

For Oridion, better technology called for better marketing channel

No matter how superior a new medical technology may be to the current standard of care, it doesn't sell itself. Rather, it takes knowledgeable salespeople, who have earned the trust and respect of key clinical decision makers, to drive adoption of it. That's why Oridion Capnography (acquired by Covidien in 2012) used specialty distributors to sell its innovative technology to anesthesiologists and respiratory therapists.

Founded in 1987, Oridion developed a superior measuring technology for capnography, which is the graphical depiction of the amount of carbon dioxide being exhaled by a patient – a sure sign of ventilation. Its measuring technology, called "Microstream®," differs from that of conventional capnography systems in a number of ways:

- It measures carbon dioxide molecules *only*, unlike other technologies, which are influenced by other gases (such as oxygen, nitrogen, nitrous oxide or helium) requiring compensation steps for their presence. This makes the technology very easy to use.
- It requires a very low flow rate of 50 mls, which allows accurate sampling in patients typically not candidates for CO₂ monitoring, like neonates and infants. These patients have high respiratory rates and very low tidal volume.
- Because of its precise measuring technology, it allows clinicians to transition from Intubated to Non-Intubated monitoring with a simple change of a filterline. This can be done without missing a single respiration.

In addition to the improved measuring technology, Oridion developed superior products for *sampling* patients' breath, which it calls FilterLine®. These intubated and non-intubated sampling lines offer clear advantages over those of its competitors:

- The Intubated filterlines employ patented sampling ports and naphion strips, which provide extended use in the ICU environment.
- They have the ability to function in any orientation, enabling monitoring during patient motion or transport
- A lightweight design reduces the risk of endotracheal tube kinking and accidental extubation.
- The Non-Intubated Filterlines employs Oridion's patented Smart "Sampling" Technology. This means a patient breath can be sampled from either the nose or mouth, depending on where the best sample quality can be acquired.

- With the increasing number of minimally invasive procedures being performed today – which do not call for intubation – the ability to monitor non-intubated patients undergoing opioid sedation is increasingly important for patient safety.

“We have the best measuring technology coupled with the best sampling technology, which means the clinician has an easy-to-use, plug-and-play system to monitor patients they weren’t able to monitor in the past,” said Tom Millonig, global vice president of sales. “And we have customized patient interfaces for a variety of clinical environments throughout the hospital, unlike anything else in the market.”

In order to get its technology into the market quickly, Oridion sold its monitoring hardware through OEM relationships with some of the biggest monitoring companies in the world, including Medtronic, Philips, Draeger, Siemens and Datascope. “These partners have been able to sell 140,000 Microstream enabled monitors worldwide,” said Millonig. “Our OEM partners are some of the most respected monitoring companies in healthcare, and they have done a great job selling our core science as part of their overall monitoring platform throughout the world.”

But product *placement* is just the first step in overall product adoption. In order to drive utilization of consumables, Oridion needed people in the hospitals to show clinicians how to use Microstream, how to interpret the information yielded, and how to select the right patients. “That required a different approach,” said Millonig. Such an approach not only would ensure the very best in patient care, but it would drive sales of the consumables associated with Oridion’s technology.

“We built a profile of the ideal specialty distribution channel,” said Millonig. Oridion determined that such an organization would be expert at selling concept-oriented technology. It would also be effective at so-called “missionary selling,” that is, creating markets for new technologies.

“In order to drive the adoption of Microstream, we must find clinical champions who understand why CO2 monitoring is important,” he said. “Anesthesia and respiratory clinicians are the key clinical stakeholders who will truly appreciate the benefits of our technology. So we needed to find companies who had people in place with strong relationships with these key areas. These salespeople could sell the concept, do the missionary work and leverage these key contacts to drive hospitalwide utilization. When they walk into the OR and see the anesthesiologist, that anesthesiologist asks them, ‘What do you have to show me today?’”

Sales representatives would also be able to teach clinicians how to use the monitors with Oridion’s core science, and would be attracted by the recurring

revenue stream generated by Oridion's consumables. It all added up to specialty distributors.

And so, in 2005, Oridion set up the Oridion Distribution Network, whose distributors had access not only to the company's consumables, but to some portable, hand-held monitors as well. Many IMDA members were part of the network. They did not disappoint. Oridion's North American consumables business grew 136 percent in two years.

"I came from direct-sales management experience," said Millonig. "When I looked at indirect distribution, I was suspect of how effective it could be. But as I have gotten to know these companies and their ownership, I am impressed by their credibility in the marketplace, and the strong businesses they have built. My initial meeting with IMDA members started with Stan Tangelakis of Mercury Medical. Stan was quick to educate me that Mercury Medical was not a distributor but rather a 'specialty marketing organization.'

"Since that initial meeting, I have come to truly understand the role of specialty marketing organizations. Specialty distributors bring their reputation of carrying the best products to the market every day. Their credibility is on the line every time they bring a product to the customer. They want to represent products of the highest quality, and they want to be the experts on the technology. That's great for where we are with our product line."

Oridion's experience demonstrates one of IMDA's recurring messages to manufacturers looking for distribution: If you make commodity products, seek out a general-line distributor. But if you make an innovative technology that calls for an educated, technical missionary sell, consult a specialty distributor. Consult IMDA.