

**Developing and manufacturing state-of-the-art Endoscopy Products that are Portable with Focused LED Lighting and breakthrough Flexible Fiberscopes, Optim LLC is Enabling Medical Professionals, Law Enforcement and Industrial Users to Bring Precision Optical Capabilities Wherever Needed**

**Healthcare  
Medical Products**

**Optim LLC  
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**Jeff Barrett  
CEO**

**BIO:**

Jeff is the CEO of Optim LLC. Jeff has spent 20 years in executive roles within the medical device and industrial products industries. Prior to Optim, Jeff was CEO of Eggrock Inc., a VC-backed manufacturer of pre-engineering building components. Jeff also spent 15 years as Vice President of Global Operations at both Aspect Medical Systems (acquired by Covidien) and Haemonetics Corp

(NYSE: HAE). Jeff has an MBA from Boston University and degrees in industrial engineering and economics from Rutgers.

**About Optim LLC:**

Optim LLC develops, manufactures and supports state-of-the-art endoscopy products and accessories that help medical professionals, law enforcement officers and industrial users work more effectively and efficiently. Our breakthrough, flexible fiberscopes with integrated LED lighting enable customers to bring precision optical capabilities wherever they are needed.

Founded in 1970 as Applied Fiberoptics Inc., we were one of the first companies to produce glass fiber for use in surgical device illumination. With the acquisition in 1996 of Schott Fiber Optics' flexible endoscope division, we added medical and industrial endoscopes to our product line.

Today, Optim continues this legacy of innovation with products that provide superior imaging quality and portability for a range of minimally invasive medical procedures and industrial and security applications.

While our company has evolved over the years to embrace new technologies, one thing has never changed: Our commitment to quality. We still design and manufacture Optim products in our Sturbridge, Massachusetts, facility—ISO 9001-certified since 1998—to ensure the highest levels of quality control, continuous improvement and customer support.

We look forward to showing you how Optim optical imaging tools can improve the way you or your customers work.

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

**CEOCFO:** Mr. Barrett, what is the vision at Optim?

**Mr. Barrett:** Optim is a designer and manufacturer of very high quality and portable endoscopes. It serves three main markets. One is the medical market for ear, nose and throat procedures, which is called ENT. The other two are law enforcement and industrial inspection, where they use our endoscopes to see things that you normally cannot see with the naked eye. We also are developing medical therapies that are delivered via endoscope products.

**CEOCFO:** You mentioned high quality. What is it about your products that provide the high quality?

**Mr. Barrett:** Our products are known for exceptional image quality. We are also known for our lighting, which results from our patented technology that is able to extract five to ten times more light out of an LED as our competitors. LEDs are becoming more popular for providing lighting for endoscopes but they have always been problematic because they historically cannot produce enough light. We overcame that hurdle with our technology so we can use very low powered LEDs yet deliver exceptionally bright light. For example, our three-watt LED provides as much bright-

ness as a 150-watt Xenon bulb, which is quite remarkable.

**CEO CFO:** What have you figured out technology wise that others do not know?

**Mr. Barrett:** The problem with LEDs is they can provide a great amount of light but the light is dispersed because it travels in many different angles. We developed a technology to focus the light from the LED, resulting in significantly more light delivered to the tip of the endoscope, where it is actually needed.

**CEO CFO:** How do you reach your customers; you do seem to have a wide base?

**Mr. Barrett:** We are a global company and we sell through a combination of direct sales, manufacturer's reps, and distributors around the globe.

**CEO CFO:** What areas are showing the most growth for you?

**Mr. Barrett:** Medical is growing fast because our lighting technology enables our scopes to be fully portable without having to use a separate light source power supply. Our LED scope runs off a battery, so it is completely portable. ENT doctors are looking for more mobile solutions because they are doing much more office based procedures and bedside examinations and need to bring the scope to the patients rather than bringing the patient to the scope. We are extremely excited about our recently FDA-cleared infrared therapy for the treatment of hemorrhoids. This enables hemorrhoids to be treated painlessly and very effectively and can be used in millions of procedures per year.

