

Colson Conversation

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

Welcome Back

Thank you for the wide-ranging and overwhelming positive response to the inaugural issue of "Colson Conversation".

As I outlined in the first issue, the objective of our newsletter is to share the more significant experiences of interest of our member companies from around the world, to congratulate successes and achievements of our employees and to continue to build and strengthen our philosophy, approach and standards of doing business.

In each issue, we will focus on a member company by providing history, products and interesting news. In this issue, the very interesting and exciting history and development of Acumed is highlighted. You will also find some informative and enjoyable information on the Portland, Oregon area.

Also, in every issue, we will highlight significant events and news for each of the Colson Associates companies. *This is where you come in and where we need your help.* In order to maximize the value of

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Acumed: 25 Years and Counting

This year marks the 25th anniversary of Acumed®, which over the last quarter century has become a leading designer and manufacturer of innovative orthopedic implants and fixation devices.

Development & Expansion

In 1988 Randy and Mary Huebner created Accurate Machine and Design in Butler, New Jersey. Accurate Machine was a small engineering prototype company operating out of an 1,100-square-foot garage. In 1990, the company relocated from the east coast to the Pacific Northwest, the start of an



Randy Huebner (center) with employees working out of an 1,100-square-foot garage in 1988.

Cornelius Pass Campus



Acumed's mission is to aid the afflicted through the ingenuity of our minds, the labor of our hands and the compassion of our hearts.

evolution into a frontrunner of innovative orthopedic implants and devices.

Today, the company operates out of two state-of-the-art facilities in Hillsboro, just west of Portland, Oregon: the company's headquarters at Cornelius Pass Campus, opened in 2002 and the Brookwood Campus, opened in June 2010. Collectively, the two facilities provide more than 140,000 square feet of space where more than 350 Acumed employees design, develop and manufacture orthopedic implants including bone plates, rods, screws, external fixators, biologic solutions and surgical instruments. Worldwide, Acumed has now grown to 434 employees.

While research, development and manufacturing takes place in Hillsboro, the company has also focused on international growth, establishing global offices in China, Spain, and the United Kingdom with distribution channels in over 45 countries – a vast growth compared to just five countries in 1999.

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Brookwood Campus



the newsletter for all of our employees, your contributions to the newsletter will be invaluable. I know you each are very proud of your respective companies, and for good reason, so please recommend to your human resource department interesting, creative and exciting events and activities that you would proudly like to see highlighted for your company in future issues of the newsletter.

The Colson Associates member companies started 2013 strongly with indications that we have continued to gain market share as a result of our innovative products, respected market presence and highly skilled and dedicated employees. However, there is without a doubt more uncertainty in the segments of the medical market our companies serve than at any time in recent past. No one really knows, and only time will tell, how the Federal Government's Affordable Care Act will impact patients, doctors and other caregivers, hospitals, and medical products manufacturing companies. But, I believe our companies are well-positioned to face these challenges and well-positioned to continue to provide the highest quality and most innovative products and services to our growing base of customers.

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ACUMED®

Innovative Solutions

Training & Education

One of the most effective methods for increasing awareness of Acumed products is to train and educate surgeons on design logic and the product's surgical procedure. In 2011, the company celebrated the opening of the Acumed Learning Center (ALC), a state-of-the-art teaching facility with meeting rooms, surgical equipment and surgical cadaver lab workstations that set the stage for the most effective hands-on education and training possible. The facility brings surgeon education meetings into a world class learning center within the corporate campus. Plus, the capability for high definition video streaming sends lectures and demonstrations to locations throughout the world.

ALC cadaveric trainings simulate the surgical environment for surgeon attendees.



Surgeon Bioskills attendees interact with Acumed product development teams.

In conjunction with trainings at the ALC, the company also hosts Bioskills Courses throughout the world. These educational courses present lectures and hands-on labs for attendees to learn and train on Acumed products. Throughout the years the company has progressively increased the number of Bioskills Courses as worldwide interest continues to grow. Thus far in 2013, Acumed has hosted four educational courses, all of which have surpassed historical attendance records. With 10 additional courses planned for the remainder of the year, the company will be well within reach of its 2013 goal of 1,400 surgeons trained.

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Surgeons receive hands-on learning experience conducted by leading industry surgeons in the ALC.



You probably are aware that effective January 1, 2013, all medical device manufacturing companies had to begin incurring an additional cost of 2.3% on product sales within the United States for the medical excise tax. This expense does not apply to any other business. While almost everyone who commits funds for the technological advancement of medical devices, as our companies do on a significant basis, feels this new expense is unfair, for the foreseeable future we are nevertheless burdened with this additional cost of doing business.

In the challenging business environment that we have entered, we must all continue to pull together to maintain, grow, and further strengthen the sound businesses that we have created and to preserve the ethical and respected work environment that we all so much cherish. To do that we must be creative and quick to market, continue to develop exciting new products that will be welcomed by the market and we must be efficient in managing our costs.

