

MSS GHX Response to DJO RFP for Sales Tracing Processing Services



MSS GHX RESPONSE TO DJO RFP FOR SALES TRACING PROCESSING SERVICES

Business Intelligence Services through MSS and GHX

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Section 1. Introduction to MSS and GHX Business Intelligence Services

At Medical Surgical Solutions (MSS), we understand that your organization wants to head in the right direction, a direction based on making strategic decisions at each and every turn. But how do you know which activities will drive optimal revenue and significantly reduce costs? The answer is intelligent data – data that successfully brings your products to the customers who need them most – data that pinpoints unnecessary spending associated with inefficient operations – data that turns your business into a smarter business.

Our solutions are built on a foundation of data unlike any other in the industry – one that aggregates market, sales and clinical data, all of which is current, clean and accurate. We're able to deliver these unique solutions through a combination of strategic alliances with business partners and the consulting knowledge of our own, highly-experienced business associates. With MSS solutions, you'll have access to comprehensive industry data and insight, enabling your organization to:

- Maximize sales performance
- Increase marketing effectiveness
- Optimize revenue

How MSS Can Benefit DJO

Revenue Optimization

As a healthcare manufacturer, finding ways to reduce costs without sacrificing quality has become a real focus, particularly while facing healthcare regulations and a difficult economy. One great source of potential savings is the proper management of costs associated with rebates and chargebacks.

Many organizations are trying to leverage their internal business intelligence systems to do just that, but unfortunately, the systems are built on an incomplete or inaccurate data foundation. This results in manual processes, data input from disparate systems not originally designed for these tasks, and work performed by staff that struggles with the complex nature of the healthcare contracting and payments process.

That's why we offer DJO the Revenue Optimization Solution – a solution that takes the burden and complexity of managing rebate and chargeback data off of your internal resources, and goes a step further by offering actionable data analysis.

MSS Revenue Optimization is based upon GHX Channel Intelligence data combined with MSS Master Analyst Partnership (MAP™) services.

Sales Performance Improvement

Facing an uncertain regulatory and economic business climate, DJO may be feeling the pressures of shrinking profit margins, increased customer demands and shareholder requirements to increase market share growth.

To mitigate these pressures, many organizations count on their internal business intelligence systems to give them the answers they need to run a smarter business. Unfortunately, these systems are built on an incomplete or inaccurate data foundation. As a result, the conclusions drawn from them are incorrect, leading companies to waste precious resources on the wrong strategy.

As a sales leader, an important part of your job is to ensure your team has the most accurate information it can to support them – information that targets the right customers, uncovers the best leads, allows them to compete with an advantage in the market, and that ultimately results in both their individual success, and in the success of the company. Sales leaders at DJO must ensure your team has the most accurate information it can to support them – information that targets the right customers, uncovers the best leads, allows them to compete with an advantage in the market, and that ultimately results in both their individual success, and in the success of your company.

That's why we offer DJO the Sales Performance Solution – a solution that provides a unique combination of market, sales and clinical data that will lead to your organization's revenue growth through increased sales.

MSS Revenue Optimization is based upon GHX Channel Intelligence data and GHX Market Intelligence data, combined with MSS Master Analyst Partnership (MAP™) services.

Marketing Performance Improvement

As healthcare manufacturers like DJO feel pressure - from shrinking profit margins, marketing organizations, in turn, feel the pressure to produce better sales leads with fewer marketing dollars. What's more, many marketing organizations are realizing the value of programs that increase revenue from existing customers and improve customer loyalty. By shifting this focus, organizations save valuable resources that would otherwise be spent on new customer acquisitions.

To address their pressures, many marketing organizations have focused on ways to reduce costs and generate revenue through their internal business intelligence systems – systems they hope will give them the answers they need to run a smarter business. Unfortunately, many business intelligence systems are built on an incomplete or inaccurate data foundation. As a result, the conclusions drawn from them are incorrect, leading companies to waste precious

resources on the wrong strategy. A marketing team attempting to utilize inaccurate information cannot properly set marketing goals or launch successful campaigns.

That's why we offer DJO the Marketing Pathway Solution – a solution that provides a combination of market, sales and clinical data that will lead to your organization's revenue growth through total visibility to your market and customers.

MSS Revenue Optimization is based upon GHX Channel Intelligence data and GHX Market Intelligence data, combined with MSS Master Analyst Partnership (MAP™) services.

MSS MAP Services

Once you have the data you need, MSS will help you fully utilize it to meet your revenue growth goals.

