

# Business Model Support for Novel Device Case Study



Device OEM plans business model and go-to-market strategy for novel heart monitor

## Background and Objectives

Client was a medical device vendor with strength in cardiovascular implants, but no sensors or monitoring technology. The Client has identified a clear unmet need in the treatment of heart failure patients, and believed it was uniquely positioned to address the need and had a strong “right to win”. While the Client had strong customer and technical knowledge, it had little to no experience with sensor business models.

## Approach

BCE used direct interviews with market participants to map the evolving health IT ecosystem, analyze competitor business models, and identify pain points and challenges with current solutions. Sources included EHR firms and integration partners, custom practice-oriented dashboard vendors, sensor and device manufacturers, middle vendors and healthcare systems integrators, and hospital IT and clinical staff.

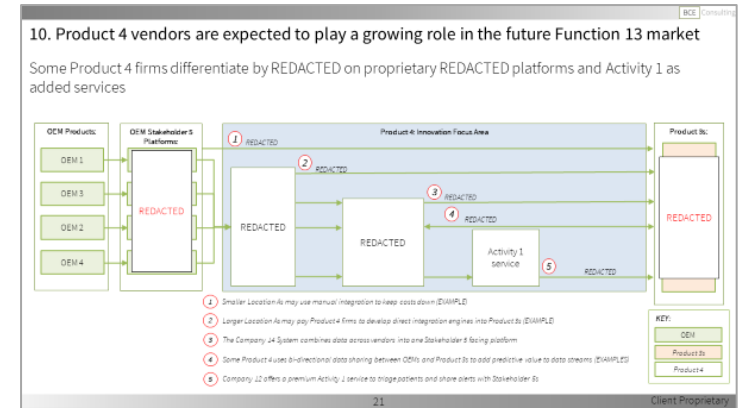
BCE began by researching the current state of the market, studying four companies with similar technologies to understand what business model elements were common, which were unique, how that impacts success, and customer and vendor pain points that could be addressed with business model changes. We also captured cost metrics associated start up and operations of digital infrastructure under various scenarios.

As a next step, BCE pivoted to analyzing how the landscape was likely to change moving forward. This included the emergence of new types of companies focused on addressing integration and usability barriers through a novel and cost-effective technical approach.

Finally, BCE generated client-specific insights, including implications for the product opportunity and partnership needs/options.

## Recommendations

BCE found that multiple viable partners exist for both for product development and go-to-market gaps. We also found that certain types of companies would be crucial (and preferable) GTM partners for the client. However, given the nascent and fast-moving nature of that health IT segment, BCE ultimately advised the Client to wait until its solution was closer to market ready before selecting one or more partners to engage.



**BCE has identified an ecosystem of potential partners to assist Client in the development and commercialization of a Product 1 product and Function 13 offering**

Some companies could address both platform development and integration needs, but Client will likely need multiple partners to cover the Condition Group 1 space

| Function 13 Partner Ecosystem             |            |                             |               |                  |                            |                                    |             |           |            |
|---|------------|-----------------------------|---------------|------------------|----------------------------|------------------------------------|-------------|-----------|------------|
|   | Partner    | Condition Group 2 Expertise | Platform Dev. | Turnkey Platform | Unidirectional Integration | Bi-directional Product Integration | Function 13 | Analytics | Activity 2 |
| Component 1 development partners          | Company    |                             |               |                  |                            |                                    |             |           |            |
|   | Company    |                             |               |                  |                            |                                    |             |           |            |
|   | Company 14 |                             |               |                  |                            |                                    |             |           |            |
| Product 4 integration plus added services | Company 12 |                             |               |                  |                            |                                    |             |           |            |
|   | Company 28 |                             |               |                  |                            |                                    |             |           |            |
|   | Company    |                             |               |                  |                            |                                    |             |           |            |
| Condition Group 1 REDACTED partners       | Company    |                             |               |                  |                            |                                    |             |           |            |
|   | Company    |                             |               |                  |                            |                                    |             |           |            |
|   | Company    |                             |               |                  |                            |                                    |             |           |            |

REDACTED companies in blue boxes to accelerate and optimize platform development

OEMs could pursue deep partnerships with Product 4 firms with REDACTED offerings

Attractive Product 4 integration partners offer additional services that fill Client capability gaps

Bi-directional integration enhances OEM value proposition

Activity 2 is a nice requirement for success

Client should not seek out partners in this category

30 Client Proprietary