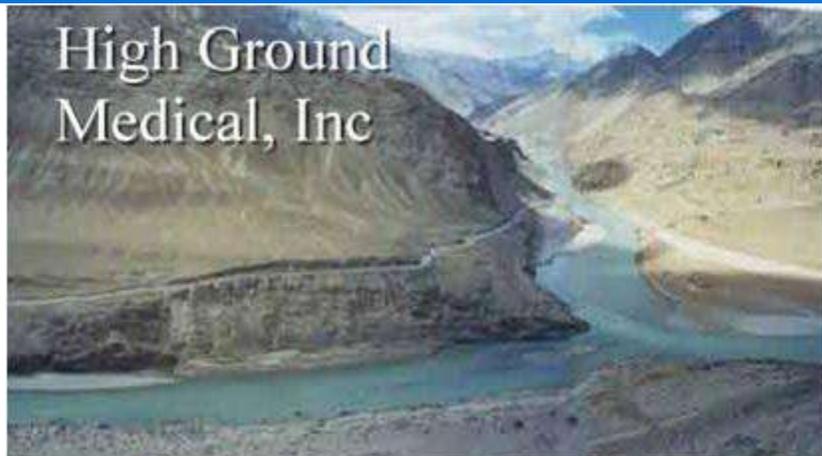


November 28, 2012

VISTAS is back!

.....
NEW BONE MODELS

.....
What's New in the Market



VISTAS is back!

What you can expect

VISTAS is back! We were off line for a while, with a lot going on, but we're back now and will continue to provide you with market insight as well as some interesting things we've come upon. VISTAS will continue to be an opinion/editorial based platform. We'll add market numbers and stats from other sources from time to time but unless otherwise stated - it's our opinion. If you see it differently, let us know; we are seeking input. If you've got a technology that you'd like to see shared with the folks who read VISTAS, great! We're happy to discuss it and include it if it is appropriate to our readers.

In the near future we'll share with you some sales hiring/sales management tools that we are currently testing; so far it is shockingly accurate. I took a profile questionnaire and it gave back a report that described me a little too well!

We're looking at how companies and distributors can work together to manage the hospital sales barrier that is "credentialing". We're looking for distributor input on this topic; tell us

In this issue we'd like to introduce you to a new company that is leading an innovative way to present your products to orthopaedic surgeons and allows you to **differentiate your distributorship/product** from others. Take a look at the **NEW BONE MODELS**. Finally you can do a knee or ankle demo without the bones flopping all over the place and the bones are easy to exchange. I'm really impressed.

We are also sharing some new companies and technologies that have impressed us. Ultrasound has been around for a long time but it's being used in new and innovative ways, providing revenue sources for physicians, quicker treatments for patients and advancements that are taking into new areas including cancer treatment. Check it out below in the **What's New in the Market** section.

Thanks for your continued interest and if there are any areas in which you feel the market is lacking information please let us know and we can include it here.

Thanks and best regards,
Bill

NEW BONE MODELS

Medical Models Ltd.

Give your reps better tools to SELL

One of the best ways to show a surgeon your product is to get the instruments into his/her hands, right? We sell to one of the most tactile customer bases in the world, so getting their hands on the instrumentation is critical! Getting them to commit to a cadaver lab is one thing; getting them into the lab is still more challenging. It used to be easy to bring in a demo set, bring in lunch and everybody would want to give it a try. When the lunches slowed or stopped, the effectiveness of the tools we use were scrutinized a little more closely and the question of "is it realistic" started companies down the path of limiting demos and putting requirements that just weren't realistic. Add to that the reduction in surgeons' willingness to spend any time with reps to see new products and the sales force runs for the cover of "keep the business we have".



You need to focus on **selling** new products and current line products to new surgeons. To do that you have to get the surgeons to see, learn, and experience the new technology. Bone models have historically done that to an extent but we've all had to hold the femur in place and explain that "**without the ligaments it works differently**".

A system from Medical Models Ltd. addresses many of the issues by adding compression to ankles, knees and hips. Finally you can do an ankle model without adding bungee cords and looking unprofessional! Imagine knee models that allow you to use the tibia to reference your femoral cuts and show that a system balances the knee. Check it out; if you have any questions you can contact Jaime High (jaime@hgmed.com) or Bill McDonald

(bill@hgmed.com) at HGM or contact Medical Models directly in the UK. You can also go on the link above and place orders directly on-line.

