

## Transforming Services in the World of Life Sciences

Vice President Global Customer Solutions

Illumina, Inc.

© 2010 Illumina, Inc. All rights reserved. Illumina, illumina*Dx*, Solexa, Making Sense Out of Life, Oligator, Sentrix, GoldenGate, GoldenGate Indexing, DASL, BeadArray, Array of Arrays, Infinium, BeadXpress, VeraCode, IntelliHyb, iSelect, CSPro, GenomeStudio, Genetic Energy, and HiSeq are registered trademarks or trademarks of Illumina, Inc. All other brands and names contained herein are the property of their respective owners.



### Illumina Today





>2500 employees

IP portfolio of 135 issued patents and 168 pending applications

Headquarters in San Diego, CA

Offices in Hayward, Wisconsin, Sao Paulo, Tokyo, Singapore, Shanghai, Beijing, Melbourne, U.K., The Netherlands

**Commercial Presence in over 50 countries** 

~\$1.1B in annual sales



## Illumina's Mission

Improving Human Health by Unlocking the Power of the Genome

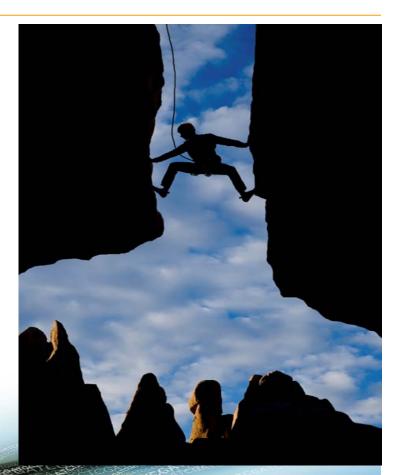


Illumina has transformed genetic discovery by enabling a scale of science not previously possible. Our innovative sequencing and genotyping solutions provide the advances that underpin this revolution, which we will extend into clinical diagnostics, applied and consumer markets.

## **Customer Solutions Vision**

### To enable the genomics community to fully utilize Illumina technology to advance the understanding of genetics and health

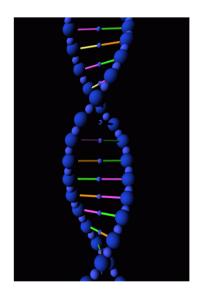
- We are dedicated to helping our customers make groundbreaking discoveries & improving human health by partnering with you from installation to publication or result.
- We take responsibility for outcomes uptime, data quality, publication deadlines, analytical accuracy, your success – not just transactions
- We are empowered to do whatever is necessary to make customers successful
- Our success is defined by our customers success



© 2009, Illumina, Inc. All rights reserved.



## **DNA in 5 minutes or less**





"...the sequence of the human DNA is the reality of the species, and everything that happens in the world depends upon those sequences."

Renato Dulbecco, Nobel Laureate







## **The Journey**



## Chips (2002-2006)











8



- \$300k-\$1M Turnkey Lab + \$300K/yr in consumables
- Proprietary Scanner, Chips & Software
- Lots of OEM parts
- Highly Reliable & Robust
- 20-50 Large Academic Research Centers
- Part of HapMap & Follow on Studies
- ▶ 150,000 500,000 Data Points in 1 week



illumına

## Chips (2002-2006)







#### Upstate New York Illumina User Group Meeting Tuesday, May 22 at 8:00am to 5:00pm

Statler Hotel, 2nd Floor Ballroom 130 Statler Dr, Ithaca, NY 14853, USA

Illumina's sequencing technologies have accelerated the pace and diversified opportunities for biological and lifesciences research. This User Group Meeting will provide an opportunity for users of Illumina sequencing technology to showcase their research and this meeting also will be a forum for user interaction, networking and community-building. This meeting will provide a great opportunity to meet and learn what other users are doing with Illumina sequencing products. A wide variety

illumina

- Highly personalized relationships
- Employees were highly technical & owned territories
- Technical Support was overflow from field
- Products stable & changed slowly





- 95% buy from Illumina because of the rate of innovation
- 92% say the data quality meets or exceeds expectations
- > 97% feel support is equivalent or better (60%) than the competition
- Awarded the "North Face" Award 2009 & 2010









