



## Medical Durable Goods for the Federal Government



**Rick Finsterbusch - CEO**

**CEOCFO: *Mr. Finsterbusch, what is the Janz Corporation?***

**Mr. Finsterbusch:** Janz Corporation is a service disabled, veteran owned, small business that specializes in selling medical durable goods and services, to the federal government.

**CEOCFO: *Was that the idea from day one?***

**Mr. Finsterbusch:** My background is in healthcare and I worked for a company called Phillip's Healthcare for many years. It was a natural transition to starting this business.

**CEOCFO: *How helpful was your personal military background?***

**Mr. Finsterbusch:** It was very helpful and extremely beneficial, especially working with the federal government and US Military. My military background taught me many things like discipline, work ethic and how to recognized people for their efforts. The experience trained me to be a leader and become a better person.

**CEOCFO: *Are you in a sense a distributor for a variety of products? How do you put it all together?***

**Mr. Finsterbusch:** We sell primarily medical equipment. The background that I have is in patient monitoring equipment, defibrillators, cardiographs and equipment that you might find in a hospital and the ICU. That was what I was primarily selling for Phillip's Healthcare. My background with Phillip's Healthcare was in sales where I was a top performer and multiple Pinnacle Club awardee reserved for the top 10% of the organization. When I joined Phillip's, we were doing less than a million dollars a year in the military segment, and took it to about thirty million dollars within four years. During that time, we learned a lot about the nuances of dealing with the federal government, particularly the effort to bid and win large contracts. The barriers of entry into the Federal government are formidable and this tends to deter companies, but that is where we excel. I learned a great deal at Phillip's and that transitioned into starting this company and surrounding myself with some very successful people that worked at Phillips in the past that came with me.

**CEOCFO: *How do you decide the range of products to offer?***

**Mr. Finsterbusch:** Typically we start out with a core focus like resuscitation and patient monitoring and it evolves to offering the best products. We presently have an initiative in Medical Simulation and we now represent all of the top lines in that field. We provide solutions to our government customers. They often call us to locate products for them and this sometimes translates into us representing those products in the future. If there is particular need they have, then we are going to go out and do the research, find those products and get them back to them. We are very resourceful. We will carry many different lines of products. If you look at the development of the company, it is based on the customer's needs. If we can help them, it is a win-win. Our focus is on trying to find products that the government primarily uses so that we can help facilitate those sales. We recently were awarded with some significant contracts within the federal government. We were just awarded a \$20 million ECAT contract within the Department of Defense, and it has been primarily because of our experience working with The Defense Logistics Agency. We also were recently awarded a \$17.5 million contract with the Department of Homeland Security (DHS). DHS constitutes 22 agencies including the US Coast Guard, ICE, TSA, FEMA, and Border Patrol to name a few. Our record within the Department of Defense and the VA has been excellent and they know that we perform, so we are actively pursuing that business and getting the customers what they want.

**CEOCFO: *Would a contract be product by product or for a class of products?***

**Mr. Finsterbusch:** It varies. For instance, our DHS contract, was initially for defibrillators, but it has morphed to compact monitors, other pre-hospital items and kits. Whereas, we also have single product type contracts with Special Operations for medical backpacks.

**CEO CFO: On your site, it shows you strive to offer the latest in medical and diagnostic technologies. Are the armed services always looking for the latest? Are they ready more so than the private sector?**

**Mr. Finsterbusch:** When you talk about the clientele that we are working with in the federal government especially the military, where we they are deployed all over the world, they are always looking for something that is lighter and more durable. Something that meets the requirements for their environment, be it desert, high altitude or tropical. Many of the medical advances come directly from the battlefield. They are always looking to make sure that they have the latest products to take care of their Soldiers, Airmen, Sailors and Marines.

**CEO CFO: What else besides the physical product are you providing to your clients?**

**Mr. Finsterbusch:** We stay in touch with our customers to gain the necessary feedback to relay back to our vendors. If there are issues, functional gaps or ideas, we go back to the manufacturer to discuss this. For instance, if a monitor defibrillator, out in the field, needs capabilities that you would not normally find in the commercial market, like a night vision screen or capabilities that the field needs, we drive those ideas back to the manufacturer so that they can develop products that meet the requirements for the military. We spend a great amount of time at symposiums and trade shows. We meet often with end users and are always gathering information as far as what they are actually looking for maybe in next generation products or what they need right now. My company is also very familiar with the military testing that is required for medical products that are used to transport wounded. We help manufacturers with airworthy testing for both rotary and fixed-wing aircraft.

**“Many competitors treat government as an ancillary part of their business, whereas we make it our primary focus.”- Rick Finsterbusch**

**CEO CFO: How do you help in the waste fraud and abuse issue?**

**Mr. Finsterbusch:** I do not see that much. When you talk about the waste that the federal government has, when we deal with the government, they are very cost conscious. They want to make sure that they are getting the best products, but they also want to make sure they are getting the best price. If you want to sell something to the federal government, you have controls in place. Contracts are negotiated and sales practices are required. There are audits and performance mechanisms in place to make sure that the government is getting the right price by having tracking customers, (customers with best pricing), as well as inspections and review of your records to make sure you are charging them the best price because they are the largest customer in the world. If you look at some of the ways that they buy, they often use government bidding portals like eBuy or FedBid for instance, which is a very competitive situation where you have to bid against other manufacturers with similar products. The price could be a determining factor and if your prices are extremely high, you are not going to win. You have to be competitive in this market. Overall, gross profit margins are lower in the government market than commercial, since the government contracting officers have access to pricing history.

**CEO CFO: What is the competitive landscape? Are there many companies that specialize with the depth of what you offer?**

**Mr. Finsterbusch:** I think any time it comes to competitive situations, you have to look at your company specifically and what you are doing to make sure that you position the company competitively and you offer the best value to the customer. Many competitors treat government as an ancillary part of their business, whereas we make it our primary focus. When you talk to another company that may dabble in the government sector, they may get something like a Federal Supply Schedule (FSS) contract, but that is only a small portion of what the government does. There are so many different procurement portals/systems leveraged by the federal government, you have to be able to comply with all the different regulations. You have to be able to respond. There is a lot of reporting that goes on. Many companies just do not want to be bothered. If you do not do things right and you cannot control your pricing, there is a lot of risk involved. You could be audited, fined and/or not allowed to continue doing business with the US Government.

**CEO CFO: How do you decide what to bid on?**

**Mr. Finsterbusch:** We look at different things. We know our limits and our capacity, so we want to make sure that we are capable of handling business and we can commit the necessary resources to it. We will not respond to solicitations that are out of our domain. Our niche is medical and we stay focused on medical. We spent many years learning this business and we know how the government buys. It is very complex and the sales cycles can be very long. You need to understand the government and how funds are allocated and appropriated.

**CEO CFO: When people read about Janz Corporation what should they remember?**

**Mr. Finsterbusch:** We are customer-centric medical solutions provider. The management team has over 60 years of government purchasing experience. We go out of our way to make sure that our customers get what they want and we

work long hours. We value our employees tremendously and we do everything we can to hire veterans. Thirty percent of our employees are veterans and our goal is to increase this to 40% in 2016. We do the extra work it takes to make sure that our customers are 100 percent satisfied, so they continue to come back to us.

**Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine**

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For more information visit:  
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