

Hospital-bed maker eyes major growth from Charlotte

Linnet sets strategy for gaining up to 12% of the U.S. market by 2015

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Linnet Americas has big plans to crack the U.S. hospital-bed market.

The subsidiary of Czech Republic-based Linnet chose Charlotte for its North American headquarters in mid-April.

And the operation is already projecting significant growth within five years, says Colin Bain, president and chief executive of Linnet Americas.

"It's the only market we're not in," he says. "It's sort of like the last frontier."

Bain says Linnet Americas could reach \$100 million in sales within five years. That would translate into as much as 12% of the U.S. market.

The company expects its first product to enter the East Coast market within weeks. Most of those sales will be replacement beds or new beds, primarily for health-care construction or renovations projects.

Linnet also provides mattresses and other patient-room equipment.

The company opened its 11,000-square-foot North American headquarters in north Charlotte in mid-April. It also has local warehouse operations.

Bain says Linnet plans to expand its work force to 50 employees from 16 within 2 1/2 years.

He also sees potential for the company to bring some of its manufacturing

Colin Bain, chief executive of the local Linnet operation, touts the design of the company's hospital beds.

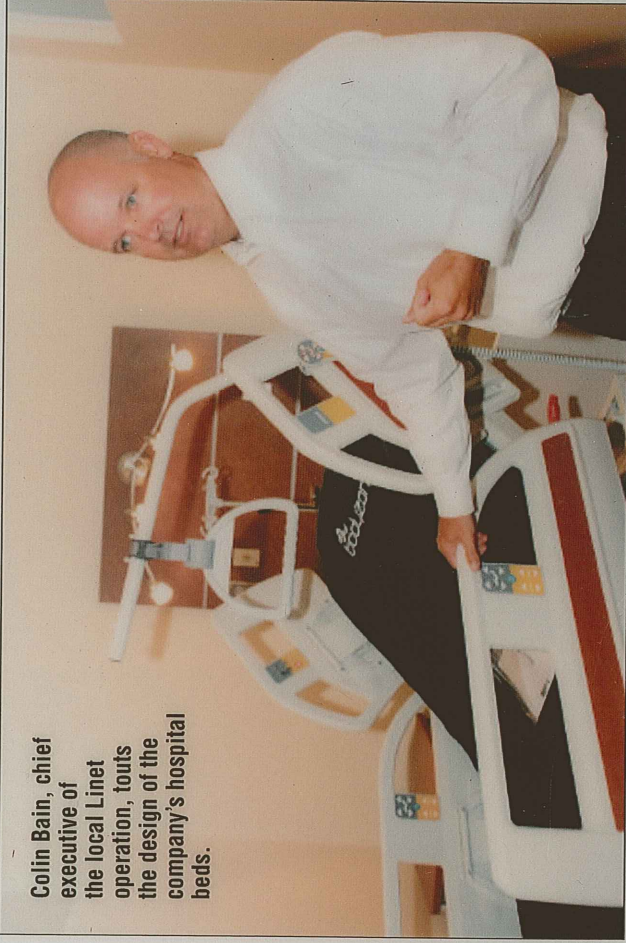


PHOTO: JEN WILSON

QUICK INFO

LINET AMERICAS

- **Opened** its 11,000-square-foot headquarters facility in north Charlotte in April
- **Makes** hospital beds, mattresses and patient-room furniture
- **Anticipates** sales of \$100 million within five years
- **Is part** of a Czech Republic-based company that operates in 93 countries

The hospital beds are less likely to spread infections because of their design, he adds.

The company is marketing two models in the United States, which at 300 pounds are about 45% lighter than traditional hospital beds. It also offers technology that aids nurses and doctors in treating patients. For example, a transfer device lifts the bed to help patients stand.

Those features help create a safer environment for employees, says Mark McClam, Linnet vice president of corporate development.

"We're making the bed do the work for the nurses so we can improve patient outcomes," he says.

The design also makes it easier to clean and maintain the bed, Bain says. Linnet's models also come with a five-year warranty.

Hospital beds have an average lifespan of 10 to 14 years, Bain says.

Linnet is working on a third model it hopes to roll out next spring. Bain says it's collecting feedback from the medical industry in an effort to perfect the design.

"It's going to be a clear differentiator," Bain says of the hospital bed.

Premier met with Linnet and could consider a contract, based on a review of its products and potential cost savings for members.

"Our value proposition plays perfectly for that," Bain says.

He says Linnet, which operates in 93 countries, has been studying the U.S. market for about five years. "This is a real opportunity for us."

Bain notes prices within the industry vary from \$6,000 for a medical-surgical bed to \$35,000 for an intensive-care unit model.

He says Linnet's hospital beds costs less, but he declines to reveal details.

Bain says Linnet's products will make it easier to treat and move patients.

to the United States within five years. "Now is the perfect time to try and crack into this market," says John Biggers, group vice president of sourcing for Premier Purchasing Partners, a division of Premier Inc. The Charlotte-based health-care alliance offers group-purchasing resources to its members. Biggers says the hospital-bed market has been dominated by only a few players for years.

But hospitals are seeing tighter margins and seeking cost efficiencies. Health-care reform will likely drive the need for even greater savings, Biggers says. "They have to look at every single item they're purchasing, and it's tough decisions."