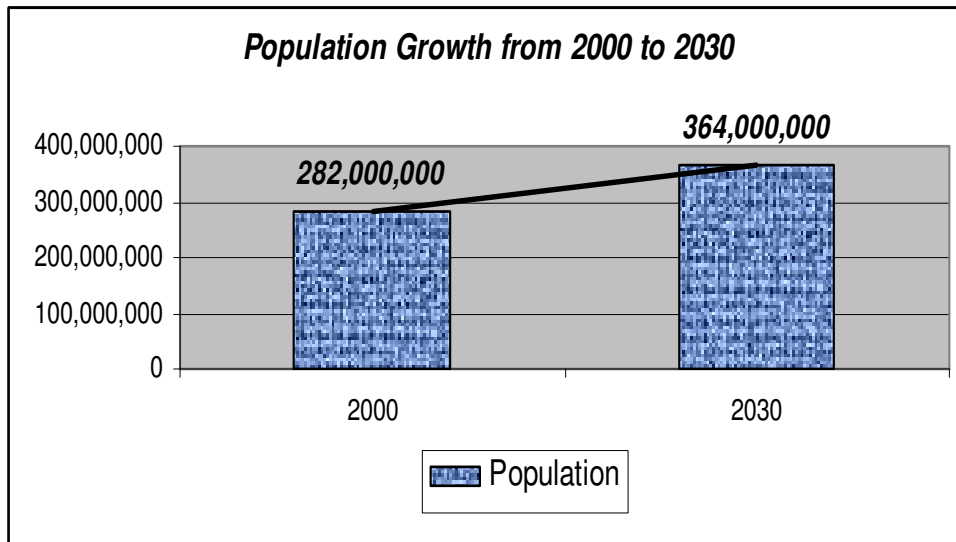


You Already Have A Healthcare Division! How Are You Going To Move Ahead With Success?

By Robert J. Oosdyke, President, HCFI

If you attended NeoCon in June, you saw first hand that manufacturers are slowly developing healthcare products unless they are hiding what they are doing in manufacturing! Many of us interested in healthcare certainly expected more. Current and new manufacturers, dealers and distributors are producing healthcare furnishings products or supplying them to the healthcare industry. It certainly appeared that healthcare was still a small part of NeoCon.

Maybe these statistical projections will create new excitement in the manufacturing/dealer/distributor arena. Our population will grow significantly over the next 25 years:



When the over 65 population doubles in the next 20 years or beyond, it means that procedures, hospital stays and physician visits will increase exponentially.



The U.S. will need a new hospital every week (over 200 beds) until 2030!

Talk about growth! This means the furnishings, exam tables, beds, seating and office areas will all experience tremendous increase. Next question is, “Who will capitalize on this growth and when?” The growth has already begun so why don’t we seem to “get it” in the healthcare furnishings arena? Healthcare needs focus and YOU can be the leader in your geographic area as a dealer or leader as a manufacturer. This is a great opportunity!

At NeoCon 2005, few companies were recognized as being serious about healthcare now and in the future.

Last year at NeoCon 2004, I found the Steelcase healthcare showroom to be very *office furniture* oriented; it seemed Steelcase was pretending to be in healthcare. NeoCon 2005 was quite a different story. Steelcase had a completely separate room again, showcasing their healthcare products. They presented a healthcare facility that included many of their lab products, seating, conference room and X-Ray items. Steelcase proved to be very impressive showing the line of Polyvision products and how Polyvision could make life much easier for physicians, nurses, meetings and families.

Steelcase’s exam room, albeit too large for reality, was very effective and visually impressive for a physician’s office or a Medical Office Building (MOB) set up. Steelcase Design Partnership, Brayton International, received a Silver Award for its Neighbor Collection in the Healthcare Products category, too.

Ergogenesis of Navasota, Texas, producers of BodyBilt seating and ErgoFusion ergonomic keyboard trays and accessories, view the healthcare industry as its core business. Not only do they sell a line of medical seating, but when asked what percent of their business is in the healthcare arena, Matt Prochaska, VP, stated, “100% of what we sell is healthcare. We view every company that purchases our products as investing in the health of their employees. Ergonomics has come a long way in the past few years and the design community and ergonomics are blending together form and function to create environments that are not only aesthetically pleasing, but ergonomically correct”.

