

MassMEDIC Meeting Reveals Compelling Data, Part Two

Maria Shepherd • Data Decision Group

In-depth data on trends in the medtech sector often are difficult to find. Estimates of sales, market shares and product trends are a little bit easier, but context is key. The survey data below provides attitudes, opinions and best practices of the executives that lead our industry and provide insight into what they are thinking. Findings from the 2013 Medtech Industry and Innovation Study conducted by Boston, Mass.-based market research firm Chadwick Martin Bailey, sponsored by MassMEDIC and presented during the association's annual meeting in May were compelling because they are powerful industry indicators.¹

This survey can be considered highly representative of the overall medical device industry. The first installment of this two-part series in the June issue of *Medical Product Outsourcing* reviewed U.S. and global sales trends and top-level executive opinions about the most influential factors driving growth in medical products companies.

Why It's Important

Data like this doesn't occur every day. In Charts 1 and 2 below, we provide a quick recap of the reach of this survey and the size of the medical device organizations that participated.²

Survey findings: Innovation is still the driving force behind the growth in medtech.

A total of 69 percent of medtech executives provided insight about the factors driving industry performance over the past five years in the first part of this of this series. The ability to innovate was the single most influential factor reported by executives in driving sales growth and profitability. In Chart 3, medtech executives ranked the importance of key activities that create innovation success.

The top four require unbiased, in-depth data:

- Discover Customer Wants & Needs (78 percent)
- Selection Process for Ideas Worth Pursuing (70 percent)
- Prioritize Customer Wants and Needs (63 percent)
- Perform Price Strategy Analysis (58 percent)

Chart 1: Medical Device Industry Respondent Profiles by Respondent Type (n=123)

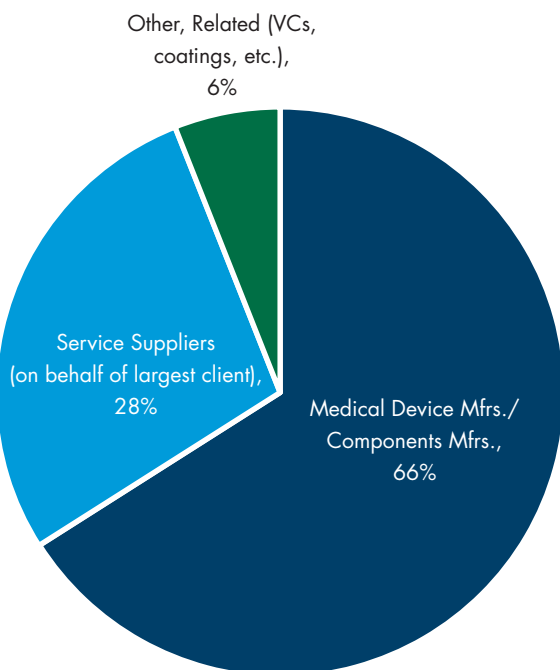


Chart 2: Medical Device Industry Repondent Profile Analysis by Company Size (No. of Employees)

