



Industrial Development Corporation

**Your partner in development finance**

# Industry and Funding Challenges

*Playing for both teams*

Pieter de Beer

CSIR Conference 2017



# Innovation *Commercialised*

IDC Intervention turned Lodox into Profit



# Lodox Systems

- **South African company started in 2002**
- **Background as security scanner for the diamond mines**
- **All machines handmade on site in Sandton, South Africa**
- **Major shareholder: Industrial Development Corporation of South Africa**
- **Subsidiary in North America, Lodox Systems NA LLC.**

# ◦ **Lodox technology – *because it is all about the technology...***

- **Glitz & glamour from the start – *famous, from the beginning, not only because of Grey's Anatomy...***
- **Wow, very impressive – *why can't you sell it...***
- **If it is broken, fix it (not) - *spreadsheet vs man...***
- **“I” love Lodox – *could it be more obvious...***

# The Lodox Solution

**FULL-BODY**

**HIGH-SPEED**

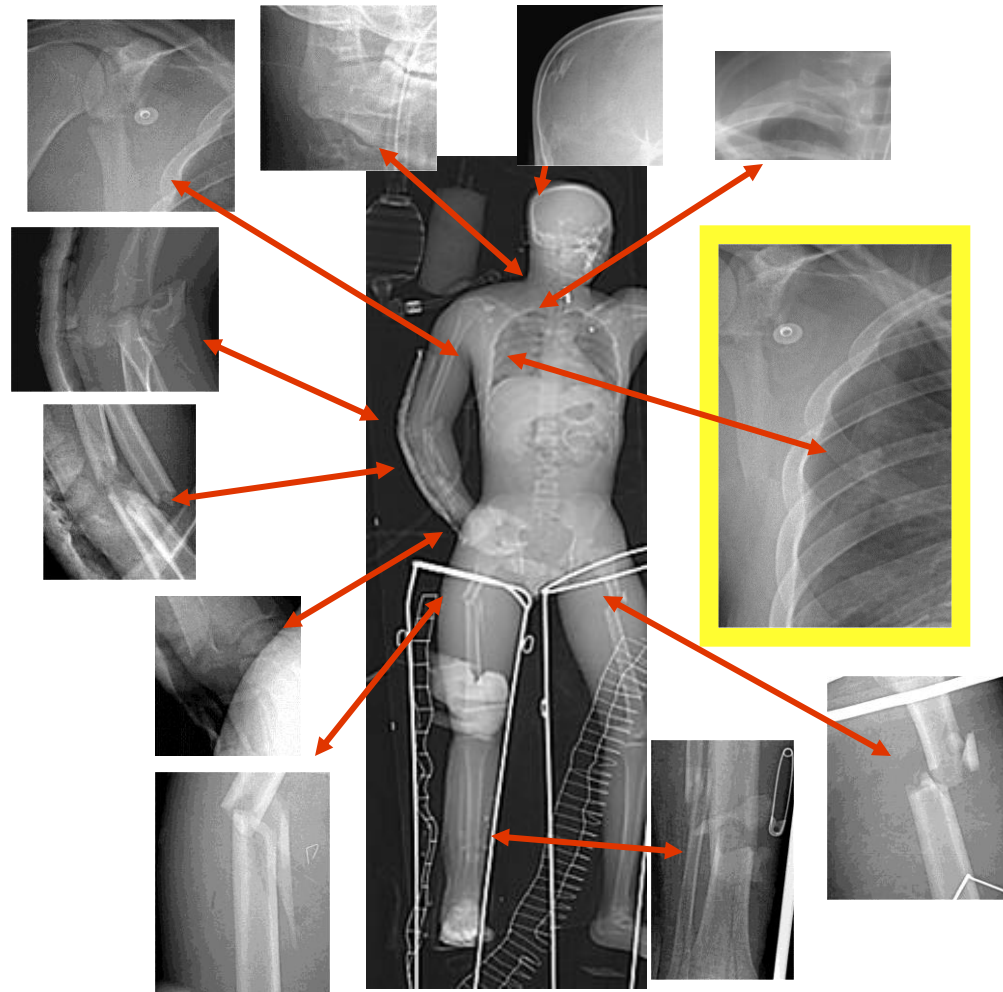
**LOW RADIATION**



# The New Paradigm for Trauma Assessment

**One 13 Second Image: 11 Detected Injuries**

Which one, if found, is a Life Saver?



Which one, if missed, could be terminal?

## Regulatory Compliance & Awards

- **FDA**
- **CE-mark**
- **ISO 13485:2003; 9001:2008**
- **BAG (Switzerland)**
- **Canada, Japan, Korea, KSA, Emirates, Singapore, Taiwan...**
  
- **ACCENTURE Innovation Index Awards: Best Concept, 2013**
- **Frost & Sullivan 2010 Best Practices Award - South African Medical Imaging: Product Quality Leadership Award**
- **Various Engineering and Industry awards**



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## Local & International Media Exposure



## Intranews

Station: SABC 2  
Prog: News  
Date: 19/05/05

## DOH & Presidential acknowledgement

“Minister Motsoaledi said these developments will be done to accomplish the National Health Insurance (NHI) mission, which will ensure that everyone has access to appropriate, efficient and quality health services. He said his department deliberately built state-of-the-art hospitals in small towns and rural areas to provide quality services to the public.

