



*Medical Device Strategic Marketing,
Market Research,
Due Diligence Consulting*

MassMEDIC 17th Annual MedTech Innovation in the New Healthcare Economy Meeting, May, 2013 Part 1

It's always important to have someone in your corner. Industry advocacy and trade groups are important resources for companies of all sizes, particularly in highly-regulated industries such as the medical technology sector. Navigating the host of business, compliance and regulatory issues facing industry can be made easier by the resources that trade groups are able to organize on behalf of their members. In addition to national groups, most life-science-producing states have their own trade association (and if they don't, they probably should).

The Massachusetts Medical Device Industry Council (MassMEDIC) is an organization of 400 medical device manufacturers, suppliers and associated non-profit groups in Massachusetts and the surrounding region. Its mission is to advance the public policy interests of the Massachusetts medical device sector on Capitol Hill, Beacon Hill and to relevant federal agencies. The recent 17th Annual Medtech Innovation Meeting in Boston, Mass., hosted key speakers from the Bay State's medtech sector, including a CEOs "unplugged" panel as well as findings from the 2013 Medtech Industry and Innovation Study conducted by Boston-based market research firm Chadwick Martin Bailey and sponsored by MassMEDIC.

Why This Is Important

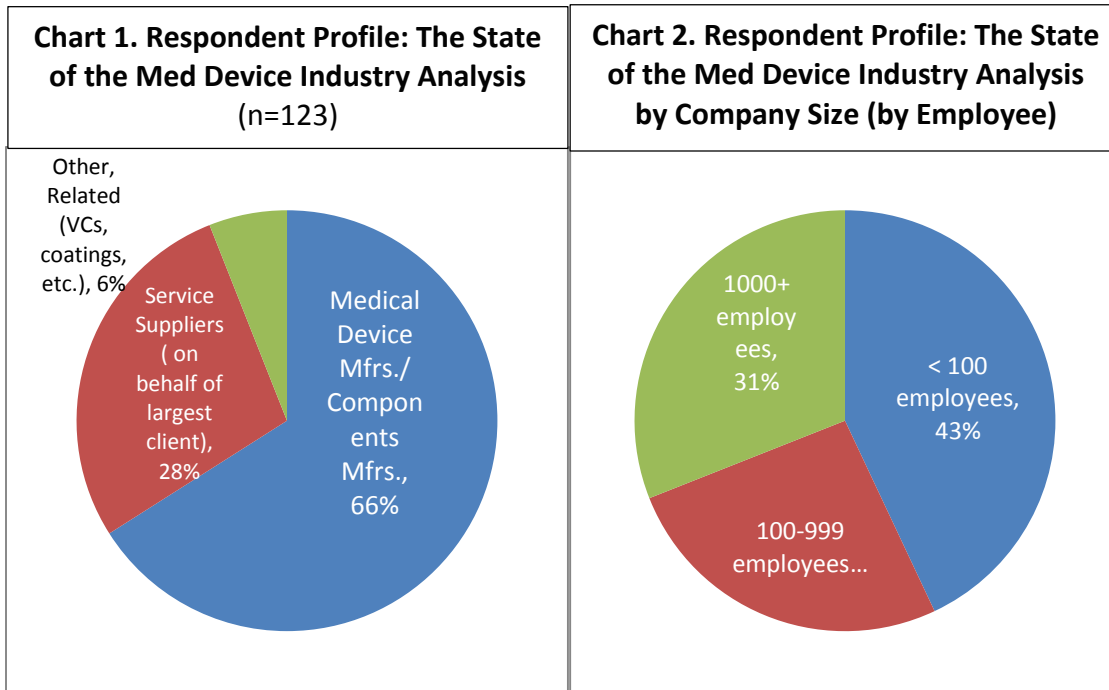
Leading medtech clusters are located in California, Minnesota, Massachusetts, Pennsylvania, North Carolina, and Washington, D.C./Maryland but face increased competition from emerging clusters in "new" states like Indiana, Georgia, Ohio, Texas, Michigan, and Colorado.¹ Add the biotech and pharma presence and Massachusetts leaps to the top of the US medical product cluster heap.

