

CASE STUDY: MEDICAL IT EQUIPMENT



COMPANY PROFILE

- Canadian equipment manufacturer
- Industry specialist since 50 years
- Multiple manufacturing divisions
- Expansive product range

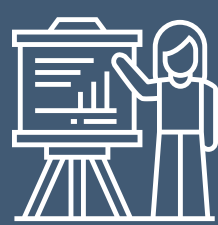
NEED FOR SALES EXPANSION

Looking for revenue growth, grow economies of scale and a larger global market share "IT Equip", decided to expand their solutions to the European IT and electromedical industry by offering their IT equipment accessories for medical hardware solutions. As "IT Equip" felt they had to overcome language and time zone barriers, they chose to have a European-based team with a dedicated focus and local knowledge of the European public and private healthcare industry, by starting a venture with EuroDev.

During the sales outsourcing program, EuroDev provided the following benefits:

- Understanding of the market including rules & regulations
- The removal of language barriers and fluent communication with local time zones
- The identification and qualification of the market potential
- Flexibility in planning and execution

EURODEV INTRO PROGRAM



During the 4 month introduction program key markets are researched to better understand the general landscape and purchasing behavior for the selected "IT Equip" solutions. The prices and services of the competition were analyzed to help determine the market position, opportunities and threats. As the IT industry is dynamic and new innovations are constantly introduced, trends and regulations are also researched to have a greater understanding of the mid-term developments and insight into the risks involved in entering the European market.

The European team selected 11 distributors in Northern and Western Europe and subsequently scheduled meetings with these parties. Several products were price competitive and a need for reduction of shipping costs due to low volume per purchase orders of hospitals throughout the year.

GAME PLAN

To overcome stock issues, the European team and "IT Equip" decided to sign an exclusive agreement with one distributor for several countries. The distributor acts as a master dealer and manages the logistics and shipments throughout Europe. Several markets in particular showed a better potential for the products than others countries, further increasing the need for several distributors to enable access to more hospitals.

The chosen channel types are medical IT distributors that are selling medical panel PCs, medical screens, and medical IT accessories among other things. To increase brand awareness in the industry, the team developed marketing materials and attended several trade shows. The price competitive products were chosen to open the doors and enable upsell of other products.

RESULTS

In three years 12 active distributors with reps across the country have been set up, trained and managed. Support tools were developed to ensure the distributors can operate as independently as possible, thereby increasing customer service levels and lead times. Additionally, several distributors were set up as they decided to offer the "IT Equip" solutions as complementary products to those they already had, resulting into multiple sizeable orders per year. Demos within hospitals are organized and a bottom up approach is taken by the EuroDev team to help distributors to get opportunities in hospitals.

This has resulted in quadrupled European sales compared to three years ago, despite the market being highly competitive and dominated by three players in the industry. The main drivers for success were price, service, product innovation and working through distributors, unlike the competitors that go direct.

NEXT STEPS & CHALLENGES



The main growth drivers for "IT Equip" are new hospital buildings or requests for replenishment of the IT equipment by hospitals. There are relatively few buildings being built and replenishment of the IT equipment requires highly active distributors that have access to the key decision makers in hospitals. As the life cycle of the products is long, the window of opportunity for sales or replacement is small, hence having more distributors with a regional focus is key to targeting the opportunities as and when they arise.

The market is highly competitive and opportunities for innovation within the selected solutions are scarce. As there is limited room for innovation, price and service are the main sources of differentiation. "IT Equip" has launched a new product, which opens doors to novel types of distributors. The focus will be to increase economies of scale to operate with a competitive price to increase market share and launch more new products. An additional challenge of having over 5000 SKUs, is it makes the logistical process more complicated and emphasizes the need to launch spare part stocking packages per distributor.

WHY CHOOSE EURODEV?

EuroDev, established in 1996 with offices in The Netherlands and France, has a single, defined purpose to help mid-sized North American companies expand their business in Europe. We have developed a proven, successful development model: since our founding, we have partnered with over 250 SMEs to help them define and meet their European business goals.



SALES OUTSOURCING
Dedicated sales and marketing teams for North American manufacturers who want to expand in Europe



HR OUTSOURCING
Professional employer organization services, HR management and recruiting solutions across the EU



DIGITAL MARKETING
Result-driven B2B marketing for North American companies, at the service of their European clients

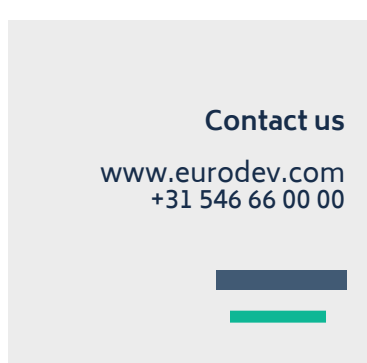
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