



Colson Conversation

A Periodic Newsletter for the Employees of the Colson Associates Worldwide Member Companies

Welcome

By the time you receive this issue of the Colson Conversation, the 2014 Colson Associates Brochure will be available on-line at the Colson Associates web site.

I encourage and urge each of the employees of the Colson Associates Companies to set aside some time to read the 2014 Brochure. The Brochure provides a wonderful opportunity to grow your understanding of not only each of the businesses but also our affirmed commitment to excellence and our approach to doing business. Plus, it will be fun and enjoyable to learn some new things about the Colson Associates Companies that you may not have known and to see your company featured as well.

In my letter within the Brochure, addressed to each of you, I touch on several thoughts and observations that are especially pertinent in today's business environment and which underscores and helps explain why the

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OsteoMed: Focused on the Improvement of Patient Outcomes

With over 23 years of focus and dedication to the Craniomaxillofacial/ Neuro and Small Bone Orthopedic markets and expansion into the \$4.5B Spine market, OsteoMed has emerged as an industry leader in the design, development, manufacturing, sales and marketing of the industry's highest quality and innovative implants and fixation devices.

A History of Continued Growth and Development

In 1991, OsteoMed was founded in a small industrial park in Glendale, California. With an initial focus on the oral & maxillofacial surgical specialty, the company quickly gained traction through working with some of the country's leading oral surgeons and teaching institutions to produce its first rigid fixation system (M3) for orthognathic surgery and craniomaxillofacial trauma. Two short years later, OsteoMed relocated to Dallas, Texas and executed its first major expansion to take advantage of the central US location and international airport accessibility.

In 1998, OsteoMed Corporation was acquired by The Marmon Group in Chicago, Illinois. OsteoMed enjoyed tremendous success and growth in the

OsteoMed's first product was the M3-Rigid Fixation System



following years and built its new 60,000 square foot state-of-the-art world headquarters in Addison, Texas in December of 2001. Today, OsteoMed's global organization employs 250 with operations active in 42 countries around the globe.

Focusing on niche markets has always been a cornerstone of OsteoMed's success. In 2011, OsteoMed restructured its business to increase focus in all the markets it serves. This new model formed the creation of distinct business units that are product-segment focused and fully

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Original site, Glendale, California



World Headquarters, Addison, Texas

companies under the Colson Associates' umbrella are such a unique and rewarding place to spend your working career. One attribute that I think best summarizes the culture of the Colson Associates environment is that of "Accountability." **We are all accountable to everyone with whom we have a relationship and to one another. I suspect that the term "accountability" will, like most terms and phrases that start to become in vogue, will with the passage of time become over-used. But, for all of us, you and me and all of our Associates, the support, appreciation, trust and desire to meet our commitments to one another (in other words our accountability to one another) will always continue to be the foundation for why the Companies of Colson Associates are such a special place for each of us.**

Thanks for everything you do.

Best wishes for a very happy and enjoyable Spring and fun-filled but safe Summer.

All the best,

Louhon Tucker
President & CEO
Colson Associates, Inc.



Rethinking Possibilities, Reshaping Lives

resourced. Today OsteoMed operates five business units with dedicated sales, product management, QA/RA and engineering resources.

The business units provide focus in the Craniomaxillofacial/Neuro, Small Bone Orthopedics, Spine, Power Surgical Instruments and International markets. This restructuring has proved to be a successful model in growing market share, enhancing communication, creating new product development efficiencies and in focusing on proactive versus reactive strategies in the specific market segments.

The small bone orthopedic market continues to be one of the fastest growing market segments in the medical device industry. OsteoMed has capitalized in this niche market by focusing on innovative new product development targeted to the small bone orthopedic specialist.

Medical Education

Medical education remains a key driver in OsteoMed's success and commitment to the markets it serves. From supporting university-based education, surgeon-driven CME accredited programs, surgeon-led product training programs, resident training and education, product specific cadaver labs to small sawbone hands-on workshops, OsteoMed organizes over 200 educational events annually.

In 2009, OsteoMed opened the doors to its new in-house cadaver lab facility in Addison, Texas. This state-of-the-art lab provides a clinical hands-on learning experience at the highest level. The ability to offer a cadaveric learning experience along with clinical lectures with instruction from some of the country's top surgeons firmly places OsteoMed in the top-tier for medical education.

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OsteoMed's cadaver lab





Did You Know?