With our MAP™ consulting services, we'll match you to a dedicated, experienced MSS analyst that knows your business. Your MAP™ consultant will work with you to run reports, review results and provide analytical insights based on your unique information.

Key components of MAP™ Services include:

- A business analyst dedicated to your organization and familiar with the data, who will provide valuable insight into your data sample
- Knowledge of how to use the combination of data sources to maximize the benefits of the solution
- On-demand or ongoing options for analysis services, with a 48 hour turn-around time on service requests
- Expert guidance on how to use the data to grow your business

Section 2. Vendor Information

Medical Surgical Solutions, LLC (MSS)

Medical Surgical Solutions, LLC provides medical and surgical manufacturers with comprehensive information they can't find anywhere else — information that integrates market, sales and clinical demand data. We help manufacturers and distributors make strategic decisions based on a customized analysis of their business data. We're able to deliver this unique solution through a combination of strategic alliances with business partners and the consulting knowledge of our own, highly-experienced business analysts. For more information, see med-surg-solutions.com.

Global Healthcare Exchange, LLC (GHX)

GHX makes healthcare more efficient by delivering software and services that enable both healthcare providers and suppliers to increase efficiency, lower costs and deliver better patient care. With the largest footprint in healthcare supply chain management, GHX connects more than 80 percent of licensed hospital beds at U.S. hospitals, as well as providers in Canada and Europe, with the suppliers from which they purchase the majority of their medical-surgical supplies. GHX is transforming today's linear healthcare supply chain into the industry's only healthcare supply cloud, providing 360-degree visibility into areas affecting both clinical and financial performance. Working with GHX, organizations can improve business processes, automate supply chain systems and work together in a collaborative environment to solve the tough challenges facing healthcare today. For more information, see ghx.com

MSS - GHX Relationship

Medical Surgical Solutions, LLC (MSS) is a licensed agent of GHX. MSS provide a single source for comprehensive Best-In-Class solutions customized to your business needs, for example chargebacks and rebates. MSS areas of expertise include: performance analytics, utilization of market data information and insights into clinical demand.

Section 3. MSS Service Offering: Revenue Optimization *

*This solution uses source data from GHX Channel Intelligence.

Your business analysts have identified the significant costs wasted on both rebate and chargeback disputes and data discrepancies. Yet for most organizations, it's difficult to determine how to obtain and leverage accurate information to eliminate these costs.

Through our industry best-in-class partners, we deliver clean, normalized data from your distribution partners that allows your organization to:

- Evaluate and adjust pricing strategies to increase margins
- Rectify rebate and chargeback disputes with channel partners, resulting in more accurate accruals
- Determine and manage eligibility through GLN, HIN and GPO roster-matching, reducing exception processing and overpayment of administrative fees

How MSS Technology Works with GHX to Enable Revenue Optimization Results

A 360° VIEW OF CUSTOMERS AND MARKETS HOW WE DO IT

- 1 WE OBTAIN SALES INFORMATION FROM YOUR CHANNEL PARTNERS**
- 2 WE PROCESS YOUR DATA BY:**
 - Cleansing and normalizing
 - Identifying duplicate submissions
 - Cross referencing for GLN/HIN and GPO and IDN membership
 - Matching with channel partners' product catalog numbers, UOM and facilities
- 3 WE ADDRESS CHARGEBACK, SALES TRACE & GPO ADMIN FEE ISSUES THROUGH:**
 - Validation of channel partner chargeback requests and claims
 - Real time adjudication of exceptions provided to speed the process of claim processing
 - Validation of sales trace values, such as: invoice date, debit memo, claim number, UOM conversion to each, contract price and channel partner into stock price
 - GPO admin fee calculations based on eligibility and timing
- 4 WE DELIVER CLEAR, MEANINGFUL REPORTS AND DATA TO YOU!**
 - GPO Administrative fee report
 - Missing and invalid transaction data report
 - Duplicate submissions and distributor error reporting
 - Rebate and Chargeback variances and exceptions reports
 - Clean, mapped normalized customer master data with GLN assignment that can be imported into your CRM and ERP systems
 - Clean, mapped, normalized data set for additional analysis

Benefits of Revenue Optimization

Aberdeen Studies have shown that clean data in your business intelligence systems can result in:

- 5-9% recapture of lost revenue due to rebate and chargeback errors due to penalties, missed deadlines, inconsistent pricing and transactional errors
- 60% decrease in time-to-information (i.e., getting disparate data cleansed, merged, and normalized for business usage)
- 68% decrease in time to incorporate new data sources, such as new distributor
- 7% increase in demand fulfillment when data is used as part of demand sensing

Sample Report

Please see Attachment B. MAP™ Services brochure, for sample reports and report explanations.

