

Case Study: Business Case Validation



Client

The Healthcare Business Unit of a leading international medical device company which is a global manufacturer of medical vacuum solutions.



The Challenge

Possibility to acquire an existing and proven technology (established turnover) which could be an attractive addition to the current Healthcare portfolio.



Solution

1. Evaluation of market attractiveness
2. Assessment of technology
3. Assess market readiness to switch
4. Business model validation
5. Assessment of strategic fit

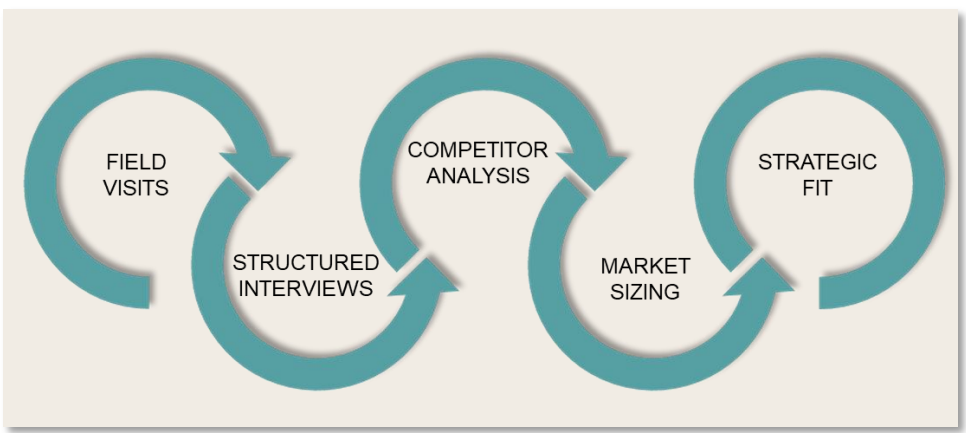


Results

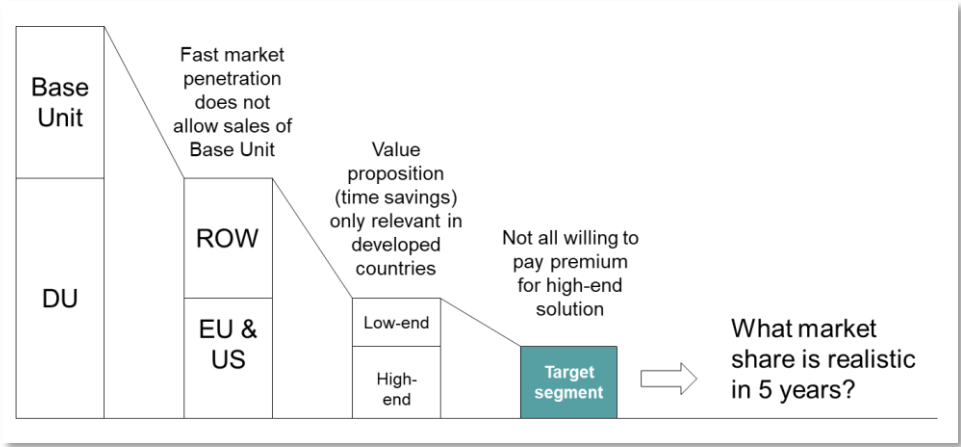
1. Technology did not represent an ideal fit to our client's need
2. Estimation model showed that the accessible market would have been much smaller than assumed
3. Management team followed the recommendation not to invest



Approach



Estimated addressable market smaller than proposed



Market perception of USP's – time saving as USP could not be confirmed by users

Benefit	Evidence	Market Feedback
Save time and workload for staff	✓	Non decisive soft factor
Improved infection prevention, More hygienic (Less physical contact)	? (Study planned)	Could be strong argument, but only if evidence available
Integrated digital monitoring into PDMS/HIS enabling better therapy	∅	Automation of input and output as an integrated solution would be a great benefit.





Key Learnings:

Less market attractiveness: The actual market size is a small niche within the application area. Big players dominate the market with comparable products at a commodity pricing strategy.

Technological advantage shows limited advantage: The measured and monitored parameters are less relevant than expected and key benefits were not confirmed during interviews.

Business case with high uncertainty: A variety of key factors have been identified which influence the success of the business case and can hardly be mitigated upfront.

Limited strategic fit: Business model overlap, and possible economies of scales only partially give and outweighed by further needed investments





Do you want to know more or discuss your current ventures? Get in touch with our co-founders

We would be delighted to meet you for a virtual coffee. Just give us a call or send us an e-mail and let's have a conversation!

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