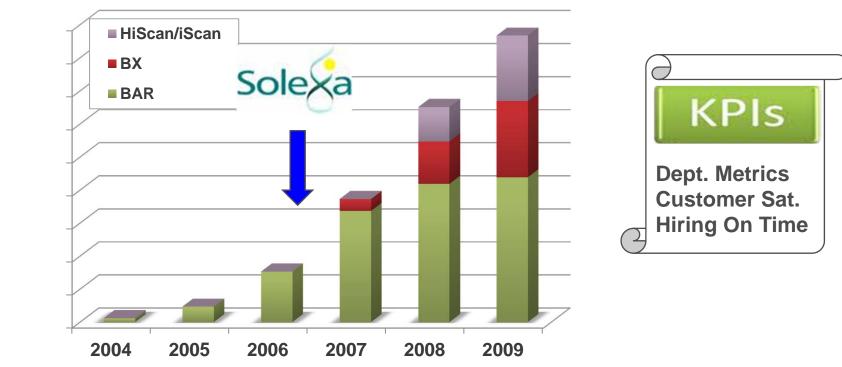
## **Focus: Functional Departments & Hiring**



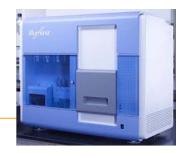








## "Next Generation" (2<sup>nd</sup>) Sequencing: 2007-2009









\$300-500K





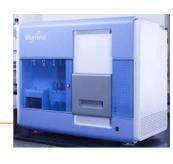


## Highly Complex, Rapidly Changing Products

- Average time on the market before obsolescence
- Mean Time Between Service
- Average Field Upgrades in 1<sup>st</sup> 18 months
- Oritical Instrument Software Updates
- Diagnostic/Failure Mode Capability
- "Real Time" Chemistry in 1-2 week runs



