

From Product to Customer marketing

An approach to involve sales & marketing into a customer centric common process

Woundcare : 20 years of high-tech evolution leading to a dynamic market

From

Low-tech to high-tech medical devices

Gauze type products for all wounds

Tulle-Gras as post-op standard

No organized clinical society

No guidelines – reference protocols

Nurse driven (vs Surgeons, MD)

Low to no education of MD during studies

Establish behavior in drying the wound

To modern protocols / Devices

Local and International Woundcare societies

Moist-Wound Healing as standard of care

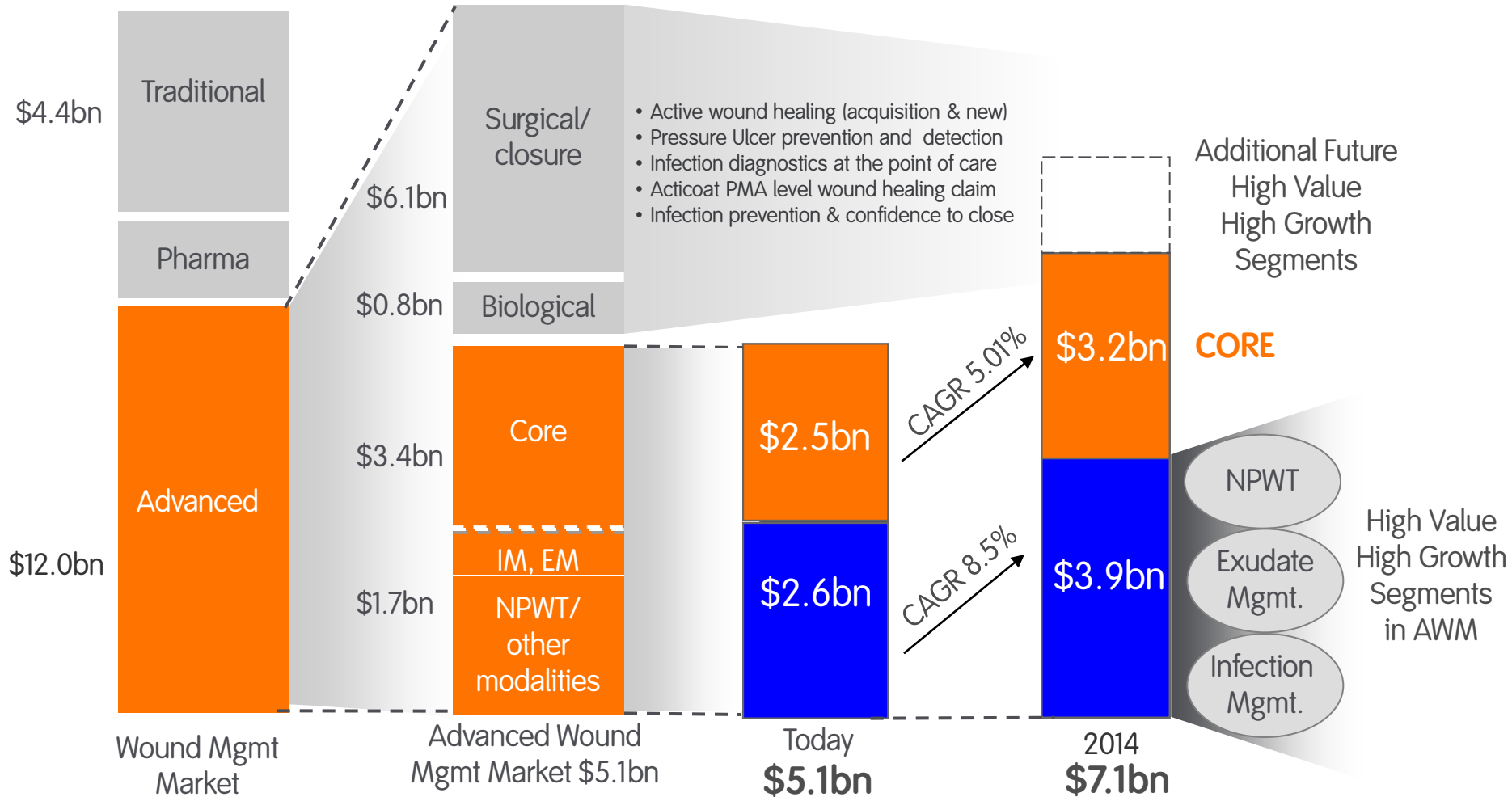
Specialized dressings per wound type

Active dressings (nano-technologies, silver, growth factors)

