

AMCHAM SEMINAR

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# Covidien 2020

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# About COVIDIEN

**10.2<sub>B</sub>**

COVIDIEN  
Revenue in 2013

**70**

Countries for which more than  
38,000 employees are working

**41**

Manufacturing facilities  
in 17 countries

**450<sub>M</sub>**

Amount of sales revenue Covidien  
currently spends on R&D in 2012



**Innovation**

Ranked among World's 100 Most Innovative Companies  
By Thomson Reuter and Forbes in 2013

# About COVIDIEN Korea



*Started as Tyco Healthcare in 1997 and rebranded as Covidien Korea in 2011*



*Opened Covidien Center of Innovation in 2013 for offering clinical programs*



*Currently employs 165 staffs at Covidien Korea*



**Surgical Devices**



**Vascular Therapies**



**Energy-based Devices**



**Respiratory & Monitoring Solutions**



**COVIDIEN**



COVIDIEN

# Open Innovation

- A term promoted by Henry Chesbrough, professor and faculty director of the Center for Open Innovation at the Haas School of Business, UC Berkeley
- A paradigm that assumes that firms can and should use external ideas as well as internal ideas, and internal and external paths to market, as the firms look to advance their technology
  - Alternatively, it is innovating with partners by sharing risk and reward
- Open Innovation Organizations recognize.....
  - External R&D can create significant value; internal R&D is needed to claim some portion of that value
  - if we make the best use of internal and external ideas, we will win

✘ Ref.: [http://en.wikipedia.org/wiki/Open\\_innovation](http://en.wikipedia.org/wiki/Open_innovation)

# Open Innovation

## Collaborative needs between local and global manufacturers

### *Local needs*

- R&D competency and investment
- Regulatory science competency; quality management, clinical research, regulatory approval
- Market intelligence; sales and marketing competency
- Source of funding round

### *Global needs*

- New source of stifled innovations; Connect & Development (C&D)
- Cost reduction under price pressure; high productivity, lower cost, good quality
- Entering new markets; untouched value segments
- Size matters; M&A

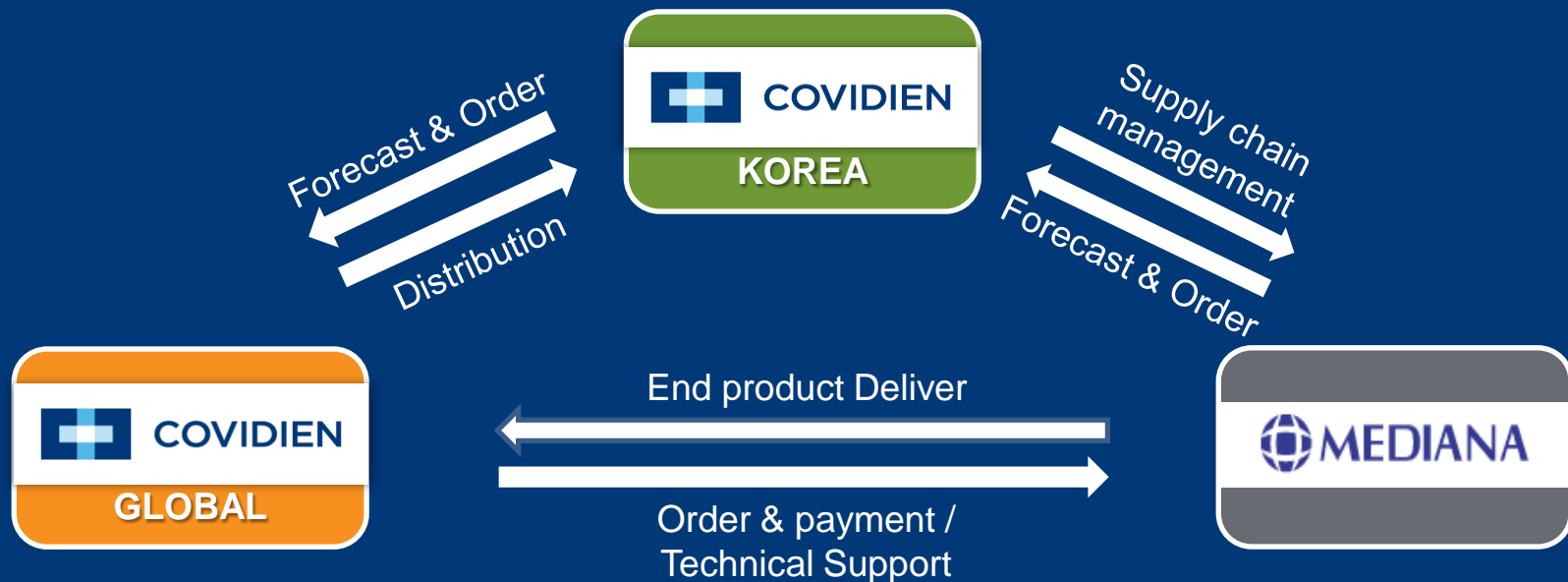
# Open Innovation

## - Collaboration with Mediana

The first 3 year-contract was 40B KRW in 2001 as a ODM partner

Based on 14 year-partnership,  
Mediana manufactures own patient monitor brands

Revenue of Mediana grew from 7.4BKRW (2000) to 35.3BKRW (2013)



