

2014 Global Veterinary Computed Radiography Imaging  
New Product Innovation Leadership Award



F R O S T & S U L L I V A N



50 Years of Growth, Innovation & Leadership

## Background and Company Performance

### *Industry Challenges*

The veterinary imaging industry is still 20 years behind the human imaging space. It is a market largely consisting of individual veterinary practices. Individual veterinary practices have far lower procedure volumes, and consequently have a strong need to be cost-effective to keep their practice profitable. The price sensitivity of the customer, acts as a huge deterrent to manufacturer investment in product or technology innovations in this market unlike those seen in human imaging.

Consequently, the price sensitivity of the customer also impacts the adoption rate of digital imaging in the veterinary imaging market. In animal imaging, unlike segments like preclinical imaging, imaging at veterinary practices are moving more cautiously towards digital adoption given the significant investments required. For any innovation to succeed in this market it is essential for it to prove to be cost-effective to the practice.

### *Visionary Innovation and Product Excellence of DÜRR MEDICAL*

#### **Fulfilling Unmet Need in Veterinary Imaging**

Today, most veterinary practices that process digital images are focused on whole body imaging. However, with the increasing awareness of dental care need, even for animals, they are faced with the need for additional capital expenditures for a separate digital scanner targeted for high resolution dental images. Also, in a part of the market, smaller veterinary practices may have to refer patients out for dental imaging needs creating workflow inefficiencies and longer wait times to diagnosis.

The launch of DÜRR MEDICAL's "CR 35 VETwin" is set to change the current scenario and fulfill a need for a single scanner which can perform both types of scans at high contrast (whole body images) and high resolution (intraoral dental images). There are competitive products which can be retrofitted to also do intraoral imaging, but none of them were built with the purpose of being a single scanner with the capability of doing both, intra and extraoral scans, with optimized image quality.

#### **Dual-Focus Innovative Technology: Match to Needs**

The ability of the CR 35 VETwin to do both whole body and intraoral scans at high image resolution or high contrast is largely due to its innovative Dual-Focus technology. Ordinarily, the laser beam diameter of a scanner is fixed and constant. However, with Dual-Focus technology for the first time two different laser beam diameters can be set within the same scanner; i.e. focal spot sizes can be adjusted according to the body part being scanned. As the Dual-Focus technology automatically adjusts the laser to ensure low signal noise images, this eliminates the forced compromise that currently exists in the market between the need for high resolution images and low signal noise for effective diagnosis.

With Dual-Focus technology's use of two different foci, for the first time parameters perfect for intraoral scans and whole body scans are built into a single imaging scanner.

### **Value Added Features**

Apart from the innovative Dual-Focus technology, the CR 35 VETwin also has several other value added features that make the benefits it provides unique. It contains an integrated mini-PC, where the entire device can be controlled by a high definition color touchscreen display. In the standalone operation mode, the screen allows the veterinarian to preselect an anatomical region of the animal that the exposure will be taken of and also preview the resulting X-ray to determine if it is acceptable and diagnosable.

Built with the need of veterinarians in mind, the scanner is ultra-portable with an optional lightweight case for easy transport. The CR 35 VETwin weighs only 17.5 kg making it the lightest full format scanner available in the market. Built to allow mobile operations with ease, the external battery provides it with the ability to operate a whole day independently. For scenarios when the scanner is operating in a stand-alone mode, a 32 GB storage SD card can be used to store images. Equine veterinarians will find this portability and ease of use convenient when working in a barn that does not have an AC electrical outlet.

Apart from these impressive functions in a single device, the scanner allows direct data transfer via a WLAN or Ethernet connection enabling workflow efficiencies further adding to its ease of use.

### **Increased Customer ROI**

As mentioned earlier, one of the primary challenges in the veterinary industry is that the price sensitivity of an independent veterinary practice has slowed the adoption of digital technology in this market. Given the scenario, computed radiography is the perfect bridge solution allowing a practice to ease into digital imaging while maintaining the practice's existing workflow. Additionally, the value added features of the CR 35 VETwin like its portability and ability to operate independently, adds to improved workflow and efficiencies resulting in cost reductions.

Further ROI can be achieved by independent veterinary practices, as it now allows them to also perform dental scans instead of having to refer them to other centers. This provides them with an additional revenue stream. As maintaining the cost-effectiveness of a practice is vital for purchase decisions, the CR 35 VETwin can be expected to penetrate the market quickly over the next few years.

### **Market Positioning: Pioneering Best Practices**

In a market where most scanners are human imaging systems retrofitted for animal imaging, the CR 35 VETwin is a scanner that was specifically built for veterinarians. The scanner manages to address a void in the market for an innovative scanner with an ability

to perform extraoral and intraoral scans. DÜRR MEDICAL is a market pioneer who has carved out a separate niche in the market, and now has the ability to set pioneering best practices that will have to be followed by all other players looking to compete.

Furthermore, DÜRR MEDICAL has a clear and well thought-out market entry and positioning strategy. It has chosen to initially position its offering to small individual practices which have a need for the CR 35 **VETwin**, while steering clear of reference clinics and large practices which have high throughput digital imaging needs.

