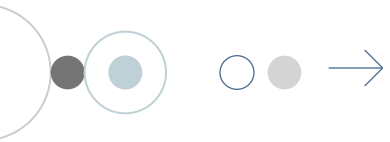


Presented by:  
**John Tierney**  
SVP, US & Canada  
*May 18, 2011*

**WelchAllyn®**



## Company Profile

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### U.S. and Canadian Business Organization

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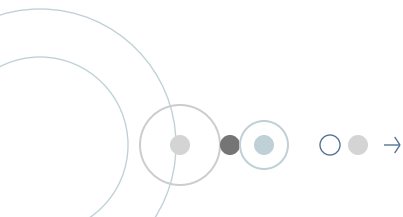
### Why did we Partner with Ops & Supply Chain

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### How do we Work Together?

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### Strategic Collaboration Going Forward



# Company Profile

- **Founded:** 1915
- **Business:** Global developer and manufacturer of medical devices and technologies
- **Ownership:** Privately-held (family-owned)
- **Corporate headquarters:** Skaneateles, N.Y.
- **Operations:** Sales, service, research and development, and manufacturing facilities in more than 50 countries
- **Employees:** 2,600 (worldwide)
- **CEO:** Julie A. Shimer, Ph.D.

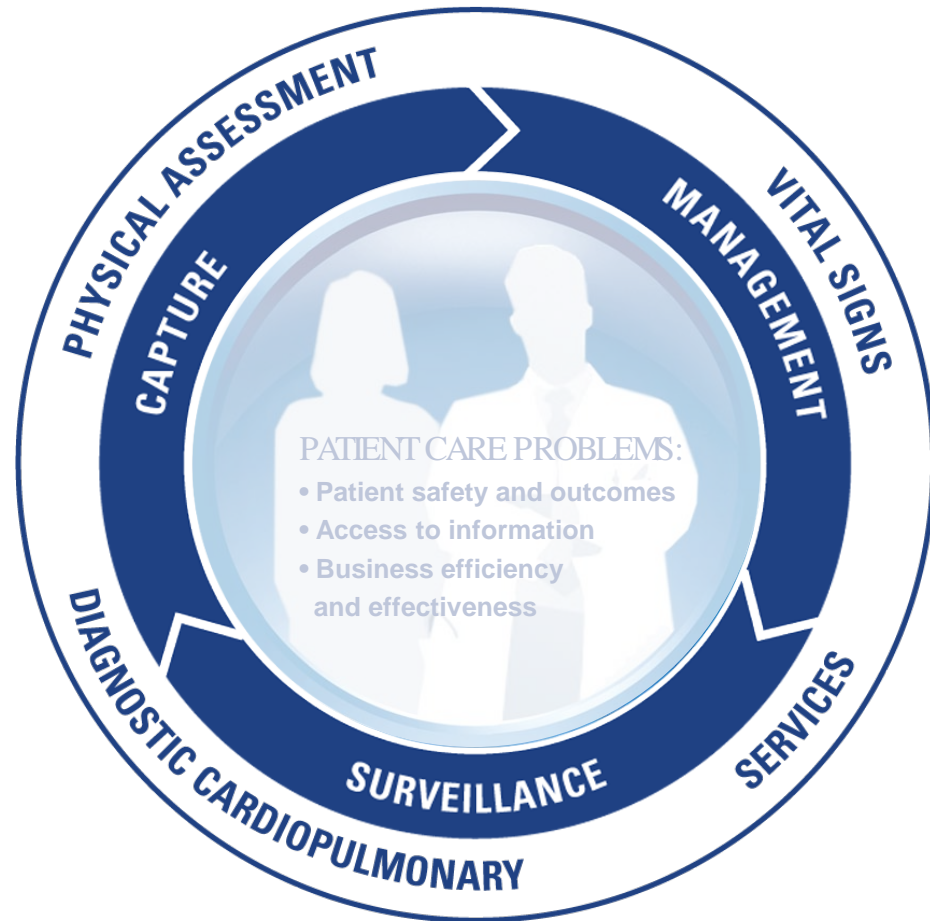
# Welch Allyn Strategic Direction

## Excellence in Core Categories

Our **focus** is the surveillance, capture and management of diagnostic information across the categories of:

- Physical Assessment
- Vital Signs
- Diagnostic Cardiopulmonary

And the **services** to ensure our solutions are meeting our customer's requirements



