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Dear Sir or Madam,

As an SME that supplies predominantly to the NHS, Viamed is aware of the enormous financial pressures that many NHS Trusts are under and is keen to support the NHS by offering the best possible value.

To achieve this, Viamed instigated a review of its pricing policy to determine where greater value could be offered to its NHS customers, and a number of proactive steps were taken. These include:

**Removing carriage charges on many product ranges** - Where possible, carriage charges have been removed. Unfortunately, there are some ranges where the margins are too slim to offer free carriage without increasing the selling price to 'build-in' the carriage charge, which would be a counterproductive measure.

**Quantity discounts on many ranges** - Viamed's review revealed that the cost for processing orders for large quantities of a single item was not significantly higher than the cost associated with orders for lower quantities. This economy of scale results in the relative cost per item being reduced for higher quantities. In order to pass these savings on to the customer, Viamed instigated a *Quantity Discount Structure* on many ranges.

**No minimum order value** - Viamed identified that minimum order values are unpopular with customers as, if a particular item is required urgently, it can force an unnecessary spend by the need to add further items to the order.

**No order processing charge or low-value order surcharge** - Viamed identified that the costs involved in processing a low-value order can result in selling at a loss. However, Viamed has very good, long-standing relationships with its customers and recognizes the value in good service, and as such, Viamed will process any order, regardless of value, to support its customers.

**Competitive pricing** - Viamed always attempts to offer its products at competitive prices. Often, the slim margins involved mean that additional discounts or further price reductions are simply not viable. However, should circumstances allow it, for example where lower manufacturing costs or a reduced buying price can be achieved, Viamed will reduce its List Prices to pass on these savings.

In summary, Viamed fully appreciates the NHS's need to reduce costs and hopes that the steps that it has already taken demonstrate its commitment to offering maximum value to the NHS.

Steve Nixon, Sales Director, is responsible for Viamed's pricing and pricing policies, if you wish to discuss this in more detail, please do not hesitate to contact Steve directly on 01535 634542 or by email: [steve.nixon@viamed.co.uk](mailto:steve.nixon@viamed.co.uk)

Yours faithfully

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Marketing