Negative Pressure Wound Therapies

Specific woundcare diploma

AWM High Value, High Growth segments include: EM, IM, NPWT, Emerging Markets & select future adjacent investment opportunities e.g. RIO



The AWM Market: Our Strategy in this Competitive Landscape

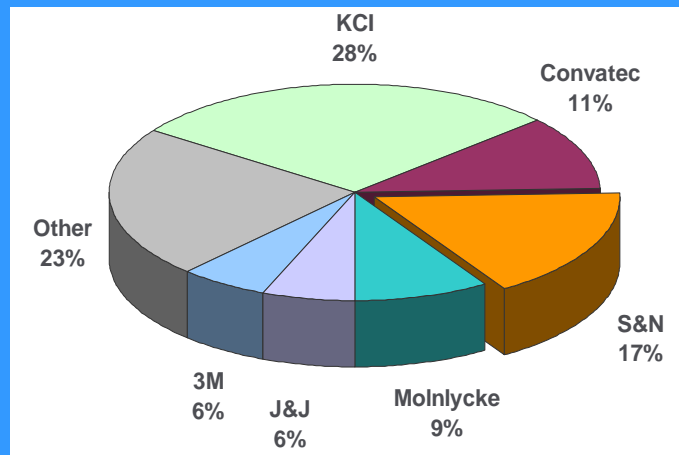
Total AWM Sector 2008

	Market Size (m)	Market Growth	S&N share	Growth driven by
NPWT	\$1,679	16%	2%	Market Expansion
Exudate Mgmt	\$632	11%	41%	Mepilex
Infection Mgmt	\$477	10%	19%	Aquacel Ag
Surgical Debridement	\$357	15%	6%	Procedure Growth
Films	\$544	5%	15%	Tegaderm
Other	\$1,658	-3%	22%	
TOTAL	\$5,347	8.5%	16.7%	

Total AWM Sector 2013

	Market Size (m)	Market Growth	S&N share	Growth driven by
NPWT	\$3308	14%	14%	Procedure Growth
Exudate Mgmt	\$1061	11%	43%	New Technology
Infection Mgmt	\$779	10%	21%	Infection Prevention
Surgical Debridement	\$713	15%	7%	Procedure Growth
Films	\$693	5%	15%	Tegaderm
Other	\$1687	-3%	20%	
TOTAL	\$8,241	9.1%	20.3%	

Competitive 2008 Market Share



What has changed in the market

- Market growth slowed to 5.3%
- Slower NPWT market growth as reflected by KCI QTR 1 results
- General economic deterioration leading to lower stocking, reduced ASP's, a slow down in account decision making and purchasing patterns
- A drive to reduce reimbursement prices, as evidenced in Spain where new products in existing categories are reimbursed at 25% lower than current products
- Regeneration of AWC players and large number of new entrants in NPWT sector.