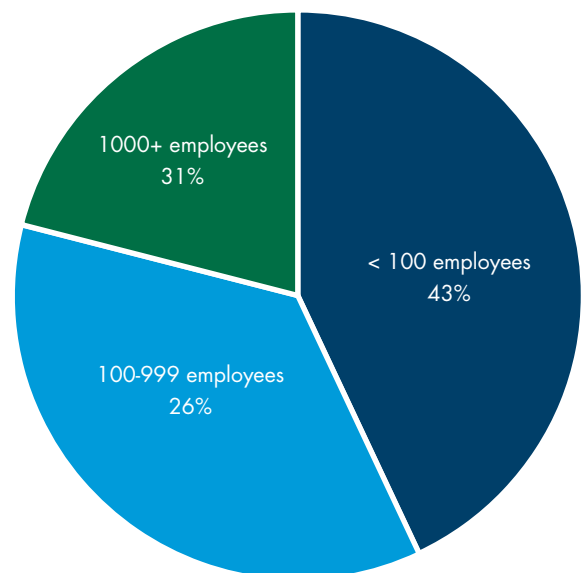


Chart 3. Critical Success Factors for Medtech Innovation Success³

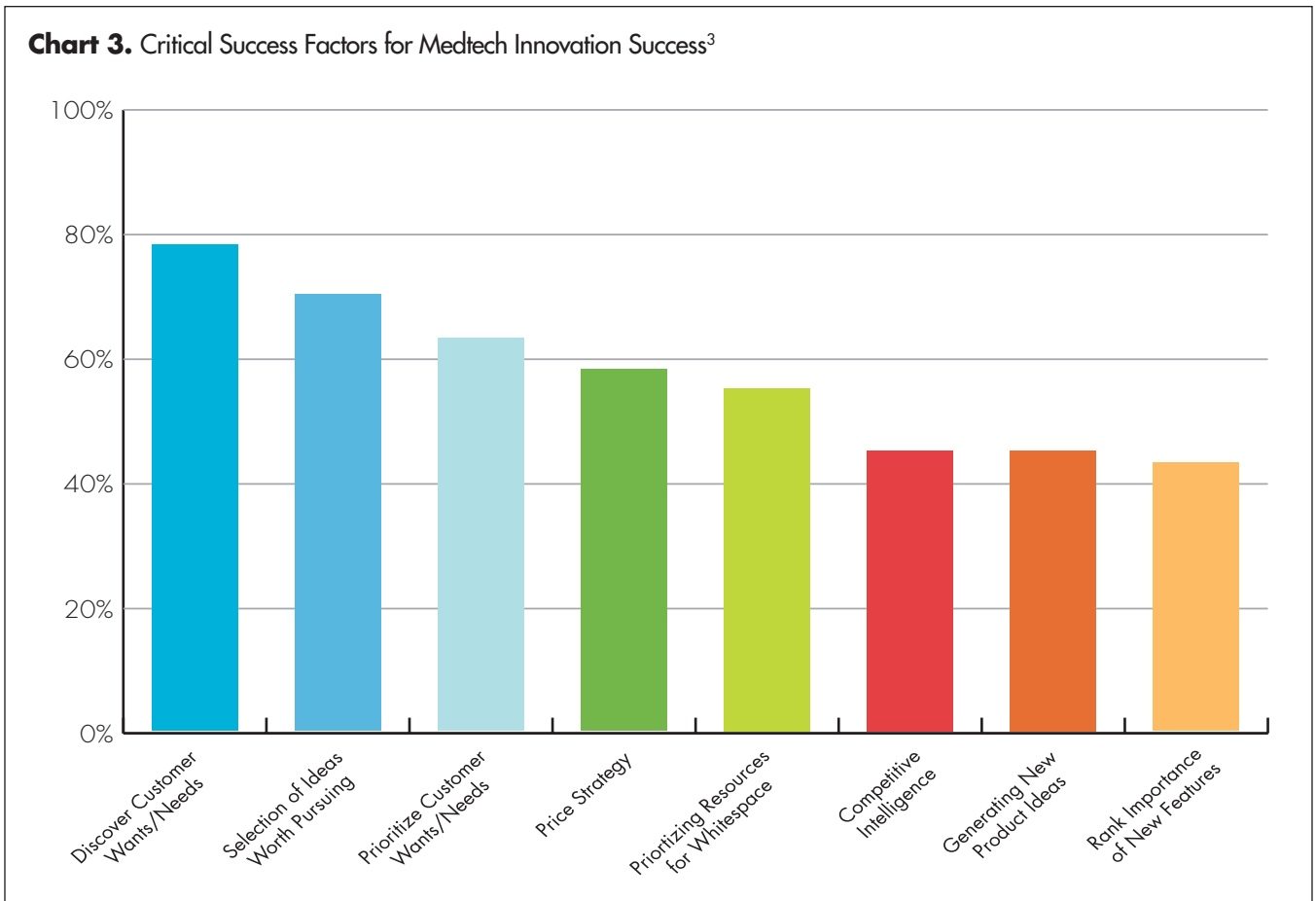


