



Vision for the future



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A Foundation of Trust - The Outlook on OEM-CMO Relationships

Relationships work best when they're infused with communication and commitment. It's not so different with OEMs and CMOs.

Many things will change in the medical device market over the next ten years: evolving needs based on an aging population, new and updated product to meet these needs, and different manufacturing technologies to make them. But one thing will remain the same: the critical importance of people and relationships. Whatever happens with technology and products, the people who work in this industry and the relationships they form as OEMs and CMOs will be critical for success.

The industry is already adapting to changes that will include an increased trend of outsourcing more manufacturing to CMOs. OEMs will be more driven by the need to get products to market sooner and more cost-effectively. Market trends such as greater life expectancies, increased healthcare spending, and better insurance coverage will fuel their growth, while at the same time they will be faced with growing pressures such as increased regulatory processes, threats from low-cost competitors and decreasing margins. Meanwhile, medical devices will grow more complex than ever.

As OEMs continue to shift investment dollars from manufacturing to their core competencies (e.g., R&D, M&A, sales and marketing) they will seek out CMOs who offer a wide range of complex manufacturing technology, speed-to-market, a global footprint and efficient, cost-effective operations. This will necessitate forming relationships with a smaller number of CMOs who can handle a larger portion of the manufacturing role: end-to-end solutions providers.

The end-to-end role will work best with deep OEM-CMO relationships. They will start working together sooner in the product development cycle, partnering in the development of products designed from the start to be manufactured and assembled in ways that reduce costs and increase quality – DFMA. As we have seen at Tegra Medical, this can even mean working together to invent brand-new processes to meet unique needs.

OEMs are judged by their products; they essentially put

their reputation into the hands of their CMOs. In the coming years, that relationship will need strong doses of:

Trust – that the CMO truly understands the industry and all its pressures, invests in and understands how to maximize the most advanced technology, and has the expertise and capacity to get products to market on time.

Respect – for the intimate knowledge OEMs have of their own customers and the manufacturing expertise CMOs bring to the table. This includes actively listening.


Flexibility – to adapt current technology to meet future needs, or to align resources for special requirements.

Initiative – to know when to interject with new ideas and suggestions for enhancing a product or process.

Patience – for understanding that emerging OEMs may have product ideas that will take years of experimenting with different materials and processes before they're ready for production.

Urgency – for when products are ready for production and simply need to get to market fast.

Balance – of the right mix of capabilities, expertise, quality and total customer dedication.

Close relationships give CMOs the insight to adapt to and accommodate changing OEM needs. At Tegra Medical, we believe that OEMs and CMOs that work well together also grow together. 



Where medical devices come to life.™