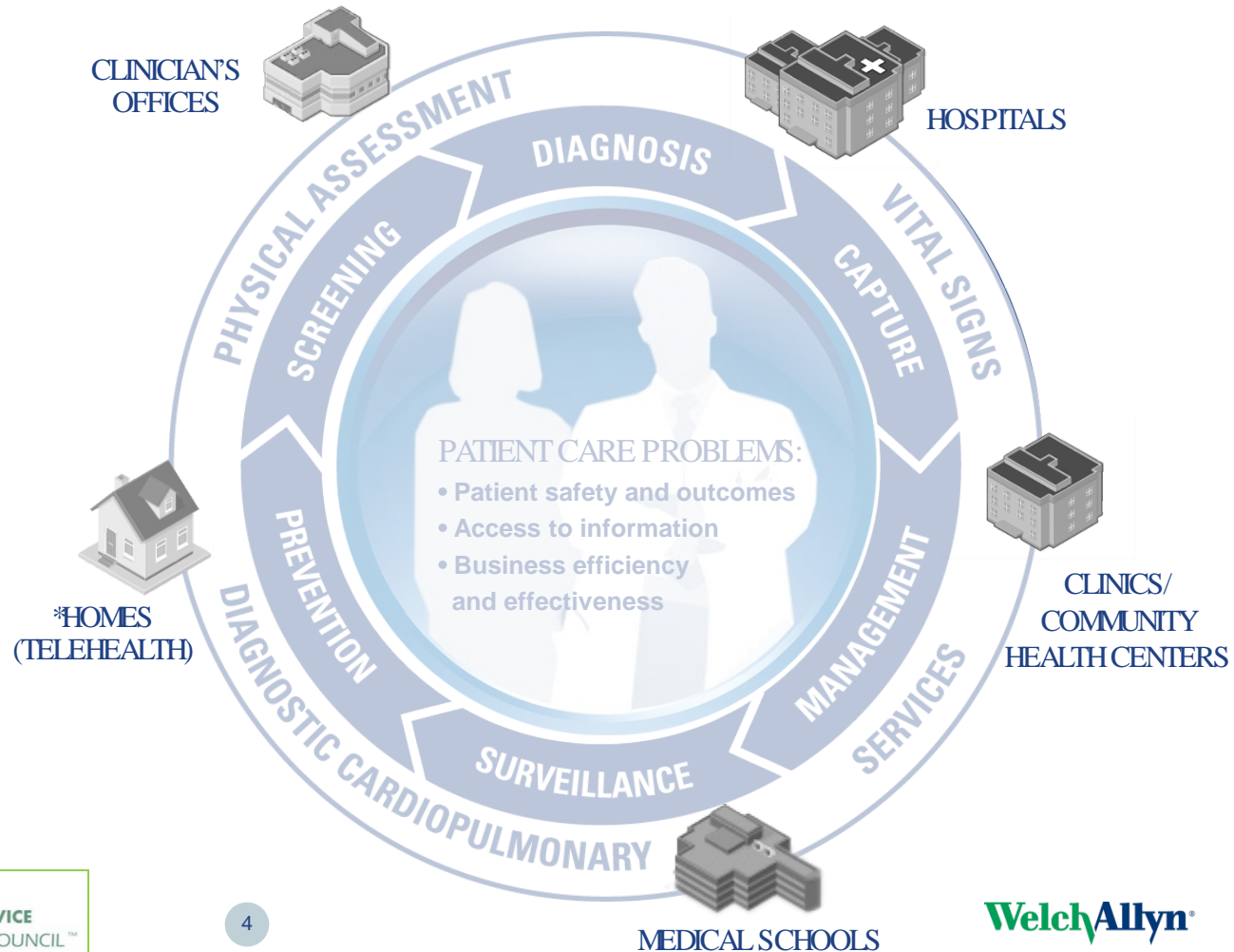
# Welch Allyn Strategic Direction

## Customers We Serve

The customers we serve are healthcare professionals providing care in the following settings around the world:

- Clinician's offices
- Hospitals
- Clinics & Community Health Centers
- Medical Schools
- Homes via telehealth\*

\*Future growth initiative



# U.S. & Canadian Business Organization

## Product Mix

- 33% Disposables
- 33% Instruments (*non-surgical*)
- 33% Capital Equipment

## Market Segments

- 50% Hospital
- 40% Physician Office
- 10% Special Markets

## Go to Market Model

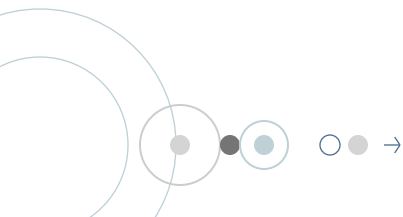
- Predominately utilize medical/surgical distribution as our supply chain.