Highly fragmented and complex market supporting a large number of players

Our world is changing



Ageing populations



Human suffering



New challenges



Health systems under pressure

Wounds are a growing problem for patients, health systems and society

Our customers are changing

Market profile : highly complex

Highly competitive and diversified

Highly segmented by

- Technologies

- Care settings

- Care givers

Highly changing

No global consensus on technologies, clinicals

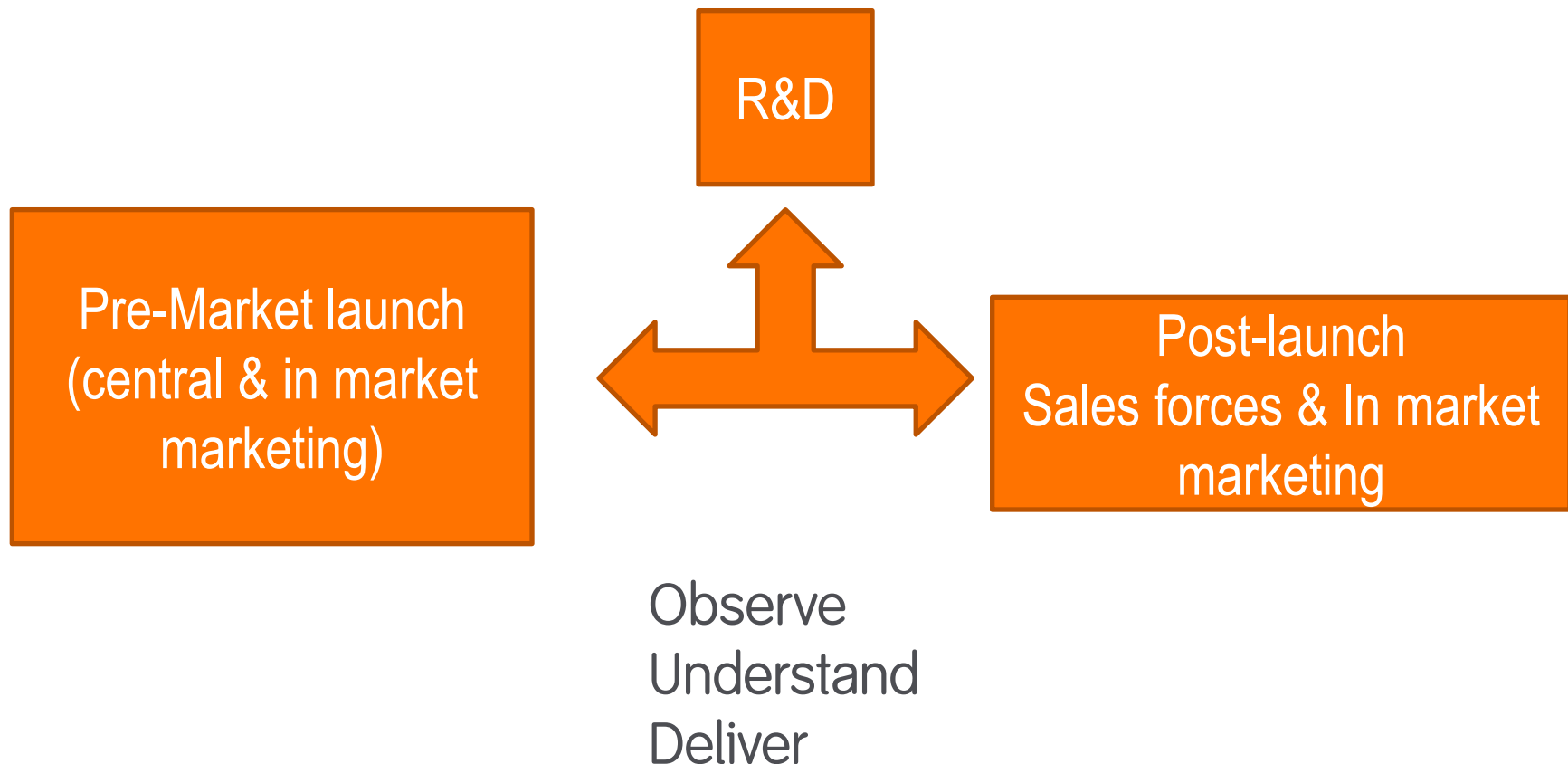
Multifactors (initial pathology, patient condition...)

From Technology, Product to Customer Marketing

Strategy driven only by technologies is not sufficient to match all segments unmet needs

R&D, Market Access, Commercialisation aligned to each segments needs

For that purpose we developed a customer insight approach for our R&D, New Products Developments
But also for our commercialisation process



Principles of Observe, Understand & Deliver

The opportunity to observe and understand the customer in order to be able to deliver solutions that meet their needs.

The market is becoming increasingly competitive.

Anticipating our customers needs and identifying opportunities for competitive advantage is essential.

Observe, Understand & Deliver allows us to...

Separate

what the customers say

from

what the customers do



*Articulated problems
v. unarticulated problems*



..to consider the ideal...



		Exudate level →		
		Light to moderate 	Moderate to high 	High to extra high 
Fixation Level ↓	Non-adhesive	 Allevyn Non-Adhesive	  Allevyn Heel Allevyn Non-Adhesive	 Allevyn Cavity
	Gentle adhesive	 Allevyn Thin	 Allevyn Compression	 Allevyn Plus Cavity
	Secure adhesive	 Allevyn Island	  Allevyn Adhesive Allevyn Sacrum	  Allevyn Plus Adhesive Allevyn Plus Sacrum

..and see the reality...



