Metal Distribution for Medical Devices
Market and Key OEM’s

World’s Most Valuable Companies
Market and Key OEM’s

GLOBAL ORTHOPAEDIC MARKET

2009 + 7.2%
2010 + 8.9%
2015 + 28.2%
Top 10 Orthopedic Device Companies

$7.3  Stryker
$5.6  DePuy
$4.2  Zimmer
$4.0  Smith & Nephew
$3.7  Synthes
$3.5  Medtronic
$2.7  Biomet
$1.0  DJO
$0.6  Orthofix
$0.5  Wright

TOTAL $33.1b
Medical Equation

NEED
• Right Material (OEM-ASL)
• Right Quantity
• Right Place
• Right Time
• Right Price

= RESULT-POSITIVE OUTCOME
• OEM/ Subcontractor
• Hospital
• Doctor
• Patient
Medical Titanium Sourcing

SPONGE → INGOT → MILL PRODUCT

OEM

OEM Subcontractor → Coater/Fabricator → OEM

Distributor → OEM Subcontractor → Coater/Fabricator → OEM

OEM Distribution Center → Hospital Doctor → Patient
1. Advance regulatory science and innovation

2. Strengthen the safety and integrity of the global supply chain

3. Strengthen compliance and enforcement activities to support public health

4. Address the unmet public health needs of special populations, and

5. Advance medical countermeasures and emergency preparedness

General Accountability Office (GAO)
GAO calls for improved recall procedures from FDA

Food & Drug Administration (FDA)
“Continuously hammered by Congress, GAO, news media and the international health community, the U.S. FDA has responded with a five-year plan that could have far-reaching consequences for the medical device industry”
Issues

• Global Supply Base
• Global Customer Base
• Global Manufacturing (Sometimes different expectations)
• Variety of Mill Products (bar, sheet, coil, plate, etc.)
• Variety of Metals (titanium: 6/4, CP1, 2, 3, 4 6/4 Eli, CCM, 316 LVM, etc.)
• Cost
• Quality:
  Governing Body Oversight (EOA)
  OEM ASL (Approved Supplier List)
  OEM Specifications and Expectations (sometimes differ with same OEM)
Audit – Both Internal and External
Resolutions

• People, Tenure, Training
• Quality
  – ISO 9001 and AS9100 approved (now Rev C) since 2002 and ISO 13485 and 21CFR CH 1 compliant
  – Procedures & Processes Consistent
  – ERP System Isolates Inventory
  – Bar and Color Coding, Line Marking
  – Internal and Vendor Continuing Audits
  – Dedicated Quality Personnel
  – Continuous Improvement
  – Preventative Action Systems
Resolutions (cont.)

- Global Locations
- Recognizing Supplier “Sweet Spots”
- Near Net Shape
- Scrap Credit
- Maximized Yield
- Continuous Cross Training
- Risk Aversion Assessment
- Formal PM
- Formal Monthly Review
- Key Company Metrics
- Formal MBO
Worldwide Locations

Global locations allow global sourcing, close to mfg. and customer
Cost of Possession

- Inventory Financing
- Inventory Taxes
- Building, Rent, Taxes & Depreciation
- Insurance
- Obsolescence, Pilferage Loss
- Damaged Inventory
- Scrap Loss
- Material Handling
  - Depreciation
  - Energy Costs
  - Maintenance
- Labor to Guard & Move Material
- Accounting for Inventory Management & Labor

Real *Cost of Possession* is in Funds Diverted from Core Competency of Business
Customer Service Creed

• Consistently and proactively provide accurate and honest information, in a timely manner, with a positive and professional attitude.

• Know our products and services, my customers (internal & external) and their products and services in order to provide solutions and exceed expectations.

• Strive for Continuous Improvement of Quality, Safety & Efficiency by obtaining feedback, taking responsibility for continuing improvement, and rewarding outstanding performance.