## U.S. & Canada Organization

- Acute Care team
- Ambulatory Care team
  - Both are supported by Corporate Accounts and Strategic Accounts*
- Canadian team
- Special Markets team
- Franchise Marketing
- Sales Operations
- Business Intelligence

## Functional matrix support

- Ops & Supply Chain, HR, Finance, Service, QA/RA



# *Why did we partner with Ops & Supply Chain?*

## *Things are changing!*

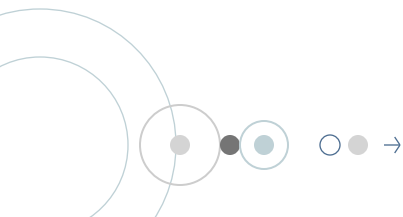
- Historically, had many smaller, regional channel partners with limited systems capabilities and virtually no supply chain initiatives or expertise. Functionally, Sales was the only contact with channel partners.
- Roll-up within the medical distribution industry has changed things:
  - Acute Care: 2 dominate national distributors, 1 fast growing national distributor, and a few regional's.
  - Physician: 4 national distributors, and still many regional's.
- Supply Chain executives now in place with many distributors and expectations are changing.



# “Big 5” Team Approach

- ✓ National channel partners require , and benefit from, multi-functional support and relationships.
  - Sales Management
  - Marketing
  - Supply Chain
  - Customer Service

*We all work together, with close communications, to build our business and relationships across all functions.*





# *Business Development Partnership*



- ✓ 2010 acquisition and integration was lead by Operations and Sales.
  - Close collaboration on building the financial model, go to market strategies, and integration plans.

# *Regional Strat Planning Leadership Team*

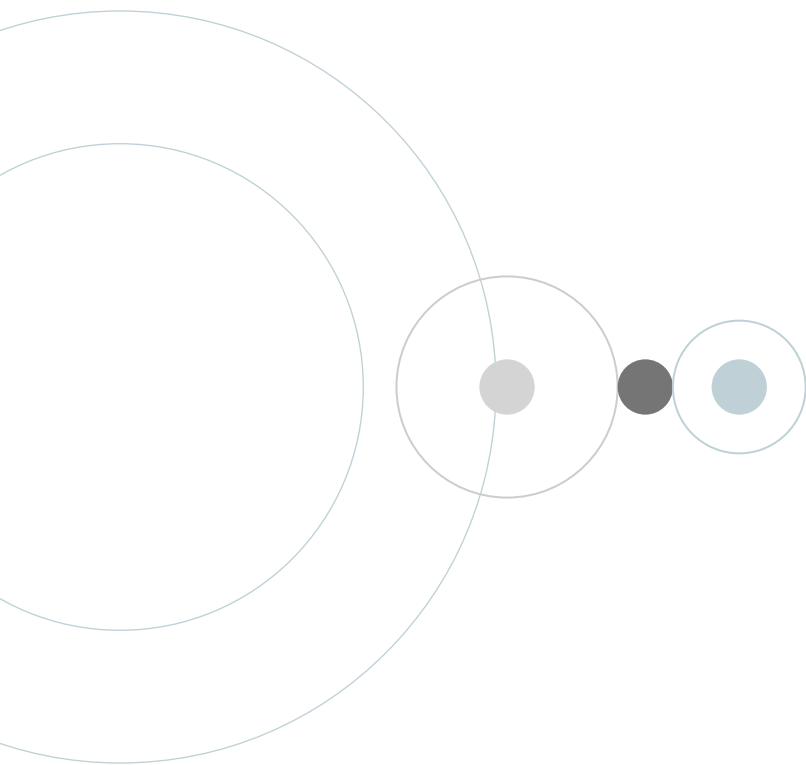
- ✓ US/C Regional leadership team, consisting of functional leads which includes Supply Chain, meets regularly to review results, progress and discuss changes to the strategies we have identified for our success.



# *So, is there a future for Operations/Supply Chain and Sales to continue to work together?*

## ***Absolutely!***

- ✓ Channel is continuing to change, “Walmart model” may not be far away?
- ✓ Increasing global competition, combined with the global supply chain, creates challenges/opportunities for all of us.
- ✓ Pressures on margins mean we all have to work together to find solutions.



**Q & A?**



**MEDICAL DEVICE**  
SUPPLY CHAIN COUNCIL™

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