# Open Innovation

- Covidien Center of Innovation Korea



**First R&D and Training Center** in Medical Device Industry in Korea

**First successful case of a FDI** in Osong Bio Cluster Complex



# CCI Korea spans an area of more than 6,000 square meters and includes...

## Surgical Lab

- 11 Operating Stations
- Laparoscopic System, Flexible Endoscope, Energy Devices and Various Minimally Invasive Surgeries Device

## ICU Lab

- First Human Patient Simulator in Korea
- Two ICU beds with mechanical ventilation systems

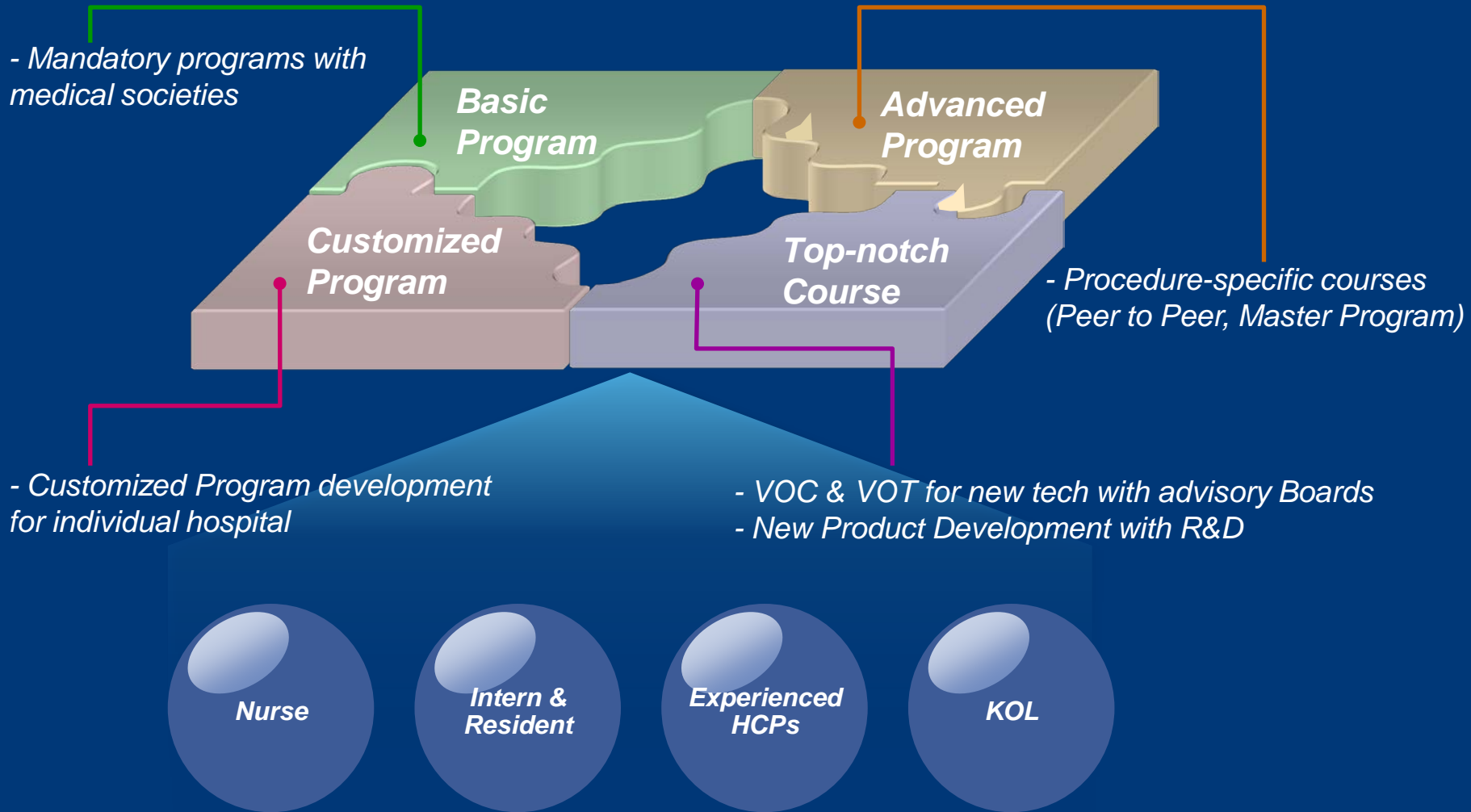
## R&D Lab

- Dedicated R&D Personnel
- Connected to the Extensive Covidien R&D Network Across the Globe