### *Conclusion*

With the design and launch of the CR 35 **VETwin**, DÜRR MEDICAL has been visionary in identifying and fulfilling an unmet need and creating new demand in the veterinary imaging market ahead of its peers. It has not only eased the path to digital transition for veterinarian practices and done so in a cost effective manner, it has also provided possibilities for vital additional revenue streams for standalone practices. In recognition of its innovative Dual-Focus technology and its ability to combine whole body and intraoral animal high resolution imaging in a single scanner, Frost & Sullivan is pleased to present the Global 2014 New Product Innovation Leadership Award to DÜRR MEDICAL in the Veterinary Computed Radiography Imaging industry.

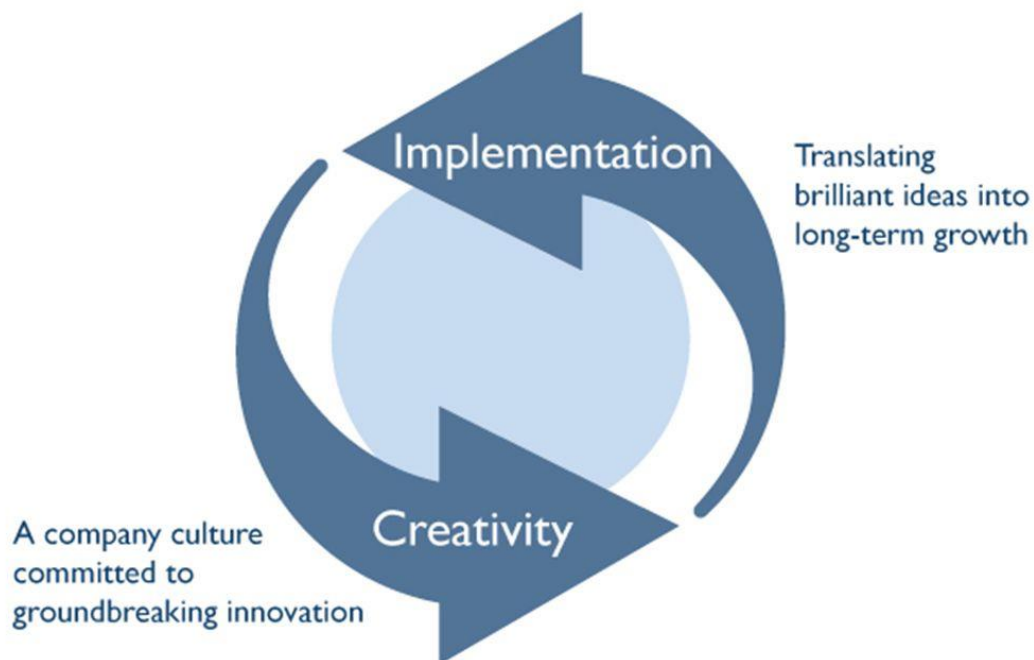
## Significance of New Product Innovation Leadership

Ultimately, growth in any organization depends upon continually introducing new products to the market, and commercializing those products to the greatest extent possible. For these dual goals to occur, a company must be best-in-class in three key areas: understanding demand, nurturing the brand, differentiating from the competition. This three-fold approach to delivering New Product Innovation Leadership is explored further below.



## Understanding New Product Innovation Leadership

Ultimately, innovation is about finding a productive outlet for creativity – for translating ideas into things people want to buy, and doing it over and over again. Even a very good idea – or even a series of very good ideas – will amount to nothing without successful implementation at each stage of development and commercialization. Creativity and implementation are therefore two sides of the same coin, as explored further below.



## Frost & Sullivan's Global Research Platform

Frost & Sullivan maintains more than 50 years in business and is a global research organization of 1,800 analysts and consultants who monitor more than 300 industries and 250,000 companies. The Company's research philosophy originates with the CEO's 360 Degree Perspective, a holistic research methodology that encourages us to consider growth challenges, and the solutions companies employ to solve them, from every angle. This unique approach enables us to determine how best-in-class companies worldwide manage growth, innovation and leadership. Based on the results of our research in new product innovation leadership, Frost & Sullivan is proud to present the 2014 Global New Product Innovation Leadership Award in Veterinary Computed Radiography Imaging to DÜRR MEDICAL.

## Key Benchmarking Criteria

For the New Product Innovation Leadership Award, we evaluated the total client experience and strategy implementation excellence according to the criteria detailed below.

