



GLOBAL MEDTECH COMPANY GAINS CRITICAL INSIGHT TO SCALE EXPANSION IN SLOWING MARKET

CHALLENGE

A global company looking to expand its market reach was considering acquiring a new technology to treat obesity cases less severe than those traditionally being treated. Before making a decision, the leadership team wanted to ascertain the new technology's real market potential in the United States and other select geographies.

At a glance, the opportunity seemed huge — obesity peaks between ages 45-69, and affects 80 million people in the United States and millions more globally. Existing obesity treatments required invasive surgeries with significant risks, and strict compliance requirements for eligibility and coverage. Because the new technology would be paid for out of pocket, it would carry fewer restrictions. In addition, because the new technology targeted more moderate cases of obesity, its potential seemed broad. However, early studies showed the minimally invasive treatment option was less effective over the long term than standard surgeries.

RESULTS

Based on the findings, the client leadership team now understood it could at once provide a new revenue source and offset the anticipated decline in its primary obesity business due to a shrinking candidate pool. Armed with the strategic market assessment results, the leadership team confidently moved forward with the acquisition. The clear market understanding gave them the knowledge they needed to successfully align their investment strategy with revenue projections and plan accordingly.

SOLUTION

Using fact-based, scientific research and analysis, Navigant uncovered a series of unavoidable factors that reduced the potential patient pool to only 7 million in the United States. That's because while obesity had grown 20 percent over the past 20 years, it now slowed as baby boomers aged out and as the overall pool of surgical candidates declined. The 10 other geographies totaled only 25 percent of the U.S. opportunity, due to similar factors.

Research showed fewer patients than anticipated experienced enough discomfort to motivate them to seek treatment for their condition. Cost also was a significant barrier for patients with lower incomes, because the new technology would have zero or limited reimbursement.

To fully capture the revenue potential of the technology, more clinical evidence was needed to prove and validate its efficacy, drive confidence among physicians and patients to try it, and drive adoption beyond surgeons to primary care physicians. While this "trickle-down" effect would take time, the forecast showed it could increase its revenue potential to \$475 million by 2030 through investments in market development.

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