
How Device Companies Get So Far Off Track



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Imagine finding out your intended market doesn't exist—after years of investment, hard work, and a million air miles. Or, that the interesting, but 'small' technology you thought would be worth a few million dollars actually represented a \$1 billion opportunity. Or, that you passed on a \$125 million acquisition offer only to learn the value of your medical technology tops out at \$20 million. Or, that after many years of struggling to get FDA approval, you launch with high expectations, only to generate a few million in sales after 5 years in the market.

Shock—it's the look we see all too often on the faces of those who tap us later, rather than early on, to complete rigorous data-driven analysis in hopes of validating their market opportunity.

What went wrong? After peeling back the layers, the answer too often was hiding in plain sight because critical data about the market, or the disease, or the technology itself was ignored, undiscovered, overlooked, or not appreciated for what it was.

In our experience, even talented and seasoned professionals at companies with experienced leadership teams, investors, and boards are not immune. Companies can get way off track in understanding their markets by starting with a few small missteps:

- Motivated reasoning—telling investors what they want to hear without *really* validating the “story”
- Looking for favorable data in select publications that support the narrative that they want to be true
- Perpetuating favorable assumptions, often based on erroneous “common knowledge” or “legacy” perspectives
- Trusting the golden gut
- Relying on clinical experts to be epidemiological or behavioral experts

The costs of these early missteps mount as companies invest in clinical trials, commercialization, marketing, and market development—all based on a flawed view of the market. If it's worth spending 5-10 years of your life and millions of dollars, it's worth the small upfront investment required to understand and validate the market and the market landscape before you get too far down that uncharted road.

After all, knowing is everything.

About Dymedex Consulting

Dymedex applies the “science of market development” to provide business leaders the critical market insights they need to proceed with confidence. Our proven, thought-leading tools rigorously quantify realizable revenue potential, objectively assess the barriers to full adoption, and accurately forecast growth. We provide strategic market analysis, market development consulting, and tactical market development support to medical technology companies of all sizes. www.dymedex.com