



PODCAST

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DAVID KUEHN, General Manager of Third Party Business and Vice President Global Marketing and Sales at Dunlee, a division of Phillips Healthcare, discusses how hospitals have other options with CT tube replacement – regardless of the original manufacturer

Future Healthcare Replacing the computed tomography (CT) tube is a costly and unpredictable component of system maintenance in any imaging department. **When a replacement tube is needed, what options do customers have?**

David Kuehn Most of the original equipment manufacturers (OEMs) of CT equipment have their own tube factories with the latest generation tubes available. However, Dunlee, as a division of Phillips, builds many of the tube platforms that are used on the Phillips healthcare systems, but it also applied that technology to the rest of the install base. So whether it's General Electric, Siemens or Toshiba, Dunlee has taken its "homegrown" technology and applied it to other applications, platforms and brands. This has been very important in today's healthcare market, where hospitals are looking to save money on their lifecycle and equipment maintenance costs, so they have more money to spend on new equipment.

Dunlee is a company that has been able to save hospitals money across their entire range of products, regardless of who the original manufacturer is. In order for the hospital to take advantage of that opportunity, it has to have its

own in-house service capabilities, where it is able to just buy a tube directly from Dunlee, but then install it in-house. Alternatively, the hospital has to be a part of an independent service organization (ISO) that specializes in servicing CT or magnetic resonance (MR) equipment, or by brand. For instance, many ISOs are dedicated to only servicing GE or Siemens install spaces.

FH CT systems come in many brands and varying slice capacities. **Does Dunlee have replacement tubes to cover the gamut of installed CT systems?**

DK We are always developing new tubes. We have a new product coming that is a 64-slice scanner, but each brand usually accommodates up to 16 slices. So we have a very comprehensive product portfolio. We usually lag a couple of years behind the OEM in introducing our products. For instance, a CT scanner may be covered by the original manufacturer's warranty for the first two to three years, depending on what they've negotiated in their purchasing agreement and during that time we learn about the product and develop a replacement tube that in many cases exceeds the quality of the original tube from the original manufacturer. »





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OPTIONS ABOUND FOR
CT TUBE REPLACEMENT



“OUR AVERAGE TUBE LIFE OFTEN EXCEEDS THE OEM BECAUSE WE DON’T SEEK TO BUILD A REPLICA — OUR GOAL IS TO BUILD A BETTER TUBE THAN THE ORIGINAL.”

FH Are the CT tubes that you replace loaded with a new tube insert or a refurbished one? What’s the difference?

DK There are many online companies that sell a lot of used or pre-owned equipment because of the increased cost of tubes. Many hospitals have even considered employing used X-ray tubes. That’s not something we would recommend for many reasons — patient safety, dose to the patient, and so on. A hospital is always better off buying a new tube because it may have a full warranty associated with it. When you buy a used tube you may have saved up to 50 percent, but then the warranty, in some cases, may only be 30 or 90 days. So, there are really no guarantees with a used tube purchase.

Many vendors don’t have the technical capability to determine how much tube life is left in a particular product. They’re just buyers and resellers. We design an exact replacement for the OEM’s tube. It takes 12 to 24 months depending on the complexity of the product to build our own version of the replacement tube — it is always new and carries the same warranty as the OEM tube. Our average tube life often exceeds the OEM because we don’t seek to just build a replica. When we design a tube, our goal is to build a better tube than the original. We have some unique proprietary tube technologies at Phillips that other OEMs don’t have, so we are capable of delivering on that.

In addition, we build our own version of the OEM’s housing, because if we relied on used housings from the market, we would have limited capabilities to actually build the product. We can also stock tubes around the world and have

supply amounts available based on how much demand is there for our products. In many cases, we are able to deliver a tube to a hospital within four hours of receiving the order because that tube is already available locally.

FH Urgent delivery and technical support are critical to customers. What does Dunlee do to minimize system downtime?

DK About nine years ago, we started 24/7 technical support, ordering capabilities, and product shipment. Recently, we launched an online service tool that helps walk customers through the tube installation process. It includes video clips and photographs to assist service engineers in the field. There is also live technical support available via the phone lines.

FH Several companies, including Dunlee, offer glassware insurance programs. How do these programs work and what benefits do they offer?

DK Many OEMs offer glassware insurance programs where customers can register their systems and pay an annual enrollment fee, and then they are able to purchase X-ray tubes from the OEM at a discounted rate from the list price. Dunlee’s program is more accommodating to hospitals. In our program, hospitals pay a six-month fee for glassware coverage and but do not have to pay an annual enrollment fee per system. We base our program on how long we believe our tubes will last, divided by the term length of the agreement. There is very little risk involved.

FH What other replacement components does Dunlee offer in addition to CT and radiographic tubes?

DK In the replacement business — which is what we call our service channel — CT tubes is where we save hospitals the most money because our pricing is much lower compared to the original OEM. We also provide radiographic tubes for several brands of general X-ray equipment, but radiographic tubes aren’t quite as expensive as CT tubes and last much longer. The life of a CT tube is generally one to two years and radiographic tubes can last up to seven years. We also provide image intensifiers from our Richmond, Va., facility — Phillips and Collins, the two leading brands on the market.

Hospitals are able to order image intensifiers on an off-the-shelf basis from Dunlee. We also manufacture a complete line of grids under the brand name Smith Rankin and these are sold through the Dunlee sales channel. These grids are very different from other grids on the market. They are slightly more expensive because we use carbon fiber interspaced material, as opposed to some of the less expensive grids on the market, which use aluminum. The benefits of the interspaced grid include improved image quality and perhaps, even more importantly, it produces a lower X-ray dose to the patient.

However, the service channel is only one aspect of Dunlee’s business. We’re also a large OEM supplier to other manufacturers in the industry, because only large OEMs manufacture their own X-ray tubes. Medium-sized OEMs on the market rely on an independent tube manufacturer for that source of supply, and so Dunlee has many partnerships in the industry. **FH**



DAVID KUEHN is VP of Global Sales & Marketing and GM for Third Party Business at Dunlee. He has 20 years of industry experience in medical imaging, and 8 years of X-Ray tube experience with Siemens and Varian, where he lead global sales and marketing. He also spent 3 years with Lorad and Trex Medical Corporation, as VP of International Sales for Mammography, Breast Biopsy, Cardiology, and X-Ray products. He has a Bachelors Degree in Marketing from Western Illinois University and an MBA from DePaul University in International Business.

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D-22335 Hamburg, Germany
Tel: +49.40.851.59.4700