

## Medical Solutions

For the daily and trade press

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### **Background information: Refurbished Systems**

Innovative solutions with refurbished medical systems in “Proven Excellence” quality from Siemens Medical Solutions

**The Refurbished Systems (RS) Group of Siemens Medical Solutions has been headquartered in Forchheim since August 2004. At a modern production center, pre-owned medical systems – from x-ray, to computed tomography, to ultrasound – are refurbished, given the “Proven Excellence” quality seal, and then resold worldwide.**

The refurbished systems business has become an important pillar at Siemens Medical Solutions. For more than five years, medical systems have been accepted for trade-in, refurbished, and resold. Most of these systems come from Siemens customers participating in upgrade programs. “Demo systems” from trade shows or conventions, usually from the current Siemens product pallet and never in clinical use, round out the products offered. To strengthen global business, an additional RS location was established at Hoffman Estates/Chicago, USA in October 2003, where medical systems are refurbished and resold specifically for the American market.

### **Facts & Figures**

According to market research company Frost & Sullivan, the worldwide market for refurbished medical systems is estimated to be over a billion dollars annually. In addition, a growth rate of approx. 10 percent per year is forecast. Siemens Medical Refurbished Systems, with its “Proven Excellence” quality program, has established itself as one of the market leaders in the premium sector. The demand for refurbished

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systems has grown dramatically over the past few years. More than 800 refurbished systems were sold last year alone. Three years ago, only half as many were remarketed.

### **Who?**

Customers include physicians in private practice as well as university hospitals with more than 1000 beds. Thanks to its wide range of system configuration capabilities as well as numerous service and financing offerings, RS can individually meet almost any customer requirement with its comprehensive portfolio – from ultrasound devices for routine diagnostics to biplanar cardiac cath labs for interventional diagnostics.

### **What?**

The complex refurbishment of systems in the over 4000 m<sup>2</sup> RS production center in Forchheim is performed in conjunction with logistics service provider Simon Hegele Ltd. Hegele is responsible for deinstalling the system at the customer site, as well as cleaning, disinfection, painting, and reinstallation. The almost 100 Siemens employees – primarily from Production, Quality Management, Logistics, Marketing, and Sales – are responsible for reconditioning and system resale. For the refurbishment of radiography and computed tomography systems, 16 test bays have been designed, where each system is technically reconditioned and then fully rebuilt and tested. A separate 500 m<sup>2</sup> area is available for refurbishing ultrasound devices and for production and refurbishing of transducers.

Due to ISO13485:2003 location certification and high quality standards, the RS production process is comparable to that for new systems. Voluntary participation in the EU's Eco-Management and Audit Scheme (EMAS), the system with the world's most stringent environmental protection and the certification according to ISO 14001, underscores an environmentally and resource-sensitive mode of operation. Extending the product lifecycle in particular contributes significantly to protecting resources.

## The “Proven Excellence” process – a guarantee for first-class quality

RS has established the “Proven Excellence” program worldwide to guarantee the highest quality for customers. Every pre-owned system has to undergo a five-point quality process: Selection, Deinstallation, Refurbishment, Reinstallation, Warranty and Services.

The process steps in detail:

- Selection: RS only accepts trade-in on the best systems worldwide. They are chosen using strict selection criteria. For example, a system must regularly not be more than eight years old, and spare parts have to be available for another five years. In addition, the software and hardware have to be able to be upgraded to the most current version.
- Deinstallation: After on-site inspection at the customer’s site, the system is professionally deinstalled by qualified service partners and delivered to one of the RS locations in original transport packaging.
- Refurbishment: After the system is cleaned, disinfected, and painted, all parts subject to wear and tear are replaced with original Siemens parts. In addition, all components and subsystems are thoroughly tested in the system and, if defective, replaced with original parts. Software and hardware is updated to the most recent version possible. Finally, the entire system is tested using the original test instructions for new systems and then subjected to a quality acceptance test. Only then does the system receive the “Proven Excellence” seal of quality.

- Reinstallation: After transport, the system is reinstalled by our professional service partners and set into operation. Application training is offered as an option. Finally, the customer receives a “Proven Excellence” quality certificate.
- Warranty: “Proven Excellence” systems have a 12 month warranty against defects, comparable to that for new systems. Spare parts are available for at least five years after purchase. The full spectrum of service contracts and financing solutions as well as qualified contact persons worldwide are also available to the customer.

The Internet is an important component in the marketing strategy of RS and serves as an additional sales and communications channel. The website [www.siemens.com/refurbished](http://www.siemens.com/refurbished) contains information regarding the entire RS portfolio, the “Proven Excellence” process, and contact persons. It also contains trade-in offers for pre-owned medical products.

**Siemens Medical Solutions** is one of the world's largest suppliers to the healthcare industry. The company is known for bringing together innovative medical technologies, healthcare information systems, management consulting, and support services, to help customers achieve tangible, sustainable, clinical and financial outcomes. From imaging systems for diagnosis, to therapy equipment for treatment, to molecular medicine to hearing instruments and beyond, Siemens innovations contribute to the health and well-being of people across the globe, while improving operational efficiencies and optimizing workflow in hospitals, clinics, home health agencies, and doctors' offices. Recent acquisitions in the area of in-vitro diagnostics – such as Diagnostic Products Corporation – mark a significant milestone for Siemens as it becomes the first full service diagnostics company. Employing approximately 36,000 people worldwide and operating in more than 130 countries, Siemens Medical Solutions reported sales of 8.23 billion EUR, orders of 9.33 billion EUR and group profit of 1,06 billion EUR for fiscal 2006 (preliminary figures). Further information can be found under: <http://www.siemens.com/medical>