Chart 4. Competencies Required to Achieve Competitive Advantage⁴

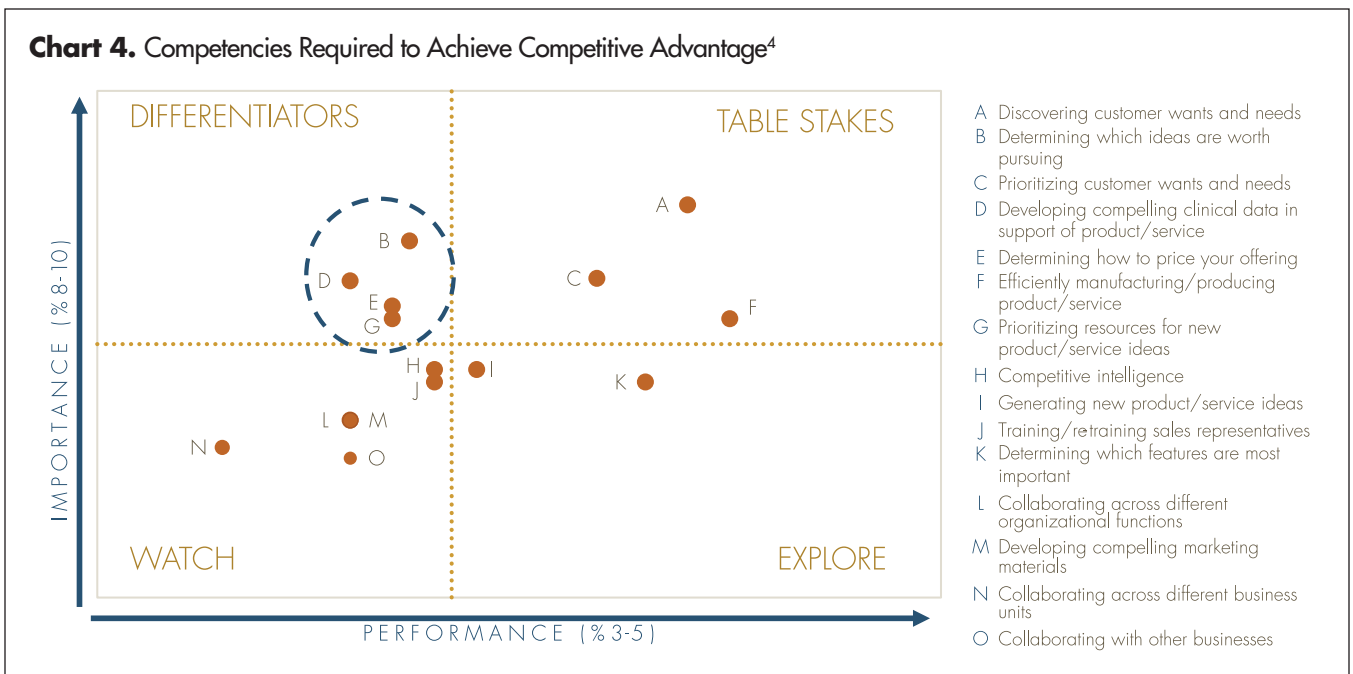
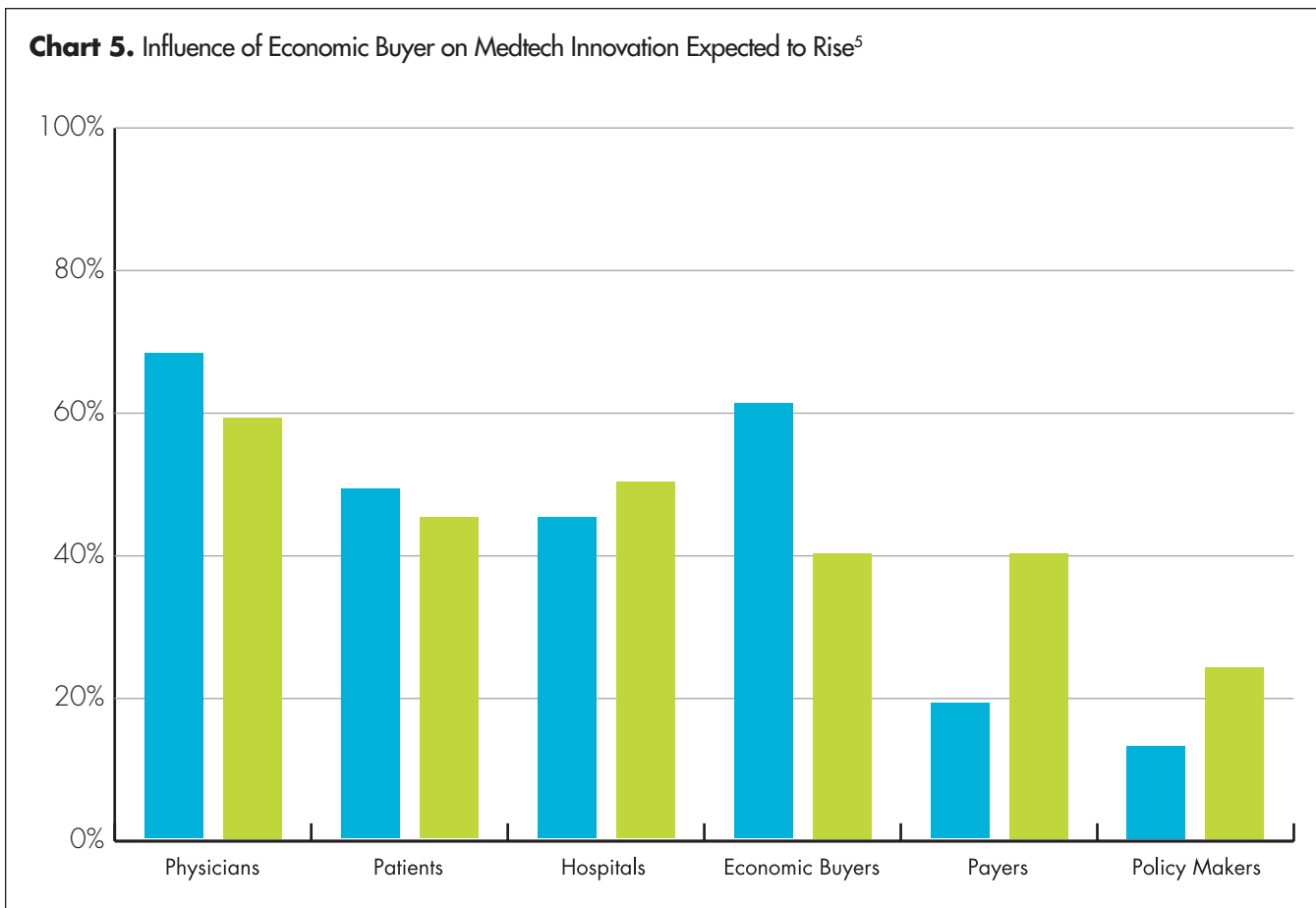