Attitude is everything and the data presented at the MassMEDIC were compelling. This report is presented in two parts, because the opinions and best practices presented in the CEO Unplugged panel and the data in the State of the Med Device Industry analysis are powerful indicators for our industry.

¹ <http://www.areadevelopment.com/MedicalPharmaceutical/April2012/medical-device-market-report-2515411.shtml>

This survey can be considered representative of the overall medical device industry. In the Charts 1 & 2 below, note the profile of the medical device companies participating in this survey, and the size of the organizations.

Survey Findings²



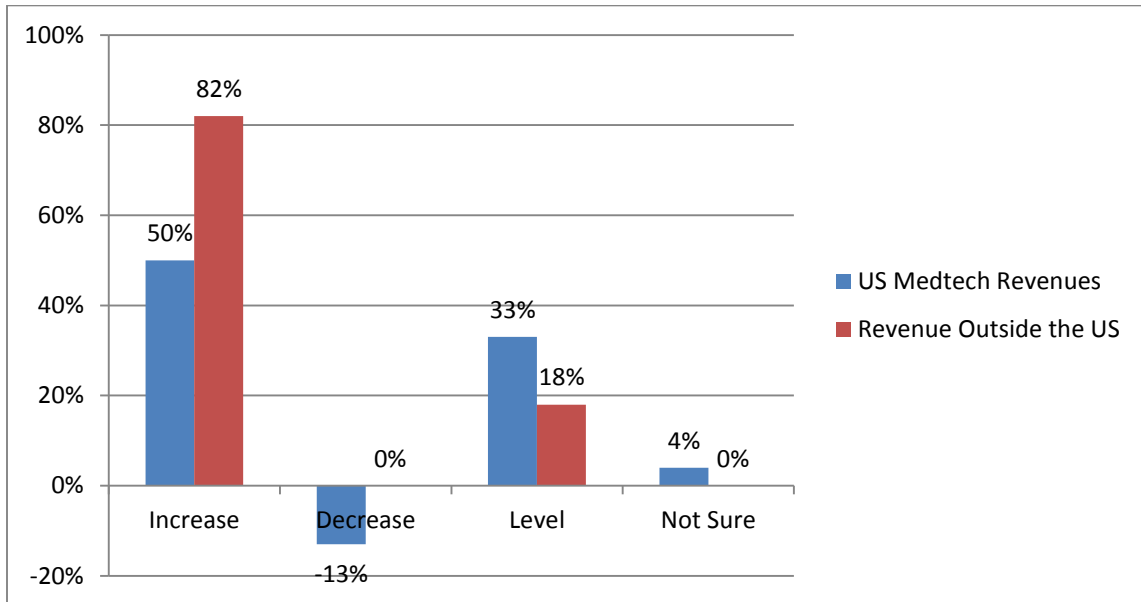
Survey Findings: Most Medtech Company Revenues Have Increased Within and Outside of the US (2008-2012)

Most medtech company revenues increased inside and outside the United States between 2008 and 2012. The practice of first launching products outside of the United States as a regulatory-driven strategy for medtech companies continues, and is further reinforced as the U.S. FDA has raised the bar for regulatory approvals and has triggered long backlogs of medical device submissions. There has been an unexpected gain for medical device companies that changed their launch strategies.

In the past 12 months, Data Decision Group clients have reported that this strategy has generated an additional benefit: increased revenues with unexpected levels of profit and ROI. This anecdotal feedback was confirmed by the findings from the 2013 Medtech Industry and Innovation Study conducted by Boston-based market research firm Chadwick Martin Bailey and is demonstrated in Chart 3. 83% of medical device companies surveyed reported that their revenue in the United States has increased or stayed level (50 % and 33 %, respectively) while an astonishing 82% reported revenue increases outside the United States during the past five years.

