



HEALTH INDUSTRY DISTRIBUTORS ASSOCIATION

Serving Medical Products Distributors Since 1902

# HIDA INDUSTRY FACT SHEET

## What is the Health Industry Distributors Association (HIDA)?

- An international trade association representing medical products distributors
- Founded in 1902
- Provides leadership in the healthcare distribution industry
- Offers education and training, legislative and regulatory resources, and business intelligence tools
- Works closely with the manufacturing community through the HIDA Educational Foundation
- Builds strong manufacturer/distributor relationships
- Communicates the value of distribution in the supply chain

## What Do Healthcare Distributors Do?

- Provide medical products and supplies to physician offices, hospitals, and extended care facilities
- Provide a single point of contact for purchasing
- Manage logistics and delivery processes
- Track customers' inventory
- Serve as a new product introduction network
- Provide customer service
- Process returned goods and recalls
- Provide electronic ordering and information technology tools to speed the ordering and delivery process

## HIDA Member Profile

### HIDA Member Distributors

Approximately 160 companies operating more than 450 locations and distribution centers in the United States

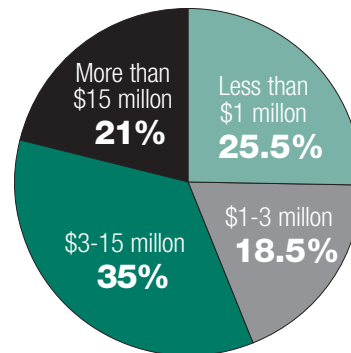
- A typical sales representative serves between 50 and 175 accounts at any given time
- 44% of HIDA distributor members generate \$3 million in annual revenue or less

### Primary Distributor Markets:

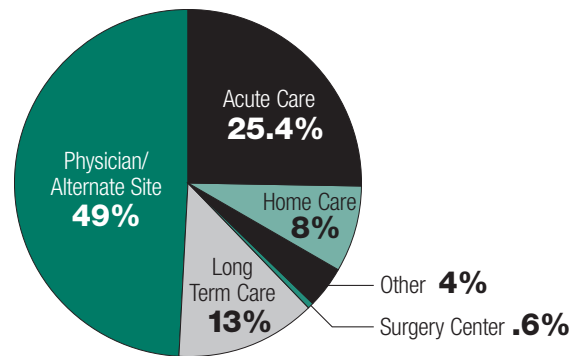
- 49% serve physician offices
- 25% serve hospitals
- 21% serve extended care sites (ex. long term care, home care)
- 5% serve surgery centers, labs, and others

Note: Most members serve more than one market; numbers have been rounded up

### MEMBERS BY ANNUAL REVENUE



### MEMBERS BY PRIMARY MARKETS SERVED



## Customer Profile of HIDA Distributor Members:

- 125,000 physician office accounts
- 12,000 hospital accounts
- 13,000 extended care accounts

### *HIDA Educational Foundation Associate Manufacturers*

Approximately 130 organizations involved in the healthcare supply chain including manufacturers, information technology providers, service providers, and supply chain partners.

Participating manufacturers support research and education for the healthcare supply chain through annual contributions.

## Industry Growth

Sales of distributed medical-surgical supplies and equipment are currently at \$29 billion to \$32 billion per year.

Financial Performance	Physician	Acute Care	Long Term Care
Revenue Growth (percent)	10%	10%	10%
2008 Asset Turnover (percent)	4.3 x	4.0 x	2.9 x

Source: 2008 Distributor Financial Performance Survey

## Operational Characteristics

- Average stock-keeping units (SKUs) carried per distributor
  - Hospital distributor: 11,500
  - Physician distributor: 3,400
  - Long-term care distributor: 3,080
- A typical invoice ranges from 3 to 8 lines
- Average invoice line size ranges from \$53 to \$125
- Average distribution centers ships 2,251 units per week and nearly 117,000 units per year

### *The typical distributor member partners with:*

- 431 manufacturers to serve hospitals
- 274 manufacturers to serve physician offices
- 100 manufacturers to serve long-term care facilities



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