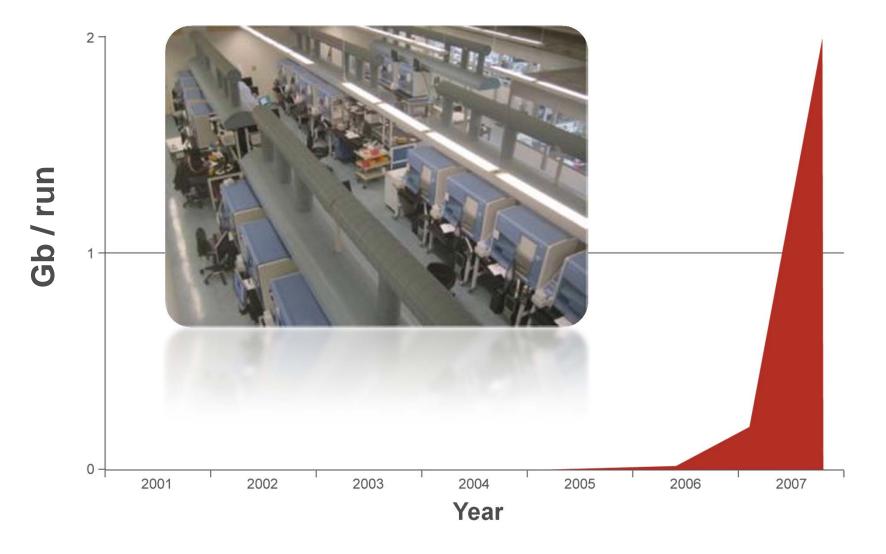






## The Impact of Scale in Sequencing





illumına<sup>®</sup>

## Sequencing is a Universal Analysis Tool for Biology



illumina®

## **Sequencing is a 4-Step Process**

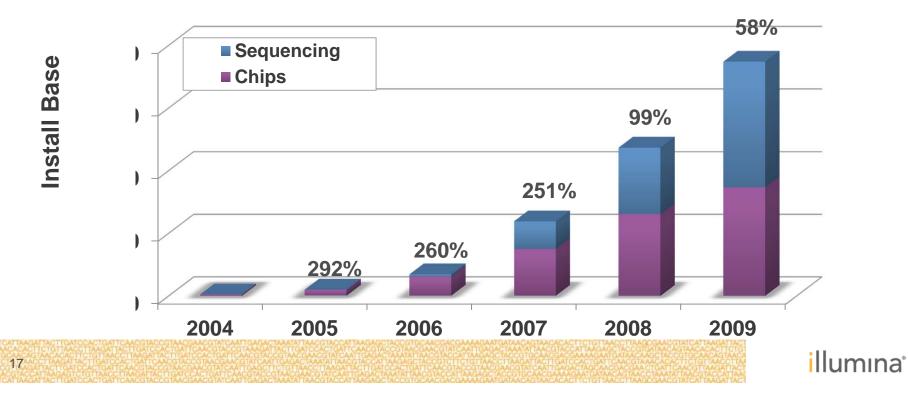




## Shift to Innovation & "First, Fast, Fix"



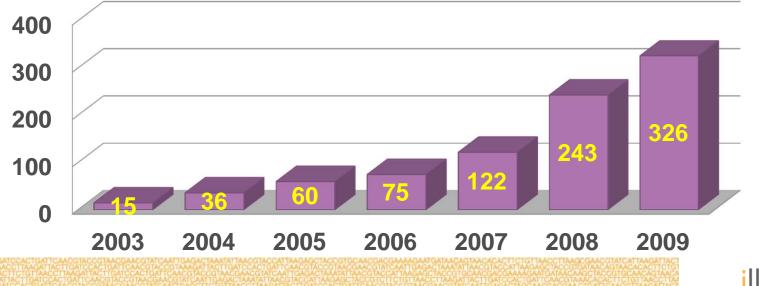




## Regional Management, Shift to Technical Support, Training



## **Customer Solutions Headcount**



## **Operational & Financial Leverage (2008-2010)**

- Steady decline in Cost of Service post Solexa
- 45% increase in instruments/Field Employee
- > 29% decrease in OpEx/Instrument
- > 20% decrease in cost/order
- ▶ 10% decrease in travel \$/FTE
- > 30% increase in \$/FTE 2008-2010
- <1% Employee Attrition</p>



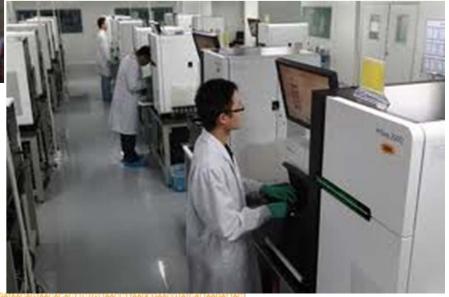
## 2010-2012: Next (3<sup>rd</sup>) Generation