## Auditorium

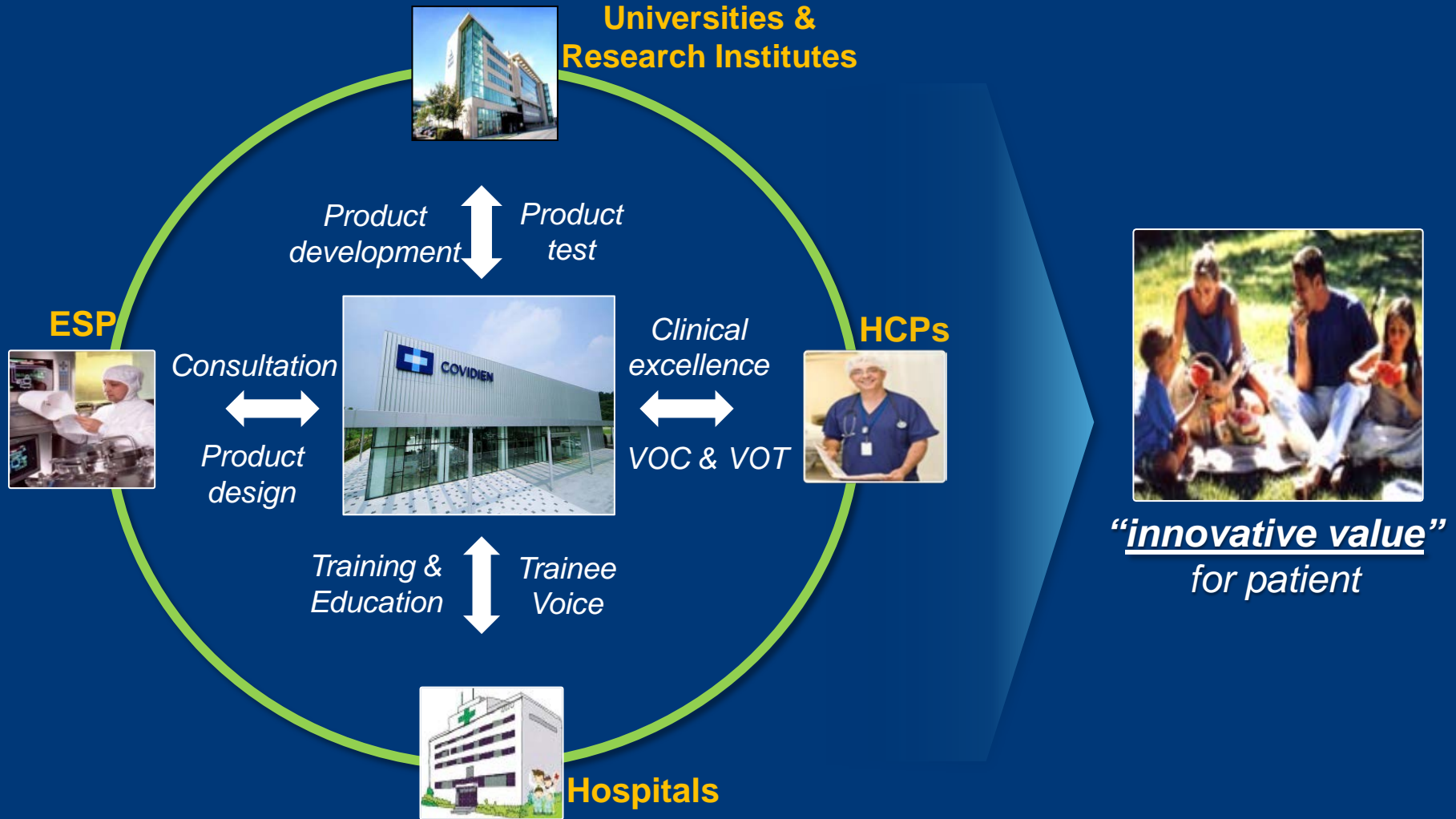
- 3D/High-Definition Display Technology, State-of-the-art Sound System for immersive training environments
- Seating capacity for 112 people

# CCI Training and Education Offerings



# Open Innovation

## - CCI Korea innovative circle



# Thank you!