² <http://forms.cmbinfo.com/medtech-pulse>

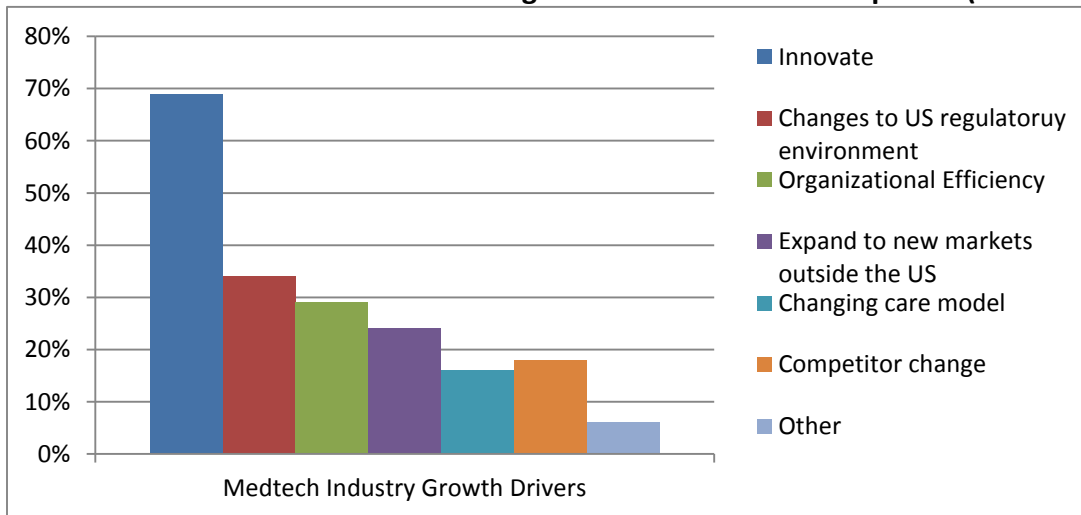
Chart 3. 2013 Medtech Industry and Innovation Study – Reported Revenue Increases and Decreases Within and Outside of the US (2008-2012)³



Innovation is still the driving force behind growth in Medtech

In the survey, 69% of medtech executives reported their opinions about factors driving performance over the past five years (see Chart 4). The ability to innovate was the single most influential factor reported in driving sales growth and profitability.

Chart 4. Most Influential Factors Driving Growth in Medtech Companies (2008-2012)



³ <http://forms.cmbinfo.com/medtech-pulse>

Stay Tuned for Part 2 of this Article

According to the medtech executives surveyed, the factors leading to innovation are complex. Innovation is an art and a skill. How can the medtech industry find opportunities that can be nurtured through disruptive technology development? In Part 2 of this article, we will explore the in-depth findings of how to make innovation work for your medtech company.

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 (mshepherd@ddecisiongroup.com).

Maria Shepherd

Data Decision Group

Medical Device & Life Sciences Strategic Marketing, Market Research, Human Factors Usability Testing

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Trust your research to Data Decision Group, where all our researchers have extensive industry backgrounds and experience in medical products markets, working directly with clinicians and patients. Data Decision Group provides expert, customized medical whitespace, market research, and human factors usability testing delivered by researchers with deep roots in the medical products industry.

Maria Shepherd has 20 years of leadership experience in medical device/life-science marketing in small startups and top-tier companies. Following a career including Vice President of Marketing for Oridion Medical (a company acquired by Covidien), Director of Marketing for Philips Medical and senior management roles at Boston Scientific Inc., she founded Data Decision Group. Shepherd was recently appointed to the board of the MSBiV Medtech Investment Committee (www.msбив.com) and can be reached at (617) 548-9892 or at mshepherd@ddecisiongroup.com. Visit the website at www.ddecisiongroup.com.