Getting More with MAP Services

With sales data from your distribution partners combined with local and GPO contract data, you have the opportunity to manage contracts, rebates and chargeback processes, resulting in increased revenue. MAP Services can assist you in:

- Evaluating and adjusting pricing strategies to increase margins
- Returning between 5 – 9% of revenue back to your business due to rebate and chargeback resolutions with channel partners
- Determining accurate accruals freeing up cash flow
- Managing eligibility through GLN, HIN and GPO roster- matching
- Reducing exception processing and overpayment of administrative fees

Section 4. MSS Service Offering: Sales Performance Solution*

*This solution uses source data from GHX Channel Intelligence and GHX Market Intelligence.

Is your sales team armed with the information it needs to target the right customers and uncover the best sales leads? Does your finance team understand how effectively the money you're spending on sales and marketing resources is being used? Our Sales Performance Solution offers you the foundation to plan and model your sales strategies – enabling your organization to:

- Develop strategic and tactical sales initiatives
- Maximize sales territory alignment for more equitable territory and quota management
- Improve sales targeting through an understanding of your prospects and market trends
- Reduce sales turnover and improved productivity by fair allocation of sales opportunities
- Determine which prospects are more likely to buy your products
- Realize the full potential of GPO/IDN and local contracts
- Stay on top of customer and marketing activity, and customize the view of this data by individual sales territory

How MSS Technology Works with GHX to Enable Sales Performance Results

A 360° VIEW OF CUSTOMERS AND MARKETS HOW WE DO IT

- WE GATHER MARKET AND SALES INFORMATION**
 - From your market intelligence provider, including competitive data (DOWN TO SKU AND 3-DIGIT ZIP CODE LEVEL)
 - From your channel partners and through your direct sales system
- WE PROCESS YOUR DATA BY:**
 - Cleansing and normalizing
 - Cross referencing for GLN/HIN and GPO and IDN membership
 - Matching with channel partners' product catalog numbers, UOM and facilities
- WE ADD CLINICAL DEMAND INFORMATION**
 - We map, to your facility, target market segment information including ICD-9 procedure codes and other tactical sales insights
- WE DELIVER CLEAR, MEANINGFUL REPORTS AND DATA TO YOU!**
 - Sales Reporting
 - Competitive Insight
 - Sales performance by national, regional, territory, facility and distributor
 - Sales commission reporting
 - Clean, mapped, and normalized data sets for additional analysis

Benefits of the Sales Performance Solution

Aberdeen Studies have shown that clean data in your business intelligence systems can result in:

- 9% improvement in profitability
- 9% improvement in revenue growth
- 9% improvement in net-new customers gained
- 9% improvement in customer satisfaction
- Revenue-per-account increase in 82% of accounts
- Average opportunity deal size increased in 69% of accounts
- 67% increase in lead qualification

Sample Report

Please see Attachment B. MAP™ Services brochure, for sample reports and report explanations.

Getting More with MAP Services

After you have acquired market, sales and clinical data, MSS will align this data to provide a clear picture of product units and dollars sold to the purchasing organizations and the available market within the territory. You now have a view of not only how your sales perform, but how your competitors also perform in that same territory. As a result, MAP Services can assist you in:

- Creating an ideal customer profile
- Aligning your sales to your competitors
- Accurately determine your sales performance to territory potential
- Sales territory realignment
- Quota assignment
- Commissions determination
- Determining targeted prospects
- Prospect contact information
- Customer and territory trends by patient profiles

Section 5. MSS Service Offering: Marketing Pathway Solution*

*This solution uses source data from GHX Channel Intelligence and GHX Market Intelligence

Even the most strategic marketing teams need data to back their decisions — data to illuminate their marketing expertise and to justify to other business units the investment in marketing.

Through our industry best-in-class partners, the Marketing Pathway Solution delivers market and clinical segmentation data mapped to your own direct and indirect sales data, enabling your marketing department to:

- Develop data-driven “go-to-market” product plans to generate market awareness
- Segment the market and your customers to identify market trends and increase campaign effectiveness
- Create ideal customer profiles to identify those prospect more likely to purchase your products
- Generate successful targeted campaigns to increase lead generation
- Stay updated on significant industry news that impacts your target customers and marketing activities

How MSS Technology Works with GHX to Enable Marketing Results



Benefits of the Marketing Pathway Solution

Aberdeen Studies have shown that clean data in your business intelligence systems can result in:

- 163% weighted average return on marketing investment
- 25% weighted average click-through rate on e-mail campaigns
- 12% improvement in sales reps achieving quota
- 9% improvement in netnew customers gained
- 9% improvement in customer satisfaction
- Revenue-per-account increase in 82% of accounts
- Average opportunity deal size increased in 69% of accounts
- 67% increase in lead qualification

Sample Report

Please see Attachment B - MAP™ Services brochure, for sample reports and report explanations.