### Visionary Innovation

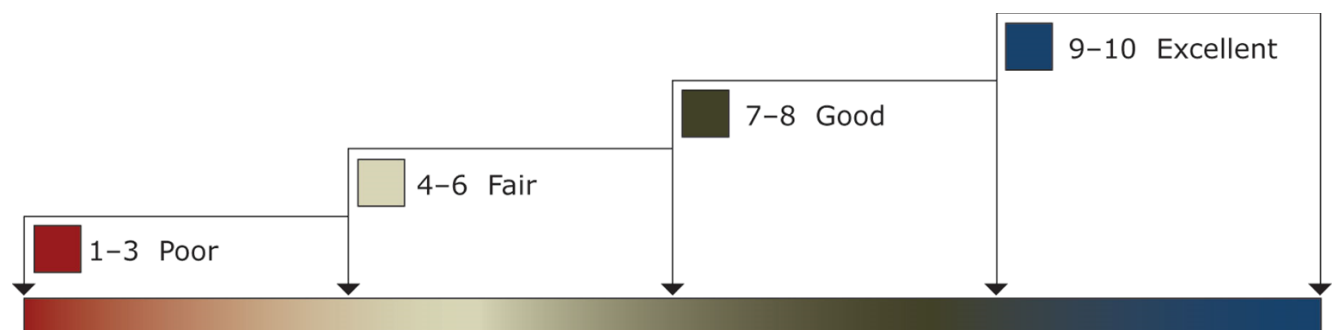
- Criterion 1: Unmet Needs
- Criterion 2: Use of Mega Trends
- Criterion 3: Pioneering Best Practices
- Criterion 4: Blue Ocean Strategy
- Criterion 5: Aspirational Ideals

### Product Excellence

- Criterion 1: Match to Needs
- Criterion 2: Reliability and Quality
- Criterion 3: Product/Service Value
- Criterion 4: Positioning
- Criterion 5: Design

## Decision Support Scorecard and Matrix

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard and Matrix. This analytical tool compares companies' performance relative to each other. It features criteria unique to each award category and ranks importance by assigning weights to each criterion. The relative weighting reflects current market conditions and illustrates the associated importance of each criterion according to Frost & Sullivan. This tool allows our research and consulting teams to objectively analyze performance, according to each criterion, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation; ratings guidelines are illustrated below.



## Best Practice Award Analysis for DÜRR MEDICAL

### Decision Support Scorecard: Visionary Innovation

The Decision Support Scorecard, shown below, includes all performance criteria listed on page 9 and illustrates the relative importance of each criterion and the ratings for each company under evaluation for the New Product Innovation Leadership Award. The research team confirms the veracity of the model by ensuring that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

Finally, to remain unbiased and to protect the interests of all organizations reviewed, we have chosen to refer to the other key players in as Company 2 and Company 3.

#### DECISION SUPPORT SCORECARD FOR NEW PRODUCT INNOVATION LEADERSHIP AWARD (ILLUSTRATIVE): VISIONARY INNOVATION

<i>Measurement of 1-10 (1 = poor; 10 = excellent)</i>	Award Criteria					
	Unmet Needs	Use of Mega Trends	Pioneering Best Practices	Blue Ocean Strategy	Aspirational Ideals	Weighted Rating
Visionary Innovation						
<b>Relative Weight (%)</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>100%</b>
DÜRR MEDICAL	9.5	7.5	8.5	10.0	10.0	9
Company 2	8.0	7.0	7.0	8.0	8.0	7.6
Company 3	5.0	6.0	6.0	5.0	5.0	5.4

#### Criterion 1: Unmet Needs

Requirement: A clear understanding of customers’ desired outcomes, the products that currently help them achieve those outcomes, and where key gaps may exist

#### Criterion 2: Use of Mega Trends

Requirement: Ability to incorporate long-range, macro-level scenarios into strategic plans, thereby anticipating and preparing for multiple futures that could occur

#### Criterion 3: Pioneering Best Practices

Requirement: A nothing-ventured-nothing-gained approach to strategy implementation that results in processes, tools, or activities that generate a consistent and repeatable level of success.

#### Criterion 4: Blue Ocean Strategy

Requirement: Proven track record of creating new demand in an uncontested market space, rendering the competition obsolete



**Criterion 5: Aspirational Ideals**

Requirement: A willingness to look beyond the simple goal of generating a profit to embrace a more powerful ideal of bringing greater value to customers or the planet

*Decision Support Scorecard: Product Excellence*

DECISION SUPPORT SCORECARD FOR NEW PRODUCT INNOVATION LEADERSHIP AWARD (ILLUSTRATIVE): PRODUCT EXCELLENCE

<i>Measurement of 1-10 (1 = poor; 10 = excellent)</i>	<b>Award Criteria</b>					
	Match to Needs	Reliability and Quality	Product/Service Value	Positioning	Design	Weighted Rating
Product Excellence						
<b>Relative Weight (%)</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>100%</b>
DÜRR MEDICAL	9.0	9.0	9.0	10.0	10.0	9.6
Company 2	9.0	8.0	7.0	7.0	8.0	7.8
Company 3	5.0	7.0	6.0	5.0	6.0	5.8

**Criterion 1: Match to Needs**

Requirement: Customer needs directly influence and inspire a product’s design and positioning

**Criterion 2: Reliability and Quality**

Requirement: The product consistently meets or exceeds customer expectations for performance and length of service

**Criterion 3: Product/Service Value**

Requirement: Products or services offer the best value for the price, compared to similar offerings in the market

**Criterion 4: Positioning**

Requirement: The product or service delivers a unique, unmet need that competitors cannot easily replicate or replace

**Criterion 5: Design**

Requirement: The product’s visual presentation makes it easy to use, and makes customers happy to use it

## About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best in class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages almost 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.