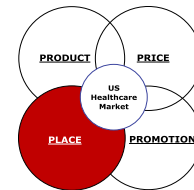
OBJECTIVES:

- Grow the revenue and margin
- Manage the operations
- Seek new opportunities

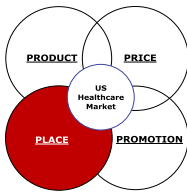


Physician Office Market

\$2.9B market



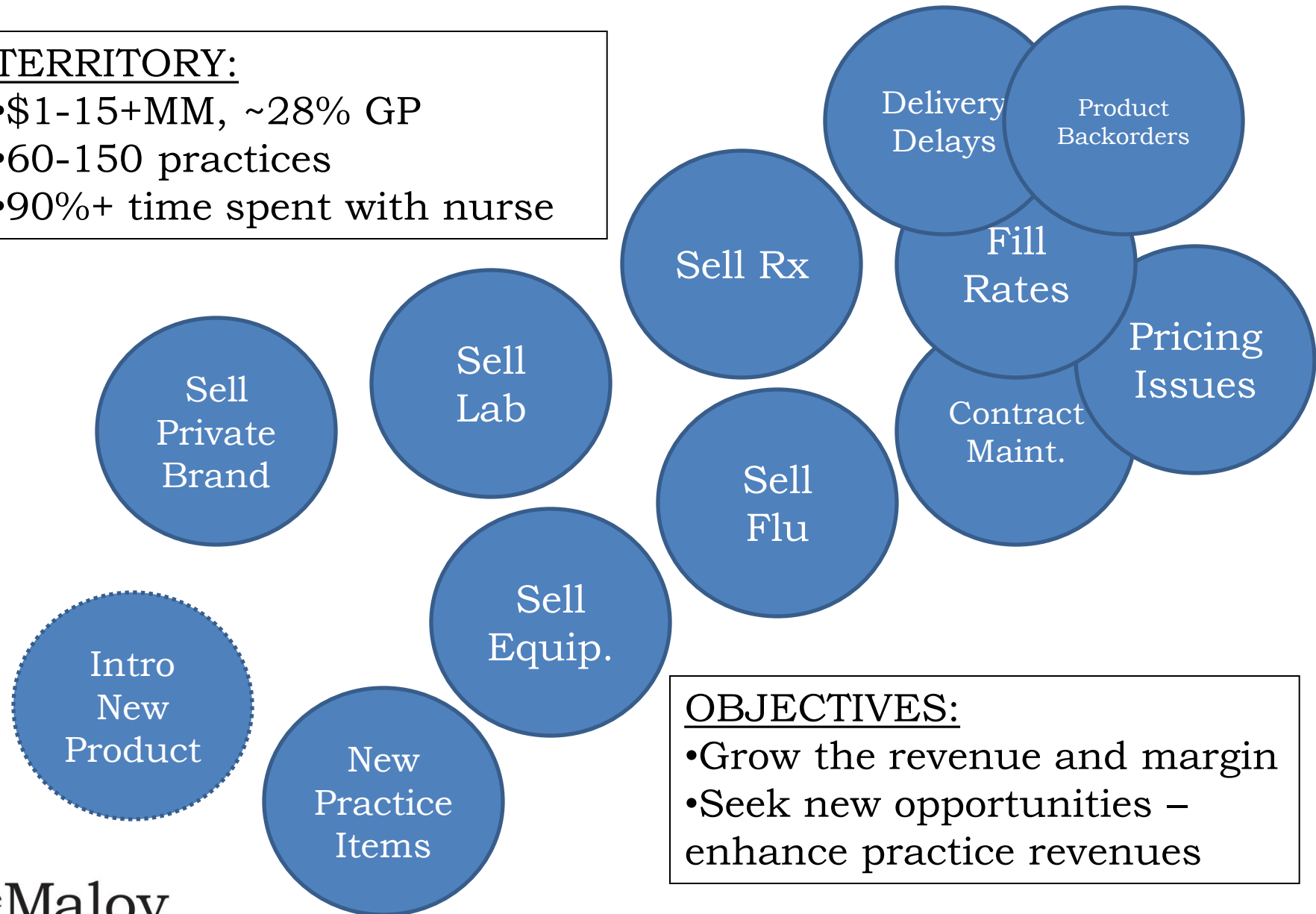
- PSS
- McKesson
- Schein
- Cardinal Health
- Owens & Minor
- Other



Physician Representative

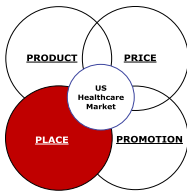
TERRITORY:

- \$1-15+MM, ~28% GP
- 60-150 practices
- 90%+ time spent with nurse



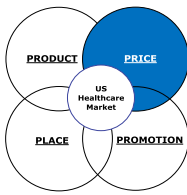
OBJECTIVES:

- Grow the revenue and margin
- Seek new opportunities – enhance practice revenues



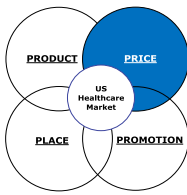
Sales Objectives

- Build relationships and gain the trust and respect of the key decision makers and stakeholders.
- Act as a resource to the customers – “know a little about a lot.”



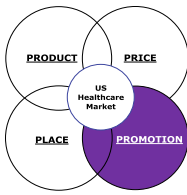
Price

- Determine current market price points
 - Hospital/IDN markets
 - Non-hospital markets
 - Distributor requirements
 - GPO requirements
- Model various pricing scenarios
 - Volume
 - Product Specs
 - Manufacturing Choices



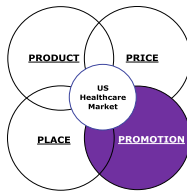
Distributor Requirements

- Payment terms – 2%30, net 30 (45)
- Channel fee – 3%
- Insurance requirements
- Delivered price across network
- EDI requirements
- Marketing support
 - Catalogs
 - Meetings



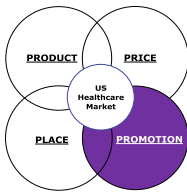
Group Purchasing Organizations

- Novation, Irvine, TX
 - Premier Purchasing Partners, Charlotte, NC
 - MedAssets, Cape Girardeau, MO
 - Amerinet, St. Louis, MO
 - Broadlane, Dallas, TX
 - HealthTrust, Brentwood, TN
-
- Provide awareness and competitive edge
 - Best suited for large categories with 2+ leaders
 - Require operational investment (1-2 FTE) to manage (membership, pricing, rebates)



Promotion

- Establish market positioning
- Identify customer “hot-buttons”
- Determine current thought leaders
 - Speakers
 - Authors
- Pursue “beach-head” customers
- Promote market initiative
 - Traditional media
 - Social media
 - Partners (distributors, etc.)



Distributor Marketing

- Regular communications with customers
 - Flyers
 - Catalogs
 - Sell sheets
- Distributor marketing programs focused on large categories with 2+ leaders and new, high margin, technologies
- Programs can create awareness
- Programs are expensive – as % of sales
- Marketing programs are large contributor to distributor profitability
- Distributor will not create pull