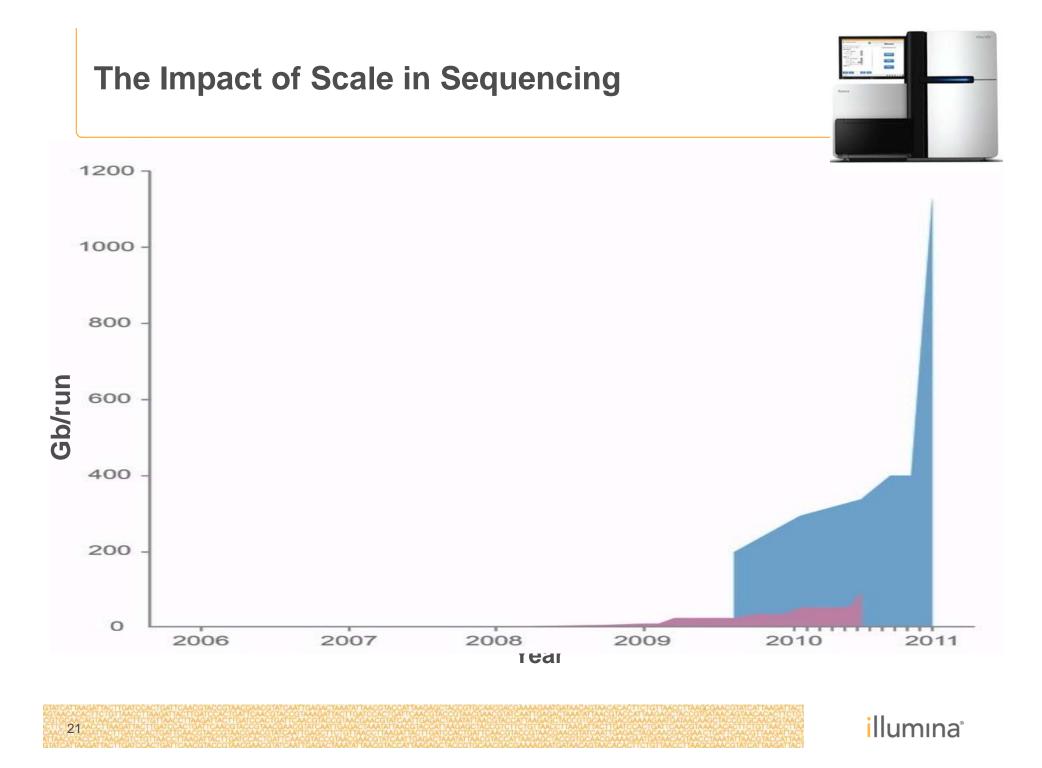




# 5 X Output

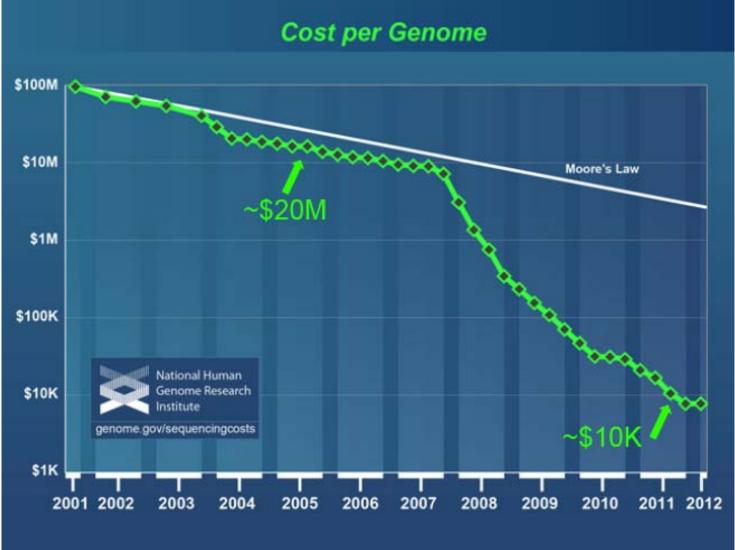
# Previous Models Obsolete



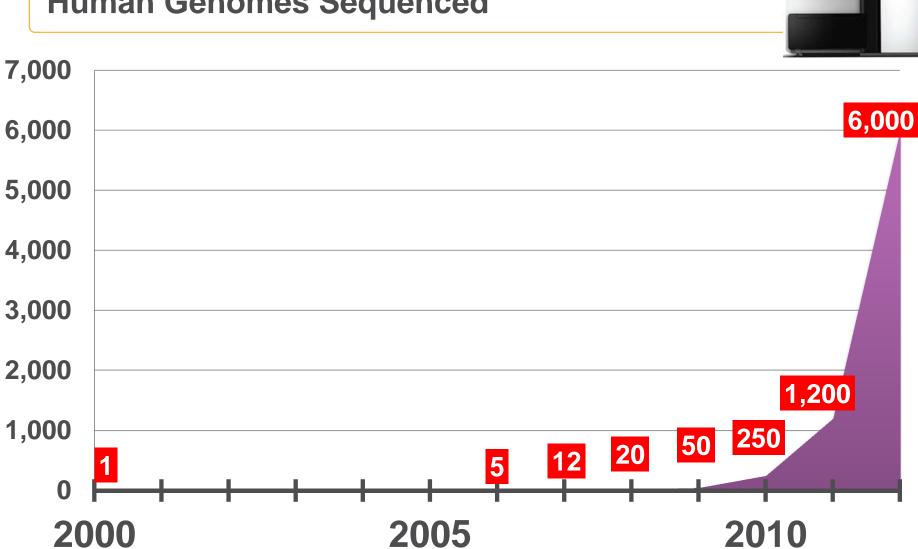


## **Cost of Sequencing a Human Genome**



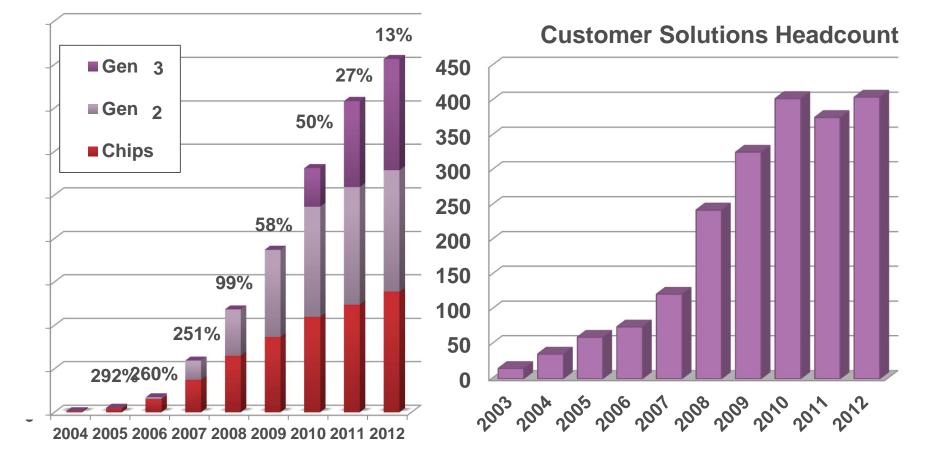


## **Human Genomes Sequenced**



illumina<sup>®</sup>