He said the equipment found in the recently built hospitals was of a world class standard, and it was advanced in technology...

**“One of the state-of-the-art equipment in Dr Harry Surtie Hospital is the Lodox Machine (X-ray scanner), a South African product... which was invented in SA”.** (sanews.gov.za 03/09/2014)



## EDD Support

“The roll-out was announced by Economic Development Minister Ebrahim Patel at the Africa Health Exhibition at Gallagher Estate in Midrand on Thursday. "The technology is unique as a full body, ultra-fast and extremely low dose X-ray imaging system. **It could assist government with achieving its National Health Insurance objectives," Mr Patel said**” (Business Day Live 29/05/2014)

"The company [Lodox] will now roll it out on scale elsewhere. There are some of these facilities available elsewhere in the country, but not on scale. **So this is the first part of the national roll-out across the health care system.**" (SouthAfrica.info 29/05/2014)



# Lodox features on Grey's Anatomy, Season 9, Episode 18: Idle Hands





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## Due Diligence & Business Plan

- **Covered all the obvious questions:**
  - Technology & product focus...unique, awards, no competition
  - New entrant in market...barrier to entry = low, no head-on competition
  - Trauma focus...\$500m market, 1300 installations in the next 10 years (2005 plan)
- **Top Risks**
  - Rand / \$ exchange rate
  - Long sales cycle
  - Human capital retention (Highly skilled individuals)
  - Manufacturing capacity
  - R&D Cost



## Typical Lodox Installation



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*“Here is Edward Bear, coming downstairs now, bump, bump, bump, on the back of his head, behind Christopher Robin. It is, as far as he knows, the only way of coming downstairs, but sometimes he feels that there really is another way, if only he could stop bumping for a moment and think of it”*

**AA Milne, Winnie the Pooh**





# A SHIFT

in digital radiology



## Total Value Proposition

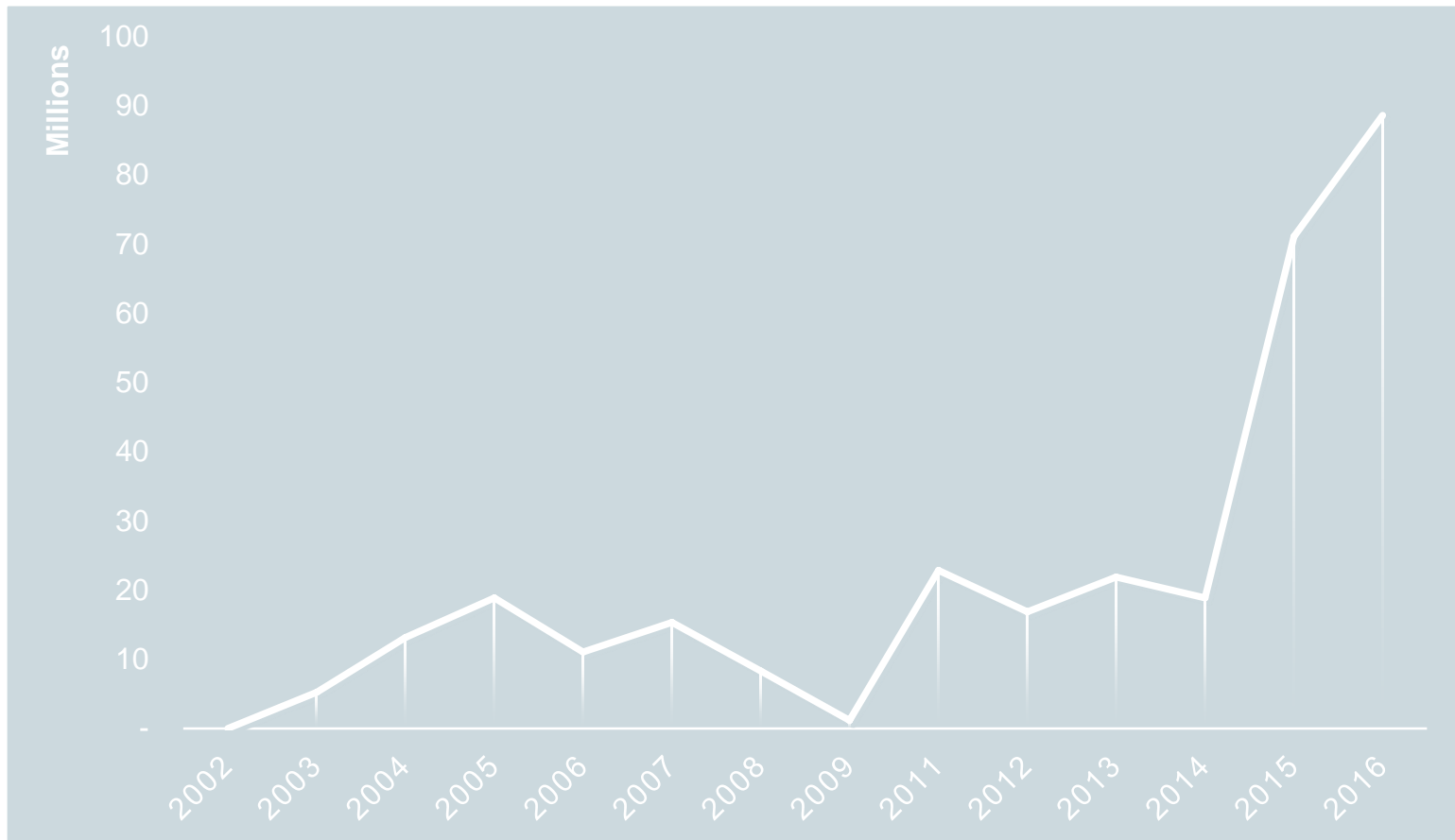
Tangibles  
Intangibles  
**Experiences**



