

# Teledyne Visit

19<sup>th</sup> - 21<sup>st</sup> October 2008

Sarah Wilford  
Marketing Manager

&

Ryan Swaine  
International Sales Manager

## **Objectives**

- To meet with and strengthen business relationships with various members of the Teledyne management team
- Discuss issues that Viamed may have with Teledyne
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- Discuss Viamed's performance relating to Automotive Oxygen Sensors, Medical Oxygen Sensors and Oxygen Monitors
- Demonstrate our current marketing and sales strategies
- Highlight areas for future business development

## **Meetings Held**

1. Ray Khajavi – Operations Director
2. Mann Nguyen – Chief Mechanical Engineer
3. Vasu Narasimhan – Director of Medical Device Business Development
4. Kunal Kothari – Sales Director
5. We also had a lunch meeting with:
  - a. Kunal Kothari – Sales Director
  - b. Tom Compas – Sales
  - c. Steve Broy – Director of Engineering

## **Ray Khajavi**

Ray is responsible for the changes that have been made in the production and stock side of Teledyne over the last couple of years, such as *lean manufacturing*, *five S system* and *KANBAN*.

Although he is not personally involved with the sales side, he showed concern that the annual number of O2 monitors we purchase, is declining. We explained to Ray that due to the quality problems we experienced with the sensor cables, we have ultimately lost customers. We mentioned that we believe it is time for a new monitor, however Ray did not believe this was the case, but he is willing to look at our ideas.

He asked if we could benefit from a touch screen monitor and RoHS conforming sensors? Teledyne are currently testing alternative materials for building sensors, IT Gambert have already filed for FDA on a RoHS compliant sensor.

## **Mann Nguyen**

Mann is responsible for the production of the oxygen sensors. He was kind enough to demonstrate the complete production and QA of the oxygen sensors, which was very interesting. He confirmed that the new R-22AV sensors are being selected from R-22A sensors upon testing.

## **Vasu Narasimhan**

Vasu will be visiting Medica to identify new product development opportunities. He discussed the three avenues of product development; Organically, Private Label and Acquisition.

Vasu will be visiting our stand at Medica, as he is now interested in some of the Viamed products that Teledyne could brand, such as the Microstim DB3, Apgar Timer and the Tom Thumb.

The Teledyne customer service team would like us to return faulty sensors sooner. We explained that this was done at the latest moment to save on expensive multi shipments.

## **Kunal Kothari**

Kunal appears to only be concerned with quantities purchased, not the finer detail as to how and why we have gained and lost business. He showed concern for the decline in business on the medical sensors and the O2 monitors.

We explained the sensor cable issue and how this has impacted our monitor sales. We suggested that it might be time for a new design of monitor, Kunal did not agree, as he explained that the cost for redevelopment is approximately \$500,000 and that the sales revenue from the AX/MX has not yet covered the development costs. However, they do want to know what improvements we would like, so they can discuss this further. Kunal was under the impression that we had started to market our own O2 monitor and this was a significant reason as to why our Teledyne sales had dropped, we assured him that this was not the case, but a change in monitor will be necessary to grow market share in this sector.

We also explained that we are losing replacement sensor sales, as old equipment is replaced with new products that we are unable to offer compatible sensors for. Kunal has offered to look into manufacturing 3-5 new sensors. We agreed to supply him with the sensors that we require and a copy of the specifications.

We explained that Viamed have grown in many areas and that due to Teledyne manufacturing the automotive sensors we specified, we have seen a recent increase in business. We would like to replicate this pattern with the medical sensors.

We explained that we have experienced premature sensor failures with R-24 sensors that have been left in ventilators under high concentrations of oxygen. So far, the R-36 sensor has solved this problem. We would like to introduce the R-36 into China to replace our existing R-24 sales. Kunal has agreed to meet the special prices for China.

We extended this meeting over lunch with Tom Compas and Steve Broy, where we discussed our current marketing/sales strategy and the recent changes implemented within Viamed. Tom liked the investment that Viamed has made in its sales and marketing team and would like to replicate parts of this within Teledyne, however Kunal was not as enthusiastic to this suggestion.

## **Summary**

After meeting with the various members of senior management, we had some very positive feedback. Everyone that we met with appeared to be very pleased that we had invested in visiting them to gain a further understanding of how Teledyne operates and how we can develop our business together.

We feel that after our meetings Teledyne have a greater understanding of our current situation and the impact this has had on our purchasing figures. This has lead to Teledyne being open to look at new product development in order for us to move forward together.