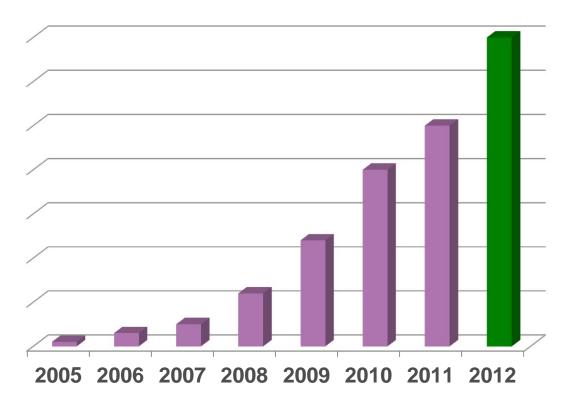
**Install Base** 

**Install Base** 

## **Warranty Service Business**

### Service Contract Orders (\$M)

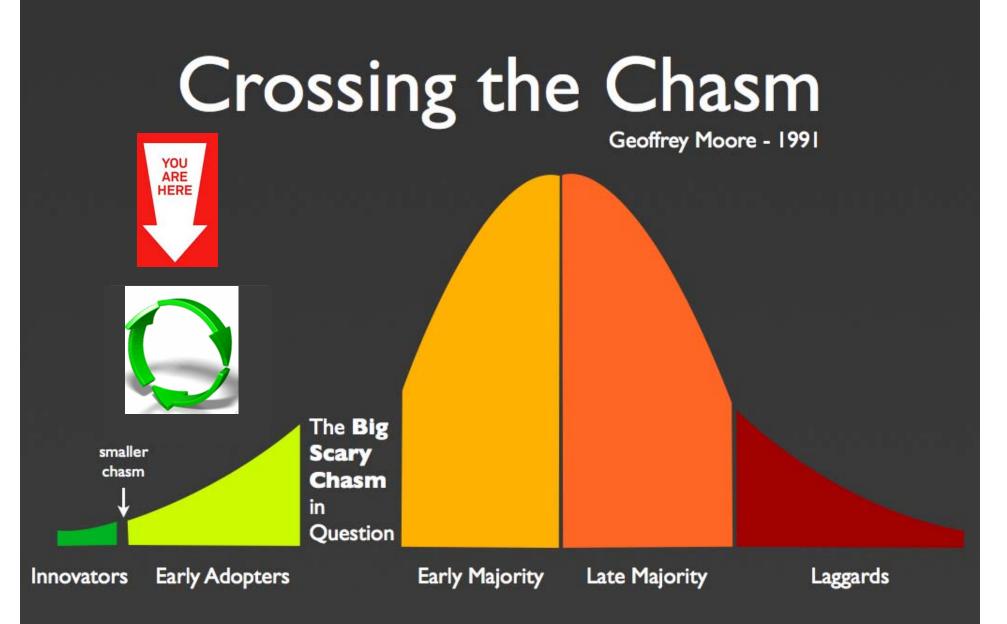
- Average annual customer value \$250K
- P&L managed by Business Director & Product Manager
- OCAGR of >50%
- service contract coverage