From theory to implementation in real life organisation

OBSERVE

UNDERSTAND

DELIVER

A New Sales & Marketing Program

Sales force O-U-D program

We are developing a dedicated Sales Force program

Tools

Training

Monitoring

Feedback

Implementation in sales & marketing plans

Observe, Understand and Deliver Steps

Planning

Observe

Understand

Deliver



Observe, Understand and Deliver Steps


Planning

Quad of Aims, Meeting agenda

Purpose To build strong partnership with Customer A and identify areas to work with them in order to increase Alleyn sales.	Customer Customer A
End result Two key agreed actions to implement with the customer	Success Criteria Observe wound dressing changes in clinic for 1 hour - Interview for 30 mins after observation - All pre-prepared interview questions are completed. - the OUD record is completed and communicated by April 20 th - an action plan is in place to deliver back to the customer by May 20 th

Observe

Observation and shadowing, In-depth interview, Group interview, surveys



Understand

OUD Record, Analyse the Records



Deliver

Develop solutions, SMART objectives, Activity time plan

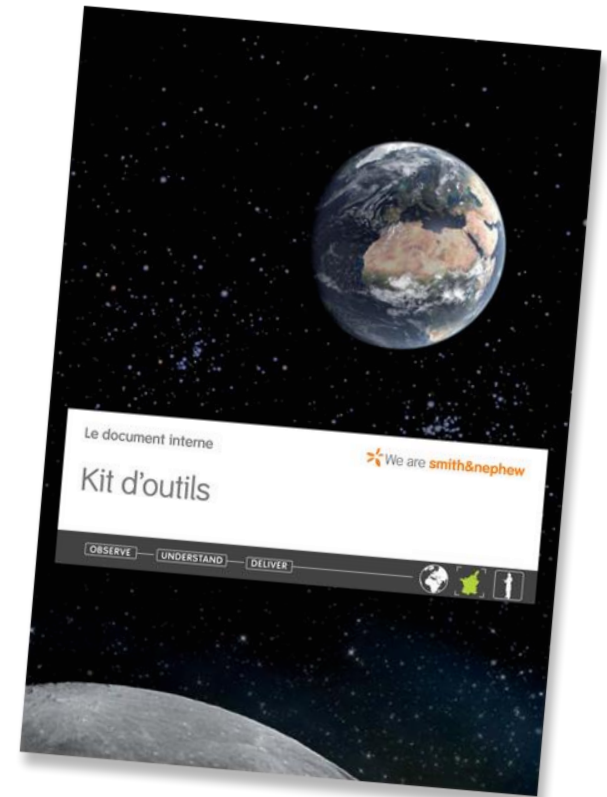
Observe Understand Deliver Tool Kit

Introduction

These tools are aimed to support your activity on Observe Understand and Deliver.

The aim is for them to be simple and easy to use.

Use the tools appropriately for what you aim to understand. There is no need for complexity.



Planning tools

Quad of Aims

- brings clarity, focus and measures

Meeting agenda

- prepare a clear, agreed list of items to cover with the customer

Purpose	Customer
To build strong partnership with Customer A and identify areas to work with them in order to increase Allevyn sales.	Customer A
End result	Success Criteria
Two key agreed actions to implement with the customer	Observe wound dressing changes in clinic for 1 hour <ul style="list-style-type: none"> - Interview for 30 mins after observation - All pre-prepared interview questions are completed. - the OUD record is completed and communicated by April 20th - an action plan is in place to deliver back to the customer by May 30th

Observe tools

Observation / shadowing

- Observe behaviour and real world issues not just hear about them. Separates 'what they say' from 'what they do'. Opportunity to find non-obvious unmet needs.

In depth 1:1 interview

- The opportunity to gain a deeper understanding into issues or gain clarity in your mind

Group interview

- Encourages interaction and stimulates discussion and challenge

Survey

- Used to gather qualitative or quantitative data in a treatment venue or across a number of locations

Understand tools

O.U.D. Record

- Allows quick capture of thinking (debriefing).
Opportunity to share, communicate and discuss.

Analysis of O.U.D. Records

- Opportunity to reflect on visits and look for patterns, themes and surprises



Le document interne

 We are smith&nephew

Rapport O.U.D.

Client: nom, rôle, site, type de plate..

Ce que j'ai observé et compris (Observe/Understand) :
Par ex. activités, problèmes, frustrations, produits utilisés, personnes impliquées..

Ce qui m'a surpris(e) :
Par ex. nouvelles techniques, produits, conversations, durée..