I will leave you with this thought, "success demands great execution!"

Until next time, all the best. I look forward to seeing you during the coming months.

Louhon Tucker
President & CEO
Colson Associates, Inc.

Manufacturing Excellence

A key factor in Acumed's reputation as a market leader is the quality of their products. In recent years, Acumed has focused on operational efficiency of manufacturing excellence. The achievements and improvements within those areas is reflected through two prestigious manufacturing awards received by Acumed in recent years.

In 2011, Acumed was one of just seven recipients of the Association of Manufacturing Excellence's Manufacturing Excellence Award, which honors North American manufacturing facilities that have demonstrated operational excellence through continuous improvement, best practices, creativity, and innovation.

The Manufacturing Leadership 100 Awards honor companies and individuals that are shaping the future of global manufacturing. In February, Acumed was acknowledged for the adoption and effective use of advanced technologies in forging a faster moving, more responsive and more efficient



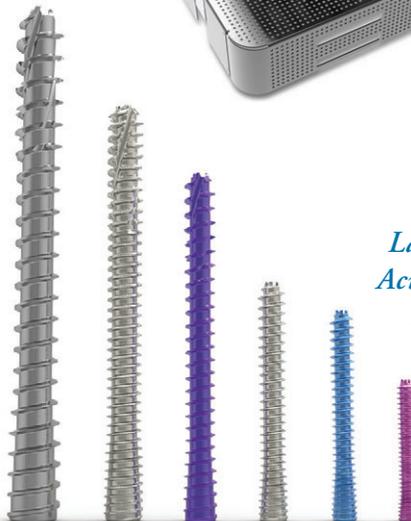
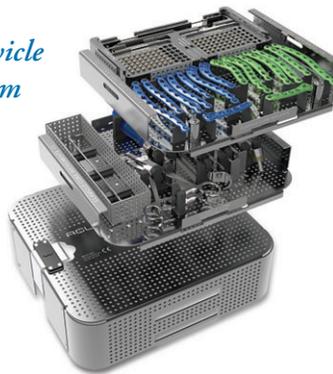
*Acu-Loc® 2
launched in
2011 and has
sold over 43,000
units to date.*

manufacturing industry. David R. Brousell, Global Vice President and Editorial Director at Manufacturing Executive, acknowledges this year's ML 100 winners, "who exemplify a spirit of innovation that is transforming the industry into an engine of growth unparalleled in recent history. I applaud Acumed for being in the forefront of this powerful movement."

As manufacturing excellence is a focus of Acumed's business, the company has been using this advantage to increase the number of product launches, from five in 2012, to 15 in 2014.

One product launch that has achieved legendary status was celebrated recently in the *British Journal of Bone and Joint Surgery*: Acumed's Acutrak® screw celebrated 20 years of healing. This first family of Acutrak® screws was introduced in 1993 and revolutionized the way surgeons treat fractures, fusions and osteotomies. In 2005, building on the first generation, the Acutrak 2® family was launched and composed of 63 unique screw-size options. While the screw's headless, self-cutting and self-drilling features are important, the variable thread pitch and taper give the screw its unique ability to compress bone fragments.

*Locking Clavicle
Plating System
launched in
2003.*



*Launched in 2005, the
Acutrak 2® Screw family
sold its 1 millionth
screw in 2011.*

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Did You Know?



- The Beaver State is known for many things – a beautiful coast-line, stunning mountain ranges, and great micro-brews.
- Portland is often called the “City of Roses”. While it isn’t known exactly how this came to be, there is no question that roses grow like crazy in Portland because of the rainy climate. Since 1907, Portland has celebrated an annual Rose Festival that includes parades, a rose queen and carnival.
- Oregon is one of only two states in the country (New Jersey being the other) that prohibit self-serve gas stations.
- Powell’s City of Books, located in downtown Portland, is the largest bookstore in the country, with more than a million books which occupy a multistory building on an entire city block!

Social Responsibility

As Acumed continues to pursue success, a number of other activities are directed at becoming a good corporate citizen in the community and among its professional circles and spheres of influence. In a formalized Social Responsibility Annual Report, Acumed highlighted some recent activities and goals, which involve its employees, Colson Associates, and the vendors in its supply chain. Some examples:

- In 2012, the Green Team drove projects to reduce paper consumption and plans to expand this to reduce overall landfill waste by 10% in 2013.
- Acumed is committed to reducing paper consumption in their daily business operations. Activities include eliminating paper pay stubs, default double-sided printing and copying and compostable lunchroom supplies.
- In 2012, the Green Team sponsored a water bottle pledge to eliminate the use of plastic water bottles by Acumed employees by giving each person a reusable bottle to use instead. To date, over 200 employees have signed the pledge to reduce and reuse for positive results!
- Acumed has been an active participant in the Bicycle Transportation Alliance’s September Bike Commute Challenge for years. This program encourages bicycling as a commuting option in the Portland metropolitan area.



