

Stryker corporation

[Business](#), [Company](#)



Stryker Corporation is a Fortune 500 medical technologies firm based in Kalamazoo, Michigan. Stryker's products include implants used in joint replacement and trauma surgeries; surgical equipment and surgical navigation systems; endoscopic and communications systems; patient handling and emergency medical equipment; neurosurgical, neurovascular and spinal devices; as well as other medical device products used in a variety of medical specialties. In the United States, most of Stryker's products are marketed directly to doctors, hospitals and other healthcare facilities.

Internationally, Stryker products are sold in over 100 countries through Company-owned sales subsidiaries and branches as well as third-party dealers and distributors. Business Segments - Stryker segregates their reporting into three reportable business segments: Reconstructive, Medical and Surgical, and Neurotechnology and Spine. Reconstructive products consist primarily of implants used in hip and knee joint replacements and trauma and extremities surgeries.

MedSurg products include surgical equipment and surgical navigation systems (Instruments); endoscopic and communications systems (Endoscopy); patient handling and emergency medical equipment (Medical); and reprocessed and remanufactured medical devices as well as other medical device products used in a variety of medical specialties. Stryker Neurotechnology and Spine products include a portfolio of products including both neurosurgical and neurovascular devices.

Their neurotechnology offering includes products used for minimally invasive endovascular techniques, as well as a line of products for traditional brain and open skull base surgical procedures, orthobiologic and biosurgery products including synthetic bone grafts and vertebral augmentation products, as well as minimally invasive products for the treatment of acute ischemic and hemorrhagic stroke. Stryker also develops, manufactures and markets spinal implant products including cervical, thoracolumbar and interbody systems used in spinal injury, deformity and degenerative therapies.

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History

The Orthopedic Frame Company, precursor of Stryker Corporation, was formed on February 20, 1941 by Dr. Homer Stryker, a Kalamazoo, Michigan based orthopedist. Stryker developed the Turning Frame—a mobile hospital bed that allowed for repositioning of injured patients while providing necessary body immobility, the cast cutter—a cast cutting apparatus that removed cast material without damaging underlying tissues, and the walking heel, among others.

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In 1964, the company name underwent revision and was officially changed to Stryker Corporation. [2] In 1979 Stryker made an initial public offering of stock and later acquired Osteonics Corporation, entering the replacement hip, knee, and other orthopaedic implants market (Stryker). In 1999 annual sales reached \$2.1 billion and in 2000 Stryker was included in the S&P 500 and the Forbes Platinum 400 for the first time. In 2002 sales reached \$3.0 billion and Stryker was listed in the Fortune 500 for the first time.

In 2003 Stephen P. MacMillan joined Stryker as President and COO. In 2005, annual sales reached \$4.9 billion and John W. Brown transitioned to the single role of Chairman of the Board while Steve MacMillan became President & CEO. By 2007, Stryker sold its Physiotherapy Associates division to private equity firm Water Street Healthcare Partners for \$150 million. In February 2012, Mr. MacMillan resigned and Curt R. Hartman was named Interim Chief Executive Officer and Vice President and Chief Financial Officer.

Mr. William U. Parfet was named Non-Executive Chairman of the Board. On October 1, 2012 Mr. Kevin A. Lobo was appointed as President and Chief Executive Officer. At the end of 2012, Stryker had approximately 22,000 global employees, annual sales of \$8.7 billion, and 35% of those sales were outside the U. S.

Stryker Roll-In-Stretcher

As of a 2012 global market overview of top medical technology firms, Stryker maintains a number 10 locus with total portfolio sales in excess of \$8.6 billion. Moreover, the firm maintains 35% worldwide reconstructive market share; 50% worldwide MedSurg market share; 15% worldwide

Neurotechnology and Spine market share. The company was recognized in by Hermann Simon as a role model for other small to medium sized business in his book Hidden Champions.

Corporate governance As of 2013, members of the board of directors of Stryker Corporation are:

- John W. Brown, Chairman Emeritus
- Kevin A. Lobo, President & CEO
- William U. Parfet, Non Executive Chairman
- Howard E. Cox, Jr.
- Srikant M. Datar, Ph. D.
- Dr. Roch Doliveux
- Donald M. Engelman, Ph. D.
- Louise L. Francesconi
- Allan C. Golston
- Howard L. Lance
- Ronda E. Stryker

Recent acquisitions

In 1998, Stryker purchased Howmedica, the orthopaedic division of Pfizer, for \$1.65 billion. Howmedica became Stryker Orthopaedics. In August 2000, Stryker acquired, with stock, Guided Technologies, Inc. , a developer and manufacturer of optical localizers purposed for use in healthcare and industrial. In August 2004, Stryker acquired, for \$120 million, SpineCore Inc. , a company involved in the development of artificial spinal disks. About two years preceding this date, in June 2002, the firm acquired the Spinal Implant Business of Surgical Dynamics Inc.

