

Focusing on Customer Needs is a Winning Strategy

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Figure 1 HORIBA ABX Montpellier Headquarters



Figure 2 HORIBA, Ltd.

The HORIBA ABX World

When ABX joined the HORIBA Group in 1996, sales amounted to around €35 million. Seven years later, figures had more than tripled and were close to €120 million.

During this period, our company's very rapid growth required major investments. These investments targeted R&D to renew and extend the HORIBA ABX product portfolio, as well as increasing production capacity, expanding the sales network and strengthening the company's support services.

Investment in R&D enabled HORIBA ABX to renew its range of hematology instruments by introducing five new analyzers over the last three years. A clinical chemistry development team, set up at the same time, created the Pentra 400, the first analyzer to be fully designed by HORIBA ABX, which was introduced at the beginning of 2004. Mid-2003, HORIBA ABX acquired Biopep, a company specializing in hemostasis, in a continuous drive to develop a broad range of innovative solutions for its customers.

HORIBA ABX R&D fully exploits the different technologies available within the HORIBA Group. Examples of joint work include the Pentra 400 spectrophotometer developed with Jobin Yvon, a HORIBA Group company and a worldwide leader in spectroscopy and diffractive optics. Another example of synergy within the HORIBA Group is the Pentra 400 ISE module, this time developed with HORIBA, Ltd..

HORIBA ABX's growth and increased product sales generated a need to expand production capacity. To understand the investment required, a few key figures will suffice. In 1996 HORIBA ABX was producing 1,700 instruments and 1,400 tonnes of related reagents; in 2003 we produced more than 7,000 instruments and 6,000 tonnes of reagents.

Production capacity initially increased when the Montpellier headquarters (Figure 1) were extended and an additional product site was opened in HORIBA, Ltd. (Figure 2) in Japan. In 1997, a third production site opened at HORIBA ABX Brazil in Sao Paulo.

In 1996 our sales network incorporated a local structure for French domestic operations and a large number of exclusive distributors to ensure the promotion of our products abroad. We decided to set up subsidiaries in those countries where our distributors could not heavily invest in customer support and services. Today HORIBA ABX is represented by its own affiliated companies throughout Europe, Brazil, USA, Poland, India and south-east Asia, with HORIBA representing us in Japan. We continue to work very closely with our 85 exclusive distributors (Figure 3) in the other 140 countries where our products are sold.

As a result, HORIBA ABX has emerged to become a major hematology supplier in the IVD market and probably the worldwide leader in the annual production of hematology instruments. Our analyzers respond to the needs of all types of laboratories worldwide, such as laboratories used by physician office labs, university hospital labs and private laboratories. Our 800 employees are either on site or traveling around the world to ensure that our customers receive top-quality service.

Changes in Healthcare

In only 20 years HORIBA ABX has become the fifth largest hematology supplier worldwide in an extremely competitive environment. We are very proud of this success but we know that to satisfy a greater number of customers in an everyday capacity, we must face new challenges arising from market evolution and changes in our customer environment.

Many of these changes are linked to the fact that healthcare expenses are increasing in most countries and, given the current difficult economic climate, national governments are examining ways of reducing costs. The reasons for such an increase are multiple and can vary from country to country. It is possible, however, to clearly identify a number of important international trends.

An aging population in most western countries produces a higher proportion of people with health problems as well as the development of new, age-dependent, pathologies. In many countries, rapid population growth has created a strong demand for more diagnostic structures and tests. In addition, more extensive and easier travel encourages contagious diseases to spread rapidly regardless of country borders while other factors like pollution, lifestyle and nutrition bring about new pathologies.



Figure 3 Worldwide Distribution Network

This means that laboratories are required to increase their productivity and efficiency in order to provide cost-effective solutions for a growing number of analyses as well as detecting new diseases and performing increasingly effective and rapid diagnosis.

Centralized testing is one of the cost-saving solutions adopted by many laboratories, resulting in fewer but larger labs. A higher automation level of testing and results management has therefore become mandatory.

In parallel, other constraints such as the need to shorten patients' hospital stay or follow-up of treatment has led to the development of alternate testing sites which are located closer to the patients. This trend requires easy-to-use instruments which can be controlled at a distance in order to ensure proper quality control of results provided by the various sites.

Several testing sites working together means that laboratories require an efficient electronic information system to ensure the remote control of different site instruments as well as the exchange of information and management of patient reports.

In addition, testing can now be performed by patients themselves with adequate self-testing devices and, on a more general level, patient awareness and follow-up of their own health is developing rapidly. Our customers have an important role to play in this aspect as well as encouraging educational initiatives in the areas of disease risk factors and preventive actions.

In the face of these changes, HORIBA ABX must remain flexible and proactive so as to keep its strategy on course and pursue its development objectives.

HORIBA ABX Strategy

To achieve success as a major actor in the field, HORIBA ABX has implemented a strategy based on the two following principles.

The first principle is that a product will be successful if it answers the needs and concerns of our customers. We therefore listen to them carefully and try to understand not only the constraints of their business but also those of their environment. We then try to rapidly design an innovative product that will respond to their expectations while providing them with a number of advantages. For a few examples, take a look at our product portfolio. With the Pentra 120 Retic, HORIBA ABX introduced the first automatic reticulocyte count using the Thiazole Orange reference method with result time reduced from 30 minutes to less than 30 seconds. We designed the first fully integrated slide maker and stainer (SPS), and combined hematology

and immuno-chemistry technologies to perform CBC and CRP tests at the same time on the same instrument, as well as we included in all HORIBA ABX analyzers, the Reflex Testing procedure which automatically retests a problematic sample.

In this issue of “Readout”, you will find several articles detailing some of the technologies and tools we have developed and included in our present product portfolio. You will also find descriptions of products and technologies that will be available in a few years from now, as part of our work is anticipating what our customers will need in the future. Belonging to the HORIBA Group enables HORIBA ABX to benefit from cutting-edge expertise and innovative analytical technologies developed by other companies in the Group.

The second principle is that a product on its own cannot fully respond to customer requirements, and that we must also offer service that is second to none. User training, product deliveries, instrument maintenance, technical service and support are obvious aspects, but we also offer different services that we feel are important for our customers, such as financing services, advanced training, technical hotline, scientific support, online documentation, etc. This is why HORIBA ABX gives top priority to all its customer-oriented teams, focusing on their ability and personal development.

Conclusion

This issue of “Readout” is centered mainly on HORIBA ABX technologies and products. They have enabled us to become a major player in the diagnostics market although we never forget that technologies and products are only part of the innovative solutions we provide to customers.

Our customers expect services and support from HORIBA ABX and they will choose us if we can also give value to their business. In other words, our aim is to become our customers' preferred supplier.

This is why HORIBA ABX is different from other players in the diagnostics market, not only because of its products but also because of the quality of the relationship we build with our customers. Our ambition is to develop their trust in HORIBA ABX and, through a real partnership over time, work with them to help our company evolve and grow.



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