

1984 BUDGET

Cutter

1984 OBJECTIVES

1. Increase sales of finished plasma products to the Far East by no less than 5.5% over 1983 sales. Increase gross profits on the product line by no less than 9% over 1983.

2. Build sales in the Philippines. 1984 sales target is \$125,000, a 47% increase over projected 1983 sales to that market.

ACTION PLANS

Expand sales program in the Philippines (see Philippine objective).

Introduce Cutter products into Thailand (see Thailand objective).

Begin selling in Pakistan (see Pakistan objective).

Sell more products into Korea (see Korea objective).

Conduct a Far East sales training seminar in Manila in third quarter 1984 (see sales training objective).

Win albumin portion of the 1984 Hong Kong fraction V tender (first quarter 1984) and retain current share of the Taiwanese PPF market during 1984. Maintain low prices to Tian Shing Trading.

Introduce Koate, Konyne, Gamimune, and HyperMep in the Philippines. Work with Rodelio Vicita to achieve new emphasis upon working together with Bayer to achieve mutual goals. Provide training for Cutter representatives.

Visit Manila (first and fourth quarter 1984.)

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3. Establish routine sales of Gamimune in Hong Kong, Taiwan, Singapore, Malaysia, and Philippines totaling at least \$20,000 in 1984.

ACTION PLANS

Training course for Representatives and supervisor of BPI (third quarter 1984).

Introduce HyperHep (first quarter 1984).

Introduce Gamimune (first quarter 1984).

Promote Koate/Konyne (all year) (began 7/83).

Provide increased quantities of Cutter Biological product literature to BPI at no charge (beginning 1983 and continuing 1984).

Reduce prices on 50 ml and 100 ml Gamimune to distributors in 1983 in anticipation of lower 1984 Gamimune costs (June 1983).

Introduce Gamimune in Taiwan and Thailand as soon as registrations are completed (first quarter 1984).

Provide 200 vials of 50 ml Gamimune as clinical trial free samples to key immunologists in major markets (August 1983).

Price Gamimune between \$40 and \$55 to distributors in 1984 to enable them to compete with IGIV products from Merieux, Behring and other European firms whose prices have been far below USA levels (January 1984).

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ACTION PLANS

4. Introduce Cutter biological products into Pakistan via Miles-Pakistan and People's Pharmacy with 1984 sales in excess of \$50,000.

Provide Gamimune sales training at Cutter Far East sales seminar - Manila (third quarter 1984).

Do a mailing to Asian immunologists via IMS Pacific (second quarter 1984).

Appoint People's Pharmacy as exclusive importer (first quarter 1984).

Hire, train and field a full time Cutter representative on Miles-Pakistan's staff (first quarter 1984).

Visit Pakistan (D. Ray - third quarter 1983 and first quarter 1984).

Complete re-registration of Cutter products under Miles' name in Pakistan (fourth quarter 1983).

Provide low prices initially for smooth market entry (since higher prices have contributed to previous failures) (January 1984).

5. Introduce the Cutter plasma products line into Thailand with first year sales of at least \$40,000.

Enlist help of Dr. Partrapporn at Ramathibodi Hospital in introducing Koate into use in Thailand (third quarter 1983).

Complete all product registrations (E. Greene and Semco - fourth quarter 1983).

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6. Introduce additional Cutter products into Korea with sales of at least \$20,000 in 1984 (excluding albumin sold via USA but including HypRho-D sold to Shin Il Corp.).

ACTION PLANS

Visit Thailand and assist in introduction of products (D. Ray - Nov. 1983 and first quarter 1984).

Price Cutter's products to be competitive with Merieux's in Thai market. (D. Ray and Semco - first quarter 1984).

Encourage Semco to appoint full time representative just for Cutter line (D. Ray - second quarter 1984).

Train the Semco - Cutter representative in Manila at sales training seminar (third quarter 1984).

Look for distributor interested in HyperHep and appoint without long term commitment (fourth quarter 1983 or first quarter 1984).

Beat Korea Green Cross to the market with HBIG (first quarter 1984).

Determine if Gamimune can be imported into Korea and, if so, find a distributor for it (second quarter 1984).

Research the potential for Konyne and Hyperab in Korea (D. Ray - second quarter 1984).

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7. Provide sales training on Cutter product line to distributor personnel. Conduct training seminar in Manila November 1984.

ACTION PLANS

Enlist help of International Product Managers (DeHart, Hannon) (commitment Sept. 1983).

Make arrangements for Manila meeting place (D. Ray - June 1984).

Establish course objectives and content (DeHart, Ray - June 1984).

Arrange for distributor personnel to attend (Ray - June 1984).

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1984 ASSUMPTIONS

The U.S. Dollar will continue its strength versus most Asian and European currencies in 1984 providing price advantages for our European competitors but it will not experience further appreciation in value against currencies of major Far East markets of more than 10%.

There will be no major recalls of important Cutter products which affect the Far East in 1984.

Fraction V products from Cutter will again be plentiful in 1984.

The AIDS issue will not destroy our Koate business in the Far East except for New Zealand where at least 50% of sales are expected to be lost in 1984.

We will win the albumin portion of the 1984 Hong Kong fraction V tender.

I & E EFFECT

Severe weakening of the U.S. dollar would allow opportunities for at least a 30% gain in sales and profits in the Far East where French, Austrian, Swiss, and German competitors have major shares of some markets. At worst, extreme appreciation of the dollar could result in loss of 50% of budgeted sales and profits.

A major recall could deprive Cutter of up to \$2 million worth of sales in the Far East Region during 1984.

At worst, a severe shortage of PPF and NSA could cost Cutter \$ 2 1/2 million in sales in the Far East during 1984. Very plentiful supply could add up to \$200,000 in sales above the current forecast.

At worst, \$350,000 in sales and \$100,000 in gross profits could be lost. We are assuming no loss will occur except in New Zealand.

Approximately \$475,000 in sales and \$67,000 in gross profits are dependant upon our winning the albumin portion of the tender. An additional \$700,000 worth of PPF sales could be won if competitors raised their PPF prices on the tender above Cutter's bid price on Plasmanate.

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1984 ASSUMPTIONS

Cutter plasma products will be available in adequate quantities to allow budgeted sales during 1984.

I & E EFFECT

Complete plant shut downs could result in loss of as much as 85% of budgeted sales. Any shortages will ultimately result in some losses of sales and profits.

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