

AVDA Annual Report 2007-08
Delivered at 2008 Annual Conference
April 23, 2008 Tucson, AZ
George Henriques, Webster Veterinary Supply
AVDA President-Elect

I would like to spend a few minutes bringing you up-to-date on association activities since we met in Savannah last year. AVDA has had a busy and productive year since our meeting in April 2007. The organization has grown by 4 new companies, welcoming 1 new Active member and 3 new Associate members. All of the new members are in attendance at the conference. Our new Active Member is NEVSCO and our 3 Associate Members include KC Animal Health Corridor, Brakke Consulting Group and Meridian Animal Health. Please make a point of welcoming each of these new members during the conference.

Attendance at this year's conference is record-breaking with a total of 190 attendees, including 43 spouses. 18 Active Member companies, 34 Associate member companies and 3 Affiliate member companies are represented in that total. Participation in the networking activities includes 93 golfers who will participate in the Annual Scramble Golf Tournament on Tuesday and 25 people have signed up for the Loews Culinary Institute.

Sponsorship for this year's conference was outstanding again this year with a total sponsorship of \$108,000. We would like to thank our sponsors now, at the beginning of the Annual Conference, by recognizing them with a plaque. We would like a representative from each of the sponsoring companies to come forward to be acknowledged by the members of the association. We encourage you to personally thank these sponsors for their continued support as you see them over the next few days.

We will start with the One Star sponsors who have contributed at the \$1000 level:

Abaxis, Inc.
Addison Biological Laboratory, Inc.
CEVA Animal Health Ltd.
Colorado Serum Company
Med-Pharmex Animal Health
Miltex, Inc.
Neogen Corporation
PRN Pharmacal, Inc.
Summit Vet Pharm
Synbiotics Corporation
Vet Brands International, Inc.
Vetoquinol USA, Inc.
VSSI, Inc.
Welch Allyn, Inc

Two Star Sponsors contributing at the \$2500 level, include:

Abbott Animal Health
AgriLabs
Covidien
Heska Corporation
IDEXX Laboratories, Inc.
IVX Animal Health, Inc.
MAI/Genesis
Phoenix Pharmaceutical, Inc.
Vedco, Inc.
Veterinary Products Laboratories (VPL)
Virbac Animal Health

The following Three Star Sponsors have contributed at the \$5000 level:

Bayer
Boehringer Ingelheim Vetmedica, Inc.
Novartis Animal Health U.S., Inc.

Our Four Star Sponsors at the \$7500 level are:

Lilly / Elanco Animal Health
Merial
Schering-Plough Animal Health

And finally our Grand Sponsors at the \$15,000 level for this year's conference are:

Fort Dodge Animal Health and Pfizer Animal Health.

Thanks again to all of you who have sponsored. This event would not be possible without your support.

The AVDA board recently established a Manufacturer Advisory Group to help the board get more feedback from our supplier membership about issues of common concern between manufacturers and distributors and to assist in developing topics for the Annual Conference. We are pleased to introduce representatives from the following member companies who have agreed to serve:

Spencer Breithaupf, Fort Dodge Animal Health

Gary Eaton, IDEXX Laboratories

Steve Curvey, Merial

Jay Clary, Novartis Animal Health

Jeff Sizelove, Pfizer Animal Health

Gary Cushing, PRN Pharmacal

Robin Mease, Schering-Plough

The Manufacturer Advisory Group met several times with the AVDA board and independently throughout the past year.

AVDA has continued to assist members with legislative and regulatory issues regarding pedigree through participation in the State Monitor Service through Cegedim Dendrite. This service, introduced to members last June, has been free to all members wishing to subscribe to the Drug Pedigree and Drug Distribution Surveys. AVDA offered several webinars on the State Monitor Service throughout the year and we will have a presentation from Gary Glotz of Cegedim Dendrite on Tuesday updating us on the status of pedigree. The AVDA board just approved an assessment of \$500 annually for all participating members in the service effective June 1, 2008, the beginning of AVDA's fiscal year.

AVDA helped co-sponsor a Networking Reception during the North American Veterinary Conference in Orlando this past January. The presentation following the Annual Brakke Consulting Review was co-sponsored with the KC Animal Health Corridor and was a huge success with AVDA members and guests. The AVDA board has approved co-sponsoring another event in 2009.

AVDA has also been involved on several fronts in the states on issues ranging from who is an authorized recipient of drugs at a veterinary practice in Florida to E-pedigree requirements in California. We have worked with several associations including the Animal Health Institute (AHI), Health Industry Distributors Association (HIDA), Healthcare Distribution Management Association (HDMA) and the Dental Trade Alliance (DTA) to form coalitions to have our voice heard on the state and federal level regarding the complexity of compliance with pedigree requirements. AVDA is supporting legislation that was recently introduced in the US House of Representatives calling for Uniform Pedigree Legislation. Several representatives from AHI are attending this year's conference including Madeline Palla and representatives from the AHI EDI Work Group.

AVDA was able to offer several training programs to our members this year through our relationship with the Association Education Alliance. These programs included the University of Industrial Distribution, Young Distribution Professionals Program and a variety of webinars. A schedule of training programs is included in your onsite program and you can find out more information about all of these on the AVDA web site, AVDA.net or at the registration desk.

The AVDA Profit Report is the only benchmarking tool of its kind for distributors in the animal health industry. The information in the report – on gross margin, operating expenses, average collection period and the like – is arranged to provide direct comparisons with your firm. Firms who participate also receive an individual Profit Improvement Report that shows them how they can improve their company's profitability.

We had good participation from member companies and hope that more companies will participate next year. All AVDA members, including Manufacturer and Distributor members will be hearing more about the AVDA Profit Report in John Mackay's presentation later today in Differing Paths to Profitability: How Manufacturers and Distributors Make Money.

This year's conference will mark the first year that AVDA is bestowing Lifetime Achievement Awards on two men who have been active in the Animal Health Industry for decades. This year's honorees are Dr. Robert Danielson of MWI Veterinary Supply and Mr. Tom Corcoran of Fort Dodge Animal Health. We will hear more about Dr. Danielson's and Mr. Corcoran's service to the industry during the awards banquet on Tuesday evening. Please be sure to welcome Dr. D. and his wife Jan and Tom and his wife Barbara during the meeting. The annual supplier awards will return next year to the conference in a revamped format that will offer greater recognition to manufacturers for specific policies and practices that are distributor friendly.

We have an exciting line-up of speakers and sessions for our conference this year. We have streamlined our schedule today so that attendees are finished at 1 pm and can enjoy the beautiful Tucson weather and activities that abound at the resort. Box lunches will be provided in the foyer after the general session concludes. Anyone wishing to participate in the Tennis Social this afternoon who has not previously signed up, may do so at the registration desk. The social begins at 3 pm and we currently have 8 people registered.

We appreciate your continued support of AVDA and especially your attendance at this Annual Conference. We look forward to a productive year in 2008 and encourage you to become more involved in your association.