

In Medtech, Sell Facts, Not Fiction



By: Ross Meisner, Managing Director

Sometimes the medtech industry goes Hollywood. You take an inspiring concept, convince everyone it's a sure-thing, attach a renowned director and star-studded cast, and sell it to the highest bidder. You go into production, believing your own sales pitch, confident it's destined to become the next "Star Wars" or "Titanic."

Many months and millions of dollars later, your sure-thing hit is released – and crashes.

Like most industries, the medtech community often believes "bigger is better" when communicating market potential.

However, no matter how big of a story you tell, you must eventually deal with the market reality. Promising a blockbuster and delivering a lightweight success undermines both your reputation and your bottom line, because you've probably over-invested.

On the other hand, to extend our metaphor, a low-budget independent film can make the same box office revenue as your intended blockbuster, and become a career-crowning success story, simply because it exceeded expectations.

The secret is setting those expectations according to the coldly objective real market opportunity, not an overly optimistic or inflated view. Doing this helps maximize your enterprise value, because you will more likely accomplish what you said you would do. Your stakeholders – colleagues, investors, customers, and patients – will trust you more, and more readily trust in your continued success.



Understandably, this route presents a major challenge in that it requires a seismic behavioral shift. That's because the entire stakeholder chain – from inventor to angel to VC to strategic partner to Wall Street – is motivated to “sell the fiction forward,” convincing the next player the entity's value is really great.

The question is, do you want to stay on the high-risk course hoping you can sell before having to face reality a la “Cowboys and Aliens”? Or, do you want to use scientific market analysis, embrace a disciplined reality, and drive sustainable profits from it? We strongly endorse the latter.