Getting More with MAP Services

Marketing organizations require specific customer profile data, along with market and competitive information, to fully understand their market space. MAP Services expands your view of sales information and general demographic data to perform the strategic marketing analysis you need. As a result, MAP Services can help your marketing team to:

- Create an ideal customer profile
- Nurture prospects with targeted campaigns
- Deliver better leads to your sales organization
- Create compelling and current market messaging
- Predict market movement
- Anticipate competitive threats

Section 6. Pricing

Solution 1 - MSS Revenue Optimization using GHX CI

DataMerge

- Procurement and formatting of up to 55 distributor files and up to 200,000 transaction lines per month. Data is received via EDI, e-File, or Paper reports (direct sales data allowed if in electronic format).

DataCleanse

- MSS performs cleansing and quality control to include; removal of duplicate transactions, manage negative numbers in transactions and removal of non-current period transactions. Cross referencing to Distributor ID and Branch information, Product ID/UOM/Description/List Price/Cost Price and UOM standardization. Customer cross referencing to clients facility customer database and GLN, HIN and GPO membership to be performed.

DataValidate

- MSS performs initial and re-validation of chargeback transactions against Client's contracts for current and prior periods. Validation points include: Date, Contract Number, Membership, Facility ID, UOM, Quantity, and Price. GPO Admn. fees calculated based upon membership roster sales.

Fee: \$119,553.00 Timeline: Go live 90 days form execution of MSA/SOW

Customer Master File Cleansing

- Cleanse Client's 45,000 record Facility ID database to get to unique IDs including normalized and standardized fields i.e. St vs. Street and cross ID's to HIN, GLN and GPO membership rosters. In addition up to 4 industry databases to be used to provide additional attributed fields i.e. AHA, SDI, StratCenter, MAX.

Fee: \$55,812.00 Timeline: Delivery of file to DJO 5 weeks after receipt

Solution 2 - MSS Sales Performance Solution using GHX CI and GHX MI

Sales Reporting

- DataTrack application for 500 licenses for field based access to all validated sales both thru distribution and direct. 2 years of history presented with view to product, facility and distributor sales. Custom reporting includes grouping of individual facility i.e. IDN, product family and distributor branches. Commissionable products are also present in a quick summary level to track performance to plan.

Fee: \$65,000

Timeline: Application deployment and training TBD

Solution 3 - MSS Marketing Pathway Solution using GHX MI

DJO Profile

2010 distributed sales

- 57% Acute
- 43% Alternate Site

GHX Major Class	DOLLARS	DJO by Class
Patient Restraints & Supports [610]	\$106,530,196.11	73.76%
Patient Care Products, Medical [590]	\$15,219,400.15	10.54%
Heat/Cold Therapy [470]	\$12,758,463.55	8.83%
Orthopedic Supplies [550]	\$7,287,353.43	5.05%
Adhesives, Bandages, Dressings & Sponges [310]	\$1,685,817.86	1.17%
All Others	\$937,695.34	0.65%
TOTAL	\$144,418,926.44	100.00%

Market Intelligence

- Custom Sales Territory Reporting for 120 representatives providing complete
 - *Competitive visibility for all territories at the SKU level of detail by market*
- Database format of distributed sales at the 3 digit zip code level
 - *Competitive sales by 3 digit zip code and market to be analyzed by Medical Surgical Solutions*
- GHX MiShare (National, State and 3 Digit Zip-Code access)
 - *Online access to the GHX database allowing for endless analytical production, details enclosed*

Custom Territory Reporting: (120 Territories, X Regions)

On a quarterly basis and commencing with Q4 2010 sales data, GHX will provide custom reporting for all DJO custom sales territories. **Reporting includes all DJO and competitive sales through U.S. distribution allowing for a detailed understanding of all sales territories to drive strategic growth through improved targeting and accountability.**

- Unparalleled visibility to your competitive marketplace with custom territory reporting
- Custom reporting to be delivered in Adobe Acrobat Trend Report format and MS Excel or MS Access flat file format (upon request)
- Drive new revenue growth for DJO:
 - Assess alignment and improve customer and competitive targeting
 - Establish total addressable market per territory to drive accountability
 - Work smarter with a complete understanding of your competition (new codes, pricing, market share trends by SKU)

- \$1,500 per territory

GHX National SKU Trend Database – 3 Digit Zip-Code level of detail

As an alternative to custom reporting, GHX can deliver quarterly distributed sales data by SKU in both dollars and units allowing for efficient analysis of Market Size, Market Share and Average Pricing by U.S. 3 Digit Zip-Code. Medical Surgical Solutions would then analyze this database and produce key metrics and reporting for the complete DJO distributed business.