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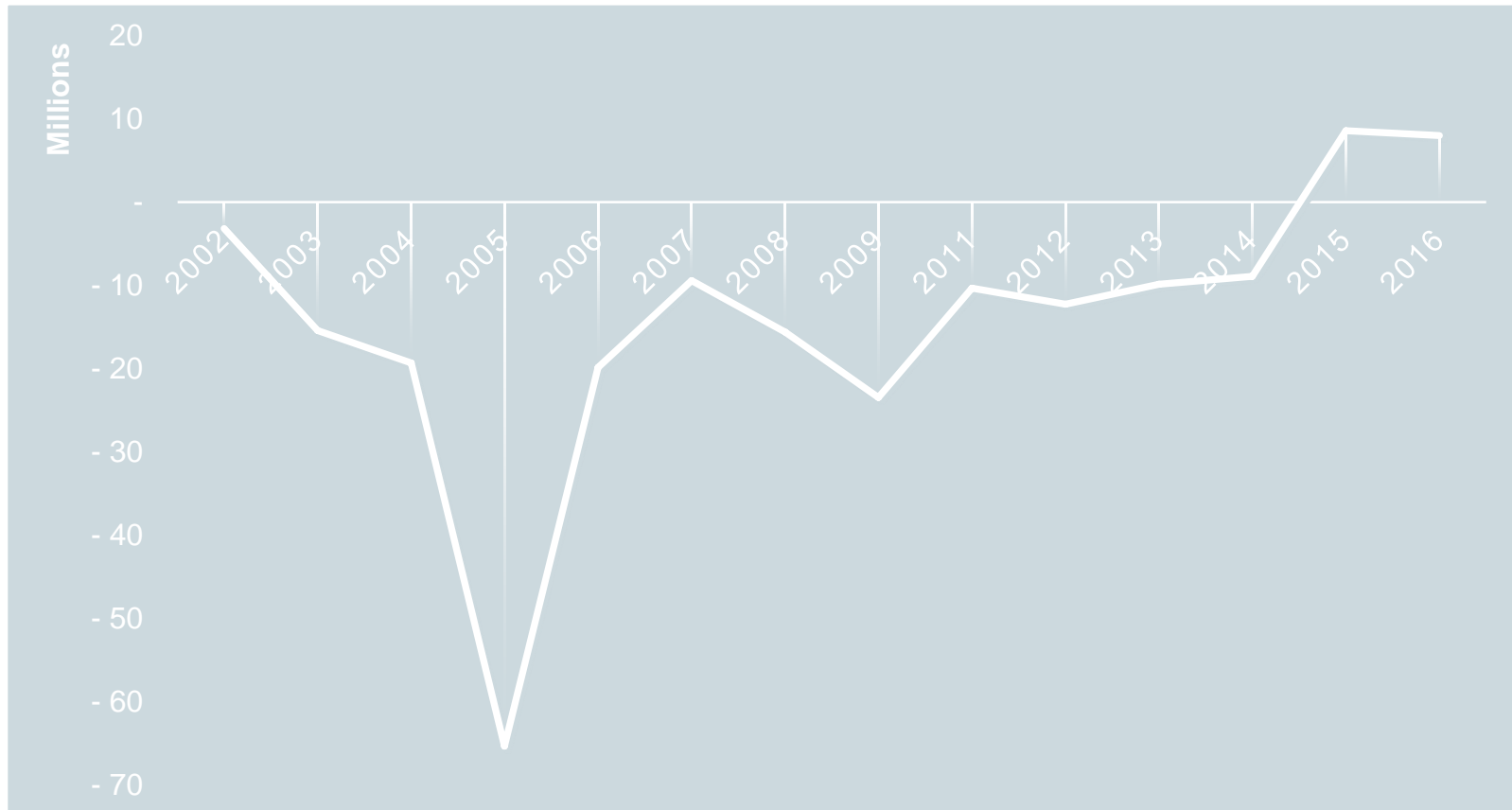
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# Turnover





# Profit / Loss





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## Total Value Proposition

Tangibles

Intangibles

**Experiences**



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Pieter de Beer  
IDC New Industries  
pieterd@idc.co.za