■ Addison, Texas is located in an area once called Peters Colony. It was settled as early as 1846 when Preston Witt built a house on White Rock Creek. The area was not known as Addison until 1902. Addison was named after Addison Robertson, who served as the community's second postmaster from 1908-1916. In 1902, the first industry introduced to Addison was a cotton gin.

■ The Cavanaugh Flight Museum, located in Addison, features fully restored aircraft from W.W.I and W.W.II.

■ Addison has a population of only 15,830 residents, but its business and daytime population typically reaches up to 100,000 a day.



OsteoMed's manufacturing facility

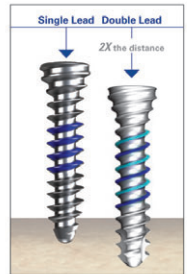
Operational and Manufacturing Efficiencies

With the restructuring into distinct business units in 2011, OsteoMed's technical operations followed suit. The vision for this aspect of business was forged to become a high velocity operations group providing a competitive advantage for OsteoMed. The restructuring of operations followed OsteoMed's primary value streams of order fulfillment and warehouse replenishment, giving birth to a new supply chain team and a new manufacturing operations team.

Operating efficiencies were made a priority and moved from a batch and queue philosophy into a cell-based, right piece flow, Lean Philosophy. OsteoMed selected its patented AutoDrive® screw product family as the pilot cell for training and transformation. Newly-formed teams were trained on the principles of Lean manufacturing and nurtured to assure constant focus on the new practices. This proved to be a highly successful initiative with lead times reduced from 35 days down to three days and work in progress (WIP) kept below two days at maximum. Cell-based manufacturing has since been expanded to nine other cells and has engaged the entire organization in continuous improvement.



ExtremiLOK Foot Plating System



SmartFLEX Cranial Expander

Humanitarian Awareness

As a global organization, OsteoMed maintains its core goal of improving patient outcomes in the forefront of all activities. This is especially true in other parts of the world where medical resources to treat the afflicted are virtually non-existent.

OsteoMed is proud to support mission trips with surgical implant systems and power equipment to aid in the treatment of these patients. In the last 24 months, OsteoMed has been honored to support missions to Peru, Kenya, Guatemala, Belize and the Yucatan Cripple Children's Project in Mexico. OsteoMed's role of global social responsibility will continue to be a foundation of its culture and serve as a constant source of pride for all employees.



Child Patient in Kenya

APEX iTool®

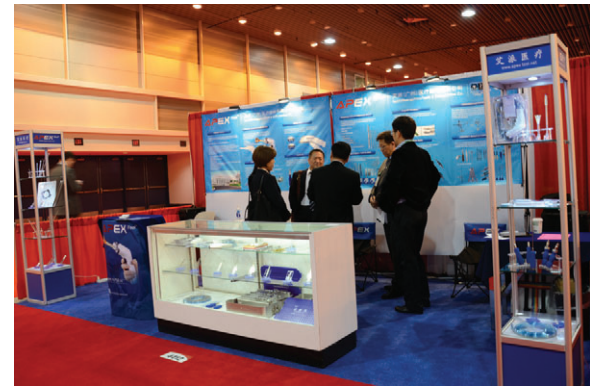
Designs and manufactures a wide array of medical devices for the North American, European and Asian markets. Located in Guangzhou, China.

APEX Reduces its Energy Footprint

In April, Apex embarked on a cost saving program to replace all of the halogen shop floor lights with LED lights. The total investment was \$3,500 with a monthly savings of \$2,070. Seventy percent of the energy produced by the old halogen lights created additional heat which led to higher cooling costs as well. When the factory was built in 2008 LED lights were very expensive. Today, the price has significantly reduced and LED lighting efficiency is 98%. A 90W LED lamp achieves 6000 lumens which is 10% more than the old halogen lights. Good job, Apex!

First Time at AAOS

In March, Apex displayed at the American Academy of Orthopedic Surgeons' Annual Meeting for the first time.



The Apex booth at AAOS

+ acumed®

Designs, manufactures and markets orthopedic implants, instrumentation and bone biologics for the upper and lower extremities. Located in Hillsboro, Oregon.



Acumed Tribute Bids Farewell To Founder, Visionary

Employees and friends at Acumed said goodbye to founder and visionary, Randy Huebner this past February when he announced his retirement from Acumed after nearly 26 years. A montage of Randy's years at Acumed highlighted a special tribute to Randy and his wife, Mary, at an all-staff gathering celebrating his work at Acumed. An avid hockey fan, Randy was presented with a custom-made, Acumed-branded hockey puck and plaque commemorating his years, crafted especially for him by production employees at Acumed.