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for \$135 million. In March 2006 Stryker absorbed the Haifa, Israel based Sightline Technologies Ltd. into its operations. Sightline, a manufacturer of gastrointestinal endoscopy apparatuses, propelled Stryker into the flexible endoscopy market. In February of the same year, the firm acquired eTrauma.com Corp. , a privately held entity involved in the development of software for Picture archiving and communications system (PACS); the company was incorporated into Stryker Endoscopy Business. December 2005 marked the company's acquisition of PlasmaSol Corp. for \$17.5 million.

PlasmaSol produces technologies allowing sterilization of various MedSurg equipments. In 2009, Stryker acquired Ascent Healthcare Solutions, Inc. the market leader in the reprocessing and remanufacturing of medical devices in the U. S. In Jan 2011, Stryker acquired the Neurovascular Division of Boston Scientific, which includes products used for the minimally invasive treatment of hemorrhagic and ischemic stroke. In June 2011, Stryker purchased Malvern, Pennsylvania-based Orthovita, a biomaterials company specializing in bone augmentation and substitution technologies.

The Orthovita business now makes up the Stryker Orthobiologics division, which specializes in biomaterials for all Stryker divisions. In July 2011, Stryker completed the acquisition of privately held Memometal Technologies S. A. (Memometal). France based Memometal develops, manufactures and markets products for extremity indications based on its proprietary methods for preparing and manufacturing a shape memory metal alloy. In August 2011, Stryker signed a definitive agreement to acquire privately held Concentric Medical, Inc. (Concentric) in an all cash transaction for \$135 million.

Concentric's products include devices for the removal of thrombus in patients experiencing acute ischemic stroke along with a broad range of AIS access products. In November 2012, Stryker acquired the Tel Aviv, Israel based Surpass Medical Ltd. a company developing a flow diversion stent technology to treat brain aneurysms using a mesh design and delivery system, for \$135 million. [10] In March 2013, Stryker acquired Trauson Holdings Company Limited (Trauson). Trauson is a trauma manufacturer in China and a major competitor in the spine segment.

Sponsorships

Stryker maintains relationships with, but not limited to, the following professional and trade organizations:

- The Advanced Medical Technology Association (AdvaMed)
- The Medical Devices Manufacturing Association (MDMA)
- The Orthopedic Research and Education Foundation (OREF)
- National Electrical Manufacturers Association (NEMA)
- European Federation of National Associations of Orthopaedics and Traumatology (EFORT)
- International Society of Orthopaedic Surgery and Traumatology (SICOT)
- International Society of Arthroscopy, Knee Surgery and Orthopaedic Sports Medicine (ISAKOS)
- Foundation for Orthopaedic Trauma; Speaking of Women's Health •Arthritis Foundation and American Academy of Orthopaedic Surgeons (AAOS)
- Association of Perioperative Registered Nurses (AORN)
- American Orthopaedic Society for Sports Medicine (AOSSM) Additionally, the following athletes publicly endorse Stryker Orthopaedics products:

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- Johnny Bench
- Fred Funk

Regulatory controversies

On Jan 27, 2000, Stryker Corporation restated its operating results for the year ended December 31, 1998 to reduce acquisition-related charges by \$30.9 million. Since early 2007 the company has received three Warning Letters from the Food & Drug Administration citing issues in compliance. The first of these, a seven-page correspondence, named various issues at an Ireland-based manufacturing facility such as untimely fix of failures and procedural noncompliance in the testing of failed or otherwise problem-prone devices.

The second, sent November 2007, cites issues at the firm's Mahwah, N. J. facility including poor fixation of hip implant components, in some instances requiring mitigation by revision surgeries; exceeded microbial level violations in the cleaning and final packaging areas of the sterile implants; and failure to institute measures in prevention of recurrence of these and other problems. The final warning letter, sent April 2008, cites issues at the firm's Hopkinton, MA biotechnology facility.

Again, issues relate to quality and noncompliance including falsification of documents relevant to the selling of products to hospitals which are to be sold under a limited, government-mandated basis. Stryker maintains that employees involved in the falsification of documents have since been terminated. In the Fall of 2007, Stryker, along with the related companies: Biomet, Zimmer Holdings, DePuy Orthopaedics and Smith & Nephew, were

involved in civil litigation with the U. S. Department of Health and Human Services, Office of Inspector General.

This litigation called for a net payout of \$311 million as the governmental department maintains the aforementioned companies engaged in unlawful kickbacks to physicians who urged hospitals to purchase their respective products. Stryker, however, having cooperated early in the investigation, was not fined. As of February 2008, a dispute exists between Stryker Corp. and the U. S. Department of Justice concerning a subpoena linking the company to aforementioned misconduct in sale of products.

Since governmental filing of the injunction, Stryker notes that it has produced in excess of 300, 000 pages of documentation in compliance with the mandate. U. S. Government counters, however, that the documentation was not proper in scope and format. Law officials expect the investigation to continue for several months. Stryker recalled several models of medical vacuums sold under the Neptune Waste Management System brand in June and September of 2012. The devices, some of which had not been approved by the Food and Drug Administration, caused a fatal accident when the vacuum was mistakenly used to suction a passive drainage tube.