

Launching a Medical Device Product While Positioning the Company for Acquisition

Validating a Sales Model for the U.S. and Beyond

⊕ Challenge

A medical device company needed a strategic sales partner to help accelerate revenue and successfully sell their product into the medical device marketplace.

⊕ Action

Utilizing our proprietary Sales Prototyping® process, we created a scalable sales force, designed to optimize market launch speed while minimizing business and financial risk, with the agreed-upon goal of an acquisition by a targeted acquiring company.

Results

⊕ The custom-designed sales prototype placed the medical device company in the best possible position to be acquired. The acquisition expanded market presence beyond the United States and into the global market.

Evaluating Sales Models

A medical device company approached SalesForce4Hire, seeking a strategic sales partner with experience and success in launching products into the medical device marketplace. The company had been highly focused on staying as non-dilutive and capital efficient