**CEO CFO:** Is the company name meaningful or is it more of a commodity sale?

**Mr. Barrett:** Our goal is to stay outside that the commodity parts of the markets we serve. Our products tend to be priced a bit higher than the competition because our products are unique. We are also 100% made in the USA, which our law enforcement and industrial customers especially

appreciate. We have a higher quality product so we are a premium priced product within the industry.

**CEO CFO:** Are there industries or types of products you would like to introduce?

**Mr. Barrett:** In the ENT market, diagnosing swallowing, speech and esophagus disorders is becoming a much bigger issue as the population ages and certain cancer rates increase as well as the epidemic of reflux disease. This is an area we have been working very hard on and we introduced one new product recently and plan to add more in the future.

**CEO CFO:** Customer service seems to be an important feature for you; how does your customer service differ?

**Mr. Barrett:** We take a great deal of pride in having internal sales associates that are well trained to take care

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**- Jeff Barrett**

of our customers. Even though we have field-based reps that handle the sale, we have internal resources as well. We still do our own service in-house, which much larger companies have outsourced. When you are selling a durable good like ours, service and repairs is an important feature. Even though it is not a big profit generator, it is an important customer service feature.

**CEO CFO:** How is business these days?

**Mr. Barrett:** Business is good. The first quarter of 2012 started slowly compared to the prior year but we have since shown growth for the year, so we are excited.

**CEO CFO:** Are most of your products considered necessities or is it still kind of a bit advanced so that it can be more optional for people?

**Mr. Barrett:** It depends on the market. For example, for medical it is a necessity, as they need our scopes to do examinations. In the law enforce-

ment market where our products are used for contraband detection, border patrol is the biggest market for us. We sell thousands of scopes to the Department of Homeland Security and state governments. Our scopes are used to detect illegal contraband. For example, they can use our scope to find illegal drugs that are hidden in vehicles crossing the border. For this market our product is becoming more of a necessity as the drug problem in the US becomes more severe.

**CEO CFO:** Are you selling primarily in the US or do you have an international component?

**Mr. Barrett:** Yes, about 30% of our sales are international and the majority of that would be South America and Europe.

**CEO CFO:** Do you see international as an area for growth and are their areas where you would like to enter?

**Mr. Barrett:** Yes, definitely! The Far East and the Middle East are markets where we would like to get more involved. We have been historically strong in South America and Brazil in particular. Those markets continue to grow as those economies develop.

**CEO CFO:** Why should the business and investment community pay attention to Optim?

**Mr. Barrett:** I think Optim represents what is right with American business; designing high-end technology products, manufacturing them in the US, and selling them all over the world. It offers innovation in endoscope technology and medical therapies delivered through endoscopes that some other larger companies should be keeping on their radar. For example, over ten million people in the US have suffered from hemorrhoids but there is not a good treatment for them as the current treatment is very painful. Our treatment is novel and offers a great solution with no pain. This is a technology that would be of interest to other medical device companies. We are flying under the radar because we are a smaller player in the medical device market.

**CEOCFO:** Are there plans to change that?

**Mr. Barrett:** We are owned by a stable and committed private equity firm, named Juno. Juno has a very long-term perspective, so they are more concerned about the quality of our earnings as well as the rate of our growth. We want to see stable growth with increased profitability so we can

build a business that has value for the long term.

**CEOCFO:** What are the challenges that you are facing?

**Mr. Barrett:** One of the biggest challenges we face now is the new medical device tax that is part of the new healthcare legislation. I think what people do not realize about this tax is that it is a 2.3% tax on revenue, which

ends up being a steep tax on profits. For example, if your company makes a ten percent profit, this tax equates to a 23% tax on profit. This is absolutely going to have an impact on the industry because it reduces the amount of investment medical device companies can make in R&D and hiring more employees.



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