Access to GHX MiShare: (10 User Licenses)

GHX MiShare is our online analytical portal allowing for endless analytical output and visibility to your markets at a **State and 3 Digit Zip-Code level of detail**. **Current clients praise MiShare for improved work efficiency and unparalleled competitive insights. Leading marketing and sales teams are utilizing MiShare to drive targeting strategies and exploit share from their competitors.**

Key Performance Indicators: (Homepage)

- Customize an unlimited number of key performance indicators unique to each business user, allowing for high level market assessment immediately upon log-in.

Geographical Mapping:

- Create, Save and Export custom maps of the United States to quickly determine on a regional basis the strengths and weaknesses of your business, as well as those of your competition. through the visualization of sales using color coding to identify HIGH, MEDIUM, LOW volume.

Data Analysis:

- Client will gain access to the GHX Market Intelligence Database with the ability to view, save, and export all mined data. All data elements are available within this tool allowing for endless detail and analytical production.

Fee: \$180,000

Timeline: Delivered quarterly

Summary of Total Fees

MSS – GHX Solution	Fee
Revenue Optimization Solution (GHX Channel Intelligence + MSS Customer Cleansing)	\$175,365.00
Sales Performance Solution (GHX Channel Intelligence DataTrack)	\$ 65,000.00
Marketing Pathway Solution (GHX Channel Intelligence and Market Intelligence + MSS MAP Services)	\$180,000.00
Total Unbundled	\$420,365.00
Total Bundled*	\$357,310.00

*By purchasing the solutions together, you can achieve a 15% savings on total cost

Section 7. Customer References

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Section 8. Data Security

The following section is a description of MSS's Cloud Computing Provider.

Rackspace Security is a powerful, fully integrated portfolio of services, managed devices and best practices — all designed to ensure the highest levels of security for customer data.

Our portfolio covers all three critical security areas: physical security; operational security; and system security. Physical security includes locking down and logging all physical access to servers at our data center. Operational security involves creating business processes that follow security best practices to limit access to confidential information and maintain tight security over time.

System security involves locking down customer systems from the inside, starting with hardened operating systems and up-to-date patching. Rackspace offers a full range of options to take system security to the next level.

As with all Rackspace offerings, our promise of Fanatical Support stands behind our security solutions. We will do whatever it takes to ensure that all our customers are 100% satisfied, 100% of the time.

Physical Security

- Data center access limited to Rackspace data center technicians
- Biometric scanning for controlled data center access
- Security camera monitoring at all data center locations
- 24x7 onsite staff provides additional protection against unauthorized entry
- Unmarked facilities to help maintain low profile
- Physical security audited by an independent firm

System Security

- System installation using hardened, patched OS
- System patching configured by Rackspace to provide ongoing protection from exploits
- Dedicated firewall and VPN services to help block unauthorized system access
- Data protection with Rackspace managed backup solutions
- Optional, dedicated intrusion detection devices to provide an additional layer of protection against unauthorized system access
- Distributed Denial of Service (DDoS) mitigation services based on our proprietary Rackspace PreventTier™ system
- Risk assessment and security consultation by Rackspace professional services teams

Operational Security – the Rackspace Infrastructure

- ISO17799-based policies and procedures, regularly reviewed as part of our SAS70 Type II audit process
- All employees trained on documented information security and privacy procedures
- Access to confidential information restricted to authorized personnel only, according to documented processes
- Systems access logged and tracked for auditing purposes
- Secure document-destruction policies for all sensitive information
- Fully documented change-management procedures
- Independently audited disaster recovery and business continuity plans in place for Rackspace headquarters and support services

Operational Security – Customer's Application Environment

- Best practices used in the random generation of initial passwords
- All passwords encrypted during transmission and while in storage at Rackspace
- Secure media handling and destruction procedures for all customer data
- Support-ticket history available for review at My.Rackspace.com
- Help available from Rackspace in configuring system logging to create a system audit trail
- Rackspace Security Services can provide guidance in developing security processes for compliance programs
- **Rackspace Security** supports all three areas of data
- security, ensuring maximum protection for customer data.
- Rackspace Security at a Glance

RACKSPACE MODIFIED DATE: 1-03-2008