## **New Customers, New Business Drivers**





## 2011- Benchtop:\$10K - \$100K

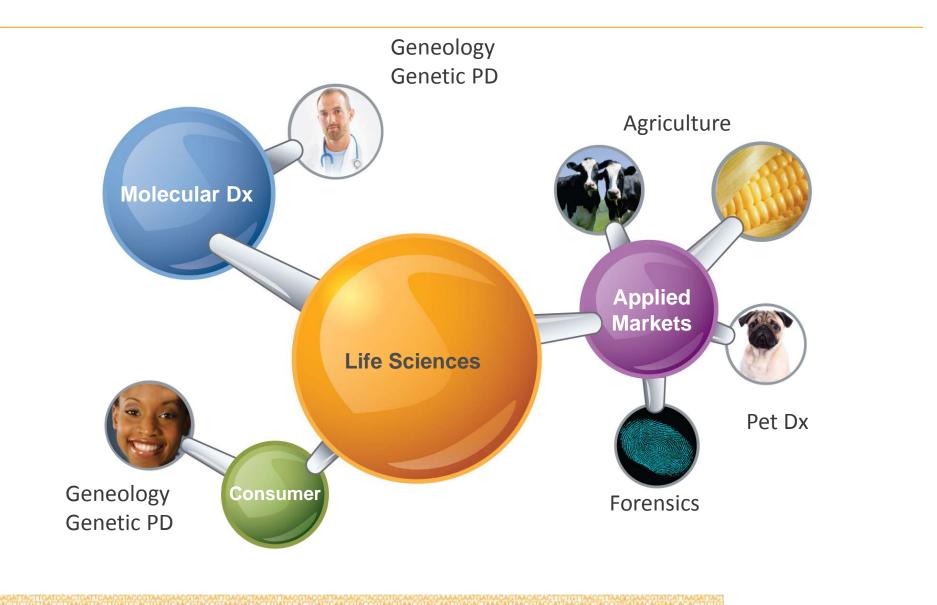
- Technology no longer matters
- Ease of Use Solved; Utility for Novice Users?
- Average annual customer value \$40K
- Install Base growing by thousands per year

SIMPLE AND INTUITIVE DATA ANALYSIS Analysis complete in <2 hours Output in industry standard formats Real time run monitoring

(	$\partial$	
	KPIs	
	NPS	
	New Market	
	Penetration	
	Cost of Service	
	Pull-through	
4	)	