Chart 5. Influence of Economic Buyer on Medtech Innovation Expected to Rise⁵

In Chart 4, the four competencies identified as the true differentiators that impact medical device innovation success were:

- Determining what ideas were worth pursuing;
- Developing compelling clinical data in support of the product or device;
- Determining price strategy; and
- Prioritizing resources for new product/service ideas.

4. *Ibid*

5. *Ibid*

Editor's note: Readers are invited to submit market data and trend questions to Maria Shepherd. Periodically, selected questions will be presented in this column, with answers from Maria. Send your questions to mshpherd@ddecisiongroup.com.

Final Takeaway: Expect the Economic Buyer to Have More Impact on Innovation

We all know that the economic buyer is important, but in Chart 5 we see that medical device executives expect the importance of the economic buyer to continue to rise. According to the medtech executives surveyed, the factors leading to innovation are complex. Innovation is an art and a skill. The big questions are: How can the medtech industry find disruptive technology that meets the needs of the economic and clinical buyer? How do we make whitespace innovation work for our medtech companies?

References:

1. <http://forms.cmbinfo.com/medtech-pulse>
2. *Ibid*
3. *Ibid*

Maria Shepherd has 20 years of leadership experience in medical device/life-science marketing in small startups and top-tier companies. After her industry career—including her role as vice president of marketing for Oridion Medical, where she helped boost the company valuation prior to its acquisition by Covidien; director of marketing for Philips Medical; and senior management roles at Boston Scientific Inc.—she founded Data Decision Group. Data Decision Group (www.ddecisiongroup.com) provides whitespace research and critical data to support medical device product development. The firm performs market research, evaluates new technologies and provides marketing services and human factors usability testing. Shepherd has taught marketing and product development courses and recently was appointed to the board of the MSBiV Medtech Investment Committee. She can be reached at (617) 548-9892 or at mshpherd@ddecisiongroup.com.