What's New in the Market

What we're seeing that you might not

Business Development:

We've been working with MedVestors, "A prime venue for showcasing new medical device technologies, promoting the partnering of emerging companies with the investment community", for about 9 years. At the meetings there are always a few educational presentations, either on the market, regulatory trends, liquidity strategies, etc. This past meeting was the first we had in over a year since the investor appetite has not been what it was. Lets face it - everybody was nervous about the unknown (tax rates, etc.). Well, now we know with the election behind us, what the take from the investment community was, in a word, bleak. You can see the companies that presented by clicking on the link to learn more.



[Learn More](#)

Products, Technologies and growth trends:

You may want to click on this link to see an impressive new instrument that is revolutionizing the trigger finger market! We're working with SonicSurg to build their distribution network for unique technology. If you are in the hand product market take a serious look, this product is getting its share of attention from fellowship trained hand surgeons.

Ultrasound! I know what you are thinking, that is OLD technology. Wrong, we're seeing the new high definition ultrasound making its way into doctors' offices. They are the size of a laptop and provide surgeons the opportunity to diagnose right in the office. No more sending somebody out for an expensive MRI, and the doctor gets reimbursed. Also, by moving certain procedures into the office, the the payment the surgeon sees actually goes up. We attended a SonoSite course in FL last month and learned a ton! Many procedures may be moving upstream, from the OR to ASC or from the ASC to the doctors office. That makes life better for the surgeon, patient and third party reimbursement.

More ultrasound! One company is using ultrasound and measuring it with light. "ULTRAWAVE applied its proprietary Radar and Processing Engine Technology to create this new modality that offers the benefits of current technologies; resolution (MRI) and contrast (Ultrasound) combined in the same image. The technology will provide clinicians with better image quality to make better decisions."

Ultimately ultrasound is expanding at a very fast pace. We researched it and the ultrasound market is growing at a CAGR of 5% over the past 10 years and expected to do so for the

next 5 taking it to \$5.6B. The MRI market is expected to be about \$5.7B in 2017, the two segments will make up over 40% of the diagnostic market.

Attention Distributors seeking to add introduce new products; we're seeing an important distribution trend!

We've seen some interesting trends on the distribution side as of late. One of them is the strategic thinking small territory distributor covering greater geographic territory without financial risk. Smaller companies who often rely on the smaller independent orthopaedic distributor/agent structure have needs that are not being met to get the coverage and surgeon access they need. What does this mean?

The opportunity is for the distributors who are willing to give the companies what they need. Companies are looking at the very fragmented distribution market and realizing that some distributors have a reach of 5, 10 or 15 surgeons, not the entire state, or significant region of the state, as they may have initially indicated. What does this mean for distributors? Smaller territories for those who want the status quo, for one thing, but a huge opportunity for the smart distributors who are open to creative growth strategies. The opportunity lies in coordinating full state or region coverage that matches the companies' needs. For instance, if you are a hand distributor in FL, and your main territory focus is Orlando to Tampa, you had best be coordinating with a group covering the "gold coast" region or at least the "space coast" region. Better yet get the panhandle, "first coast", and try to lock up the state, but then be doubly smart. Set the contract around your territory and a separate one for the area(s) you have coordinated coverage. Here's the final piece of the puzzle, set it up so if the company cuts you out of the second, third, etc. portion of the territory, you get an override for a period of time. What you are providing the company at the start is the access to the surgeons, in this case through a sub-distributor but it is seamless to the company. They need the access you and your partners can provide it. It's only after the sales management team is built and somebody is sure they can get more performance out of the sub than you, that a company would make the move (and if you're not having that group hitting it out of the park, you should have been looking at making that change anyway!!!!). You effectively become the territory manager.

The successful companies are using distributors differently. They recognize that with a new technology the reps are cautious to introduce new, advanced technology, especially if the rep runs a risk of looking ignorant or anything shy of a top flight. But, what they can introduce is the company; that's where we are today - distributor = sales introduction. We've heard reps referred to as GPSs, door openers and a few demeaning terms from folks who have never made a call in the field (We'll have more on this trend in our next newsletter).

In conclusion, you can focus on your local business but ultimately cover a larger area. Just coordinate with other small but geographically (and product line, if possible) focused distributors in your adjacent territories. It will help you land the new technology companies

that are bringing out the latest and greatest products. It will help them cover their markets and still provide the access they need to get into your territory and have you both mutually expand your businesses.

If you have any feedback on this please feel free to send it to Bill@hgmed.com

High Ground Medical, Inc.
Bill McDonald, Founder
Managing the confluence of technology and
distributions



*Forward VISTAS to a
friend!*

STAY CONNECTED

