



# KARL STORZ ENDOSCOPIC SERVICE AND REPAIR MAKES FINANCIAL SENSE

## > INTRODUCTION:

Costing strategies that seem cheaper at the outset often result in substandard outcomes and greater long-term costs. Any savings experienced up front are negated by a poorly-performing product, reduced surgeon satisfaction, and a higher risk to patient safety — all of which may have a significant financial impact.

## > MATERIALS AND METHODS:

Endoscope service costs were measured using KARL STORZ as the service provider for a 3-year period, and then using an Independent Service Organization (ISO) for 3 years. In the case study, a hospital used KARL STORZ PROTECTION1® Services for 3 consecutive years and the costs for both repairs/exchanges and new capital purchases during those 3 years were measured. In an attempt to save money, the hospital switched to using an ISO once the 3-year period with KARL STORZ Service has ended. Costs during the next 3 years with an ISO as the service provider were measured.

## > RESULTS:

Over the 3-year period with KARL STORZ as the service provider, the hospital spent an average of \$100,031 for both new capital purchases and repair expenditures. After switching to an ISO for repair services for the following 3 years, the average expenditure per year went up by 23%, including additional capital outlay for unplanned new equipment.

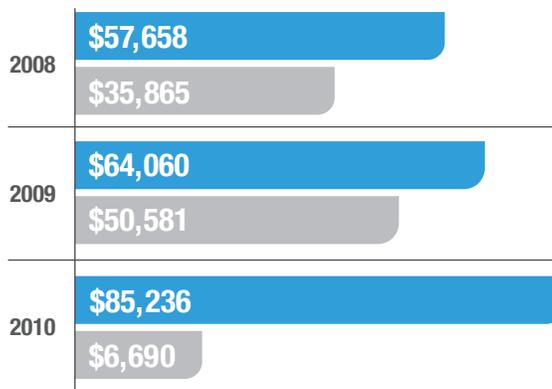
## > CONCLUSIONS:

The increase in costs from using an ISO for endoscope service eroded any upfront savings that the hospital experienced. When it comes to endoscope repair, cost shouldn't be the only factor that healthcare facilities consider. With higher quality of service and repair, the use life of the investment will be prolonged and protected, reducing the need to repurchase capital equipment in the near future. This lowers long-term costs and total cost of ownership.

### Lower Maintenance Costs with KARL STORZ over a 3-Year Period

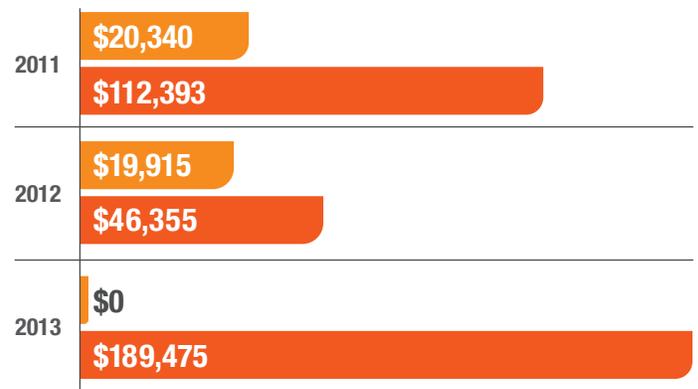
#### KARL STORZ

■ Repair & Exchange ■ New Purchases



#### INDEPENDENT SERVICE PROVIDER

■ Repair & Exchange ■ New Purchases



Total Avg. Cost	\$100,031 KARL STORZ	Add'l Cost \$29,461	An increase of <b>23%</b> per year
	\$129,492 Independent Service Provider		



## KARL STORZ ENDOSCOPIC SERVICE AND REPAIR MAKES FINANCIAL SENSE

Costing strategies that seem cheaper at the outset often result in substandard outcomes and greater long-term costs. Any savings experienced up front are negated by a poorly-performing product, reduced surgeon satisfaction, and a higher risk to patient safety — all of which may have a significant financial impact.

To illustrate the true cost of a cheaper solution, let's take a look at one real-world example. In the graph below, we see that over a 3-year period with KARL STORZ Protection 1® Services, one

hospital spent an average of \$100,031 for both new capital purchases and repair expenditures. In an attempt to save money, the hospital switched to an independent service provider for repairs. As a result, the average expenditure per year went up by 23%, including additional capital outlay for unplanned new equipment.

This increase in costs eroded any upfront savings the hospital experienced. When it comes to rigid scope repair, the higher the quality of service and repair, the lower the total cost of ownership.

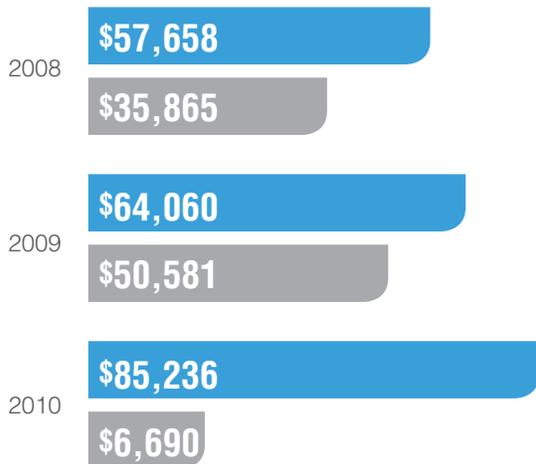
### Endoscopic Inventory Maintenance Costs Per Year

Actual results of a healthcare provider who switched from KARL STORZ to an independent service provider over a 3-year period

#### KARL STORZ

Repair & Exchange (Blue)    New Purchases (Grey)

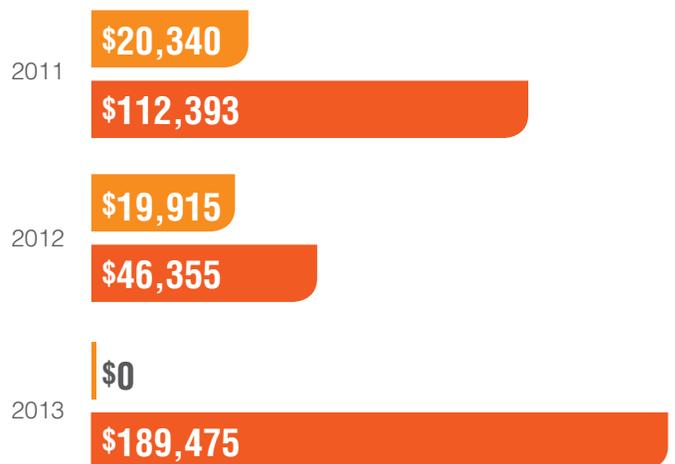
#### VENDOR KARL STORZ



#### INDEPENDENT SERVICE PROVIDER

Repair & Exchange (Orange)    New Purchases (Red)

#### VENDOR INDEPENDENT SERVICE PROVIDER



TOTAL AVERAGE COST

**\$100,031** KARL STORZ

**\$129,492** INDEPENDENT SERVICE PROVIDER

Add'l Cost  
**\$29,461**

An Increase of  
**23%** per Year

Contact your local KARL STORZ Representative for more information about Protection 1®.



*THE DIAMOND STANDARD*

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