## **Markets Served**

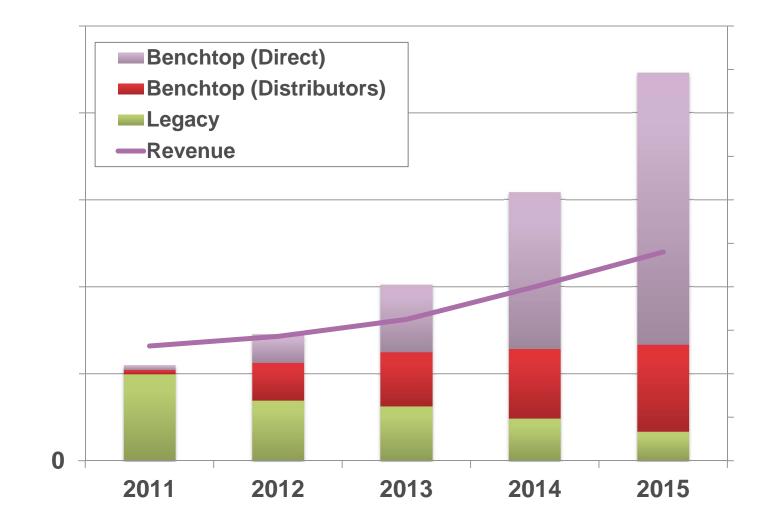


## The REPORT is the Product



#### Martine (Caper Logical M) Report (A. 1) D. Martine (C. 1) ine na opinion i mulia u Certificate of analysis AMLprofiler\* Pertains v1 Effective date 27-05-2012 pinge 1 Analysis request by: Patient information: **DX Laboratories** Joe Smith Einth date 14-05-1955 Mary Johnson 50 Park Street, Digtown Date of sample collection 22-05-2010 +1-555-444-3333 22-05-2010 Date of sample shipment. mjohnson@dxlaboratorias.au Date of sample receipt. 23-05-2010 Skyline sample ID 5DX-2010-482 The bone marrow of patient Joe Smith has been analyzed using Skyline's proprietary technology the AMLprofiler"\* for determination of the patience AML subtype. **Result of analysis Tested** parameter Result 1(15,17) FOR Balanciand 1(8(21) inv(16) NPM1 mutation not detected CEBPA double mutant EVI 1 expression high BAALC expression 200 Diagnosis should not solely be based on the provided test results. Additional technologies should be used to evaluate the full clinical picture. The analysis was performed asserting to the sharing st desperatic procedures. \$00° AN 301, \$00° AN 308, \$00° AN 308, \$00° AN 308, and BOP-AN-DD. The sample was received at the Deplinal Stread stread of good laceby, no deviat an(a) at har conformation have sourced during and you AUTHORIZATION Role Name Signature, Date Manager GA Janet Janeer 18-05-100

## **Inflection Point in Scaling Challenge**





illumina

Install Base

## **Customer Experience 3.0**

### Customer On-



e-	earning

s	6	13	20	27
м	7	14	21	28
т 1	8	15	22	29
-		01	F	114
-	10			-
30	1	27		0
	1	-	1	-



Customer
Self-Service

Bulletins

Update

Application

Sequencing

Array

General

Information

Last

Oct 3

2011

Oct 3

2011

Oct 3

2011

(k) Dalck Order G View Cart (0) 0

#### illumina<sup>•</sup>



#### illumina'













Category

Reagents

Reagents

General

Information

Kits &

Kits &

Topic

V3 Kit Update

MCS3 Expiration Date Ch

North America Technical & Extends Operating Hou



### Customer **Assisted Service**

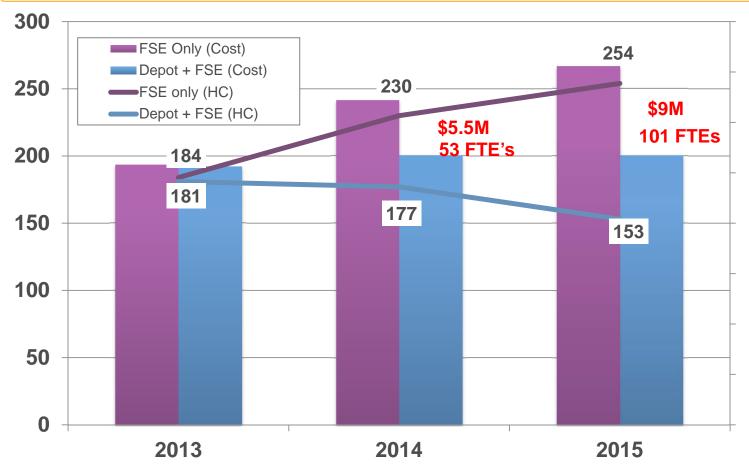








## **Cost of Service: Field Service vs. Depot Centers**



- 75% of Install Base Depot
- Most customers novice consumer users

## **Corporate Communication & Customer Experience Plan**



- CEO Webinar to Customers
- "President's Corner" in Online Customer Newsletter
- Portal postings about quality, supply chain, and product updates
- Oustomer Experience Initiative
- Investing in StratEx on 3 Consulting Engagements:
  - Supply Chain Optimization
  - Online Experience
  - Global Business Process



## **Lessons Learned**

- Org Design Matters (Driven by size, business model, market drivers)
- > Channel strategy is a critical scaling/efficiency parameter
- Align with what Executives Care about (P&L; New Markets; Growth)
- Simplify quality and complaint metrics & standardize process
- Incorporate service & support people into product development process
- Change management starts and ends with the middle managers
- Small tools and changes can have a big impact on the business without a big impact on your
- Bring the customer to every meeting



## **BaseSpace Creates a Sequencing Ecosystem**