Acumed employees volunteer to build a safe place for children in the community to play. From left, Larry Brockhaus, Ruth Anne Carlile, Erin Shankle, Ashley Wangler, and Tyler Morrill.

- SIGN is a non-profit organization whose mission is to support surgeons in developing countries by providing them with training and modern equipment so they can offer immediate surgical treatment to their patients. Acumed continues to work closely with SIGN to provide accessible orthopaedic fracture treatments around the world. Acumed engineers donate design time to the organization and many employees assist with sorting and packaging surgical kits to be used in developing nations.
- In an effort to further commitment as respectful stewards of the community, Acumed supported the Raphael House of Portland in 2012 to collect school supplies and cash for children in vulnerable situations.
- Oregon Food Bank distributes food and addresses the root causes of hunger through public policy advocacy and educational programs. Acumed participates in this organization’s activities by holding team building events throughout the year at their facilities.

Tyler Morrill and other Acumed volunteers help build a playground in a deserving Chicago community at the AAOS 2013 Build Day.



Commenting on the role of social responsibility, company president David G. Jensen stated that “acting with concern for our fellow team members and the global community has always been and will continue to be a fundamental part of Acumed’s mission and culture.”

APEX iTool®

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



Testing the computers after installation.

After purchasing new computers, Apex wanted to do something useful with the old computers. After researching various possibilities, they decided to donate the computers, nine in total, to Lijiayuan Preliminary School (124 students)

located in the remote county of Huining, Gansu Province in northwest China. Prior to Apex's donation, the school had one broken computer! Apex is assisting in providing basic computer training to the students.

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.

MicroAire Helps to Make a Difference in Guatemala

In 2012, MicroAire, in coordination with their Canadian distributor, Ostek Orthopaedics, provided ten battery powered instrument sets with blades to Operation Walk Canada in Antigua City, Guatemala. Operation Walk Canada is a private, not-for-profit, volunteer medical services organization that provides free surgical treatment and training in developing countries that have no access to life-improving care for debilitating bone and joint conditions. This annual

initiative consisted of a volunteer team of surgeons, nurses, internists, and physiotherapists spending 5 days in Antigua City performing 62 surgeries! Chris Woodside of Ostek Orthopaedics expressed the following: "I personally and on behalf of Operation Walk, wish to thank the management and staff of MicroAire for the support and their belief in the mission. It could not have been done without you."



Designs, manufactures and markets products for small bone reconstruction, spinal fusion and trauma surgical devices. Located in Addison, Texas.

For more than 10 years, OsteoMed has been a major supporter of the Salesmanship Club Youth and Family Centers as part of the annual Byron Nelson Golf Championship which takes place during May. Salesmanship Club Youth and Family Centers works with troubled and at-risk kids and their families.

Net proceeds from the tournament support the work of Salesmanship Club Youth and Family Centers, a nonprofit organization with a three-part mission:

- **THERAPY** with troubled kids & families
- **EDUCATION** with at-risk kids & families
- **SHARING** what we learn

Funds raised at the Byron Nelson Golf Championship enables SCYFC to serve thousands of children and families and ensure that families are never turned away from these vital services because



Salesmanship Club members and J. Erik Jonsson school children during 2012 Byron Nelson Tournament

of inability to pay. Participation in the Championship helps SCYFC to find innovative ways to help transform children's futures and create new possibilities for success.



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.

Precision Edge Honored as 600 Attend NLEA Luncheon

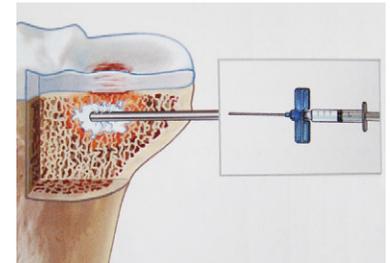
Precision Edge Surgical Products was honored at the Northern Lakes Economic Alliance (NLEA) Annual Luncheon at the Odawa Casino on May 3. In front of an audience of 600 people, the NLEA recognized not one, but six businesses, including Precision Edge, for their contributions to Northern Michigan as Project of the Year.



Precision Edge representatives attending the luncheon to accept the award were, from left: Todd Fewins, engineering manager, Boyne City; Milt Kniss, operations manager, Boyne City; and John Truckey, company president.



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



In March, 2013, Skeletal Kinetics launched their new InjectionPlasty procedure kit. This new product was specifically engineered to treat bone marrow lesions. Until recently, rest and pain management were commonly used as treatment options, but usually with less than satisfactory patient results. Duran Yetkinler, president of Skeletal Kinetics, said, “We are very excited about the launch of InjectionPlasty 1.0. We believe it is an important device in treating these bone voids caused by lesions in the bone marrow space. We are

The InjectionPlasty procedure kit includes necessary items for easy mixture and a single syringe delivery system.

determined to expand our research and technology to continue to support the needs of surgeons and their patients with biological solutions.”

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



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