Quelles sont les solutions que vous pourriez proposer pour aider le client (Deliver) ?
Par ex. produit, service, support..

OBSERVE — UNDERSTAND — DELIVER



Deliver tools

SMART objectives

SMART = Specific, Measurable, Action Oriented, Realistic, Time-bound

Activity time plan

Engages the customer in the timescale for the deliverable

Example: Holland - Gap identification



The Foundation was established in January 2010. The hospital is responsible for the purchase of all establishments.

Split hospital and community customers and decided who to target - visited main departments to establish their objectives for wound care.

Note: First meeting only discussed the customers objectives.

UNDERSTAND

Every establishment has a Wound Specialist who is a representative in the Wound Commission. The chairman of this commission is a Physiotherapist.

The Wound Commission makes the final decision.

The progress:

- Team meeting to debrief observation phase
- Understanding of all stakeholders and gaps
- Clear identification of an AWC knowledge and product gap.

DELIVER

Q1: Observe, Understand: phase was presented to key decision makers

Q2: Testing and training of our products just started

Q3: Presentation about our added value for Wound Commission

Q4: Proposition and tender

Exemple: France - MDR



OBSERVE- Evolution du marché des MDRs depuis Août 2008

Incidence de l'intégration des dispositifs médicaux dans les forfaits-soins des EHPAD

1^{er} réflexe : Passage par la pharmacie de ville

Après quelques mois, chute du CA GERS

Apparition de pansements concurrents dans les placards

UNDERSTAND – Comportement des MDRs : Mures pour traiter en direct

Pansements Coloplast et Hartmann en direct

Manque de formation sur les produits

Recherche de flexibilité et de simplicité

Rapport Qualité/Prix important

DELIVER – Nos propositions & Résultats

Allevyn en direct avec une politique de prix étudiée

Formation avec des outils adaptés

Suivi régulier et promotions trimestriels

Service de proximité (Interlocuteur physique)

6 nouvelles ouvertures de comptes depuis début 2010 - Fidélité au laboratoire

Demandes de passage spontanées

Example: BeNeFraLux - 6 reasons to call



OBSERVE

Simplicity and regularity of messages is a key topic identified during field visits in France and Holland.

UNDERSTAND

- Customers have generally 1 or 2 dressings in mind and need regular visits (minimum of 6 times a year) to keep products names as top of mind
- Face to face time with customers can be very limited (especially with GPs) so any new topic can be an opportunity for a new call and can potentially increase duration of the call (also more time to observe, understand and deliver!)

DELIVER

Provide to all BeNeFraLux sales reps 6 different toolkits including topics, brief agenda and related existing marketing material

- per focus products (ALLEVYN & RENASYS)
- per customer type (GPs, Nurses, Surgeons...)

Purpose of the Activities...

Purpose	Customer
<ol style="list-style-type: none"> 1. To practice your Observe, Understand, Deliver skills 2. To win the team prize!! 	<ol style="list-style-type: none"> 1. Yourselfes and your managers 2. Marrakech customers / S&N
End result	Success Criteria
<ol style="list-style-type: none"> 1. Confident Sales Team ready for action back on your region!! 2. Happy customers and a successful team 	<ol style="list-style-type: none"> 1. You have practiced Observe, Understand and Deliver skills alongside relaxing and enjoying Marrakech. You have used the toolkit (incl. the Quad of Aims and the O.U.D Record). 2. Team Judging criteria: <ul style="list-style-type: none"> - Evidence of observations - Articulation of understanding your customers - Delight factor of delivered solutions

Tool Kit - Contents

- O.U.D. A5 Tool Kit
- O.U.D. Records
- Quad of Aims forms
- Note book
- Pen
- New Duo form example
- Blue sheet example



Next step: design a new marketing organisation

From a brand focused marketing organisation

To

A customer focused organisation

Global Brand Strategies

Brand Marketing
AWC

Brand Marketing
AWD

Customer marketing
Non Hospital
segment - FRA

Customer
marketing
Hospital - FRA

Customer
marketing
Transmural - NL

Sales FR

Sales BELUX

Sales NL

Customers

Conclusion

We are at the early stage of journey toward our customers evolution

This approach allow us to change selling process paradigm

Sales force is becoming more curious

Un-expected customers needs are identified

We will be able with an aligned marketing organisation around customer segments to integrate collected information into the marketing campaigns

This approach will allow sales & marketing to work more closer and speak same language.