According to Prochaska, the myth that one size fits all is just that . . . a myth. “Take a look around at the population and you’ll see there are many different sizes and shapes in the workplace”. The folks at Ergogenesis produce everything from a petite chair to a chair rated to 500 pounds and everything in between. They recently introduced the Stretch chair that has an extra deep seat to accommodate those from 6’3” to 7’ with all the ergonomic advantages. “The healthcare industry and hospitals have embraced our chairs so much that we added Crypton fabric to our standard carded fabric offering. We see more and more that people want to be comfortable while seated at work or in the hospital, physicians’ office or elsewhere”, said Prochaska.

A firm that clearly understands what the customers need today is Softcare. Their seating lines and systems for seating are just what the A&D folks asked for, let alone their tremendous new design of a bariatric sleeper. Hats off to Rob Way and Tony Beckley, the Softcare owners who obviously understand healthcare!

While at NeoCon, I also visited the Spec booth and was pleasantly surprised to see so many seating applications for healthcare. In 2004, they were awarded the “Best of NeoCon” for the Cooper Collection and since then have added to that line in 2005. After speaking with many of the staff at Spec, it was clear to me that they will have an impact for years to come.

Nemschoff, the healthcare leader in “mindshare” for sure, was once again impressive at NeoCon. It was a great looking display of class and style for healthcare!

There were many other companies with a smattering of healthcare products proving that the healthcare side of furnishings is alive and well! But we still have a long way to go!

Moving on, if you already have a healthcare division and want to “graduate” and get it “cooking”, then many things need to be considered. Office products represent roughly 5% of healthcare facilities purchases, so what are you doing about the other 95%? If you are in healthcare now, you’re probably focusing on the 5%. How about looking at the other medical market segments that you can easily sell?

Example, 95% of the supposed healthcare dealers today do not have the ability to sell into the exam room of a Medical Office Building (MOB) or a physician’s office. What about

exam room furniture? Exam tables and lights, stools, trash cans and X-Ray view boxes would fit into your portfolio better than into the typical med/surg dealer's portfolio.

I have discussed this issue with no less than 40 executives of individual and large hospital systems across the USA. Most agree the typical medical and surgical dealer sales rep is selling and focusing on med/surg supplies. They do not understand or care to understand specifications, A&D or facilities. This is YOUR area of expertise! Selling these types of healthcare products will differentiate you entirely from others who think they are in healthcare. Once you begin penetrating into these healthcare areas, you will be looked upon as someone completely different than John's Chair Centre down the street!

Most of you think these lines are not available. We are here to tell you that you can provide the highest quality exam room furniture possible. All you need to understand is how to approach the market. HFCI has "exclusive rights" to develop the healthcare furnishings market for a leading manufacturer of exam tables, exam lighting and/or stools. These products are available today and are key to your long term success.

At NeoCon, FKI Security showed a very interesting twist for office furniture dealers who want to enter healthcare and have something unique to offer healthcare customers. They carry a full line of "safes" for the healthcare customer which is sophisticated and beyond your imagination! They offer everything from "dumb" safes to the "best" cash handling systems. I think this product gets you to the "C" offices, doesn't it?

Recently, Jim Rapp wrote an article entitled "***Selling To The Red Hot Medical Marketplace***" where he interviewed many dealers. What's impressive is Mr. Rapp doesn't specialize in healthcare. Via the interviews, he came to the same conclusion that I have been "preaching" for the past two years, that is determining what was making certain dealers successful today.

To enhance your chance of success in healthcare:

1. **Successful dealers need to sell a wide range of products to the healthcare customer.** Companies such as United Stationers have created a healthcare catalog and developed training manuals on how to sell to the physician markets. This can greatly increase your ability to be a "consolidator" type supplier to your customer. This is the most important factor and it must be addressed for you to be effective in healthcare.
2. **Begin building your healthcare portfolio of companies.** Develop a presentation for the "right" manufacturers. They want to see that you are successful in healthcare. Focus upon the exam room; make sure you are able to sell exam tables and all other accessories. Stainless steel stands/carts, IV poles and other items are important to the healthcare customer. HCFI can help you with the exam room if you meet the qualifications.
3. **Your healthcare customer is interested in value.** Understand this even though all you hear is PRICE! PRICE! PRICE! If you become a "consolidator" to them, you will be demonstrating value and the PRICE issue will suddenly be removed.

Remember, your customers in healthcare want service more than price; maybe you have never been in the position to realize this fact. Service needs to be your differentiator!

4. **Sell solutions . . . not furniture, not products, not exam tables.** Few dealers do this today. Dealers who sell solutions understand the environment they are working in and your customer can see, smell and feel this from you!

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