

Abbott Diagnostics Division

To: All

Date: Aug 21, 2013

Cc:

Subject: August 2013 – ADD Data Sync Monthly Highlights

Accomplishments:

- **Product Hierarchy:**
The new Product Hierarchy for ADD, AMD, APOC and ADC was launched into production on 8/21, meeting the goal to be in production by August.

This new hierarchy structures the product portfolio in a customer focused view, supporting the strategy to be customer oriented and drive NPS.

It is scalable and enables ADD to launch the Q-platform within the product hierarchy in its full detail – a business need not supported by the current Financial product hierarchy. The design addresses the needs of the various business functions and systems into one structure. Those business functions include sales, marketing and finance as key consumers of product hierarchy data.

The need to maintain several hierarchies with double maintenance and conflicting data will be eliminated, as this new hierarchy is expected to replace the multiple existing ones over the course of the next 1 to 2 years. As end result, all system utilizing product hierarchy data will show consistent data from a single source. That includes Customer facing web pages, e-Ordering, CRM applications like aforce, Financial Planning, IBP, Reporting or Business Intelligence applications (e.g.).

The new product hierarchy also offers new features not available through the existing hierarchies to date:

- It enables full transparency what products perform against what analytes and on what instrument which is a key customer focus element.
- It provides the required linkages to best manage Cost Per Reportable contract compliance.
- New products to be launched can be made available at any time needed. They do no longer have to wait until a List Sales/Size is assigned. That improves the commercial launch preparation process.

Data quality is increased and data governance is implemented with the new hierarchy. This will drive consistent use of the hierarchy across the 4 divisions. It provides the ability to analyze at any required granular level. There is no more need to artificially bundle products together that are of different nature. As a result of that, price variance calculations will be more accurate and will better reflect the price trends.

In a first step, the ADD commercial tool suite that utilizes the current commercial product hierarchy will be switched to the new one. That is expected to happen in 2013. In 2014 focus will be to replace the current Financial product hierarchy by the new one with an expected cut-over at the end of 2014.