Randy's tribute was capped off with a reception where employees were able to shake hands and bid adieu to the company's first leader. Many of the newer employees were treated to stories of Randy's first years running the company

and enjoyed hearing how Randy's early leadership helped grow the company to its premier status today. Although he plans to travel extensively now that he is retired, Randy promised to come back to visit often. His farewell email captured the essence of his vision and injected Acumed employees with a renewed passion and excitement to carry on his good work:

"I know that many of you share my feelings that what we do for work is special and that there are many people whom we have never met that have had their lives improved by what we do. There are many fine people throughout the company from the factory floor to sales and I feel that Acumed is well prepared to succeed in the years ahead." (Randy Huebner, 2014).

MICROAIRE®
For Surgery. For Life.™

Designs, manufactures and markets powered surgical instruments for joint replacement surgery, orthopedic surgery of the extremities, aesthetic and reconstructive surgery, endoscopic carpal tunnel release, and sterile orthopedic blades. Located in Charlottesville, Virginia.

Way to Go Team Bigotes Machistas — Movember Fund Raising in Support of Men’s Health — \$4,160 With Company Match!

During November, MicroAire participated in the Movember Foundation’s annual mustache growing event to support men’s health programs. As the official rules of Movember state, men must begin clean-shaven on the 1st of Movember and grow only a moustache for the 30 days of the month.

Honorable mention goes out to George

Saiz and Case Mitchell who both raised over \$400. As well as Heather Corkin, Nick Punsalan and Robert Guthrie, whose last-minute donations pushed our fundraising over the \$2,000 mark for the month.

Thank you as well for any anonymous donors and outside of the company support. A great Movember! Nice work!



*Man of Movember—Stoney Seawell raised \$500
Team Captain—Elias Jones
Miss Movember—Mia Burroughs raised \$170*



The Bigotes Machistas and honored donors pictured back row left to right: Arthur Pike, Case Mitchell, Stoney Seawell, Nathan Yingling, Michael Williams, Nick Punsalan, George Saiz, Elias Jones. Front row left to right: Melissa Payton, Heather Corkin, Mia Burroughs. Not pictured: Olivia Walls, Ereina Avery, Robert Guthrie, John Verdugo, Steve Mellott, Dominic Robinson



An industry leading contract manufacturer of precision surgical components, cutting tools and instrumentation for use in the orthopedic industry. Located in Sault Ste. Marie, Michigan and Boyne City, Michigan.

2014 Precision Edge begins manufacturing Implantable Bone Screws

In late 2013, Precision Edge was approached by a current customer to manufacture cannulated screws, a product which had not been previously produced. In a collaborative effort between the Sault Ste. Marie and Boyne City facilities, Precision Edge successfully executed a development plan. Using a standard CNC

Swiss lathe fitted with a highly specialized drilling system, they were able to produce all screws perfectly. In January 2014, they delivered these screws with cannulation diameters ranging from .036 – .071.

Congratulations to the Precision Edge team for internal success and growing a satisfied customer!



Rick Castagne and Jerry Lockhart from the Sault Ste. Marie plant



Tom Jenuwine from the Boyne City plant



Develops, manufactures and markets bone cements and related biologic products. Located in Cupertino, California.

New Biologics University

Skeletal Kinetics is currently developing a new educational platform called “Biologics University.” Biologics University will focus on osteobiologic products used in fracture repair and reconstruction, but will also include other biologic categories such as amnion, platelet-rich plasma, wound care, etc.

The Biologics University website is expected to be completed by the fall of 2014. The site will be open to the public and will offer clinical studies, videos, charts and other educational media that will help medical professionals, hospital personnel and

sales representatives learn in-depth about clinical use of biologic products in medical procedures. Skeletal Kinetics has compiled perhaps the largest group of osteobiologic studies ever put together and these will be part of the initial information available on the website.

Skeletal Kinetics’ commitment to customer education and training is a primary contributor to sales growth of the company’s portfolio of products, while at the same time, working to build a reputation as a leader in biologics throughout the orthopedic medical community. Stay tuned for further developments on Biologics University.



This newsletter is about you, our companies and our communities. If you have any stories or news that you would like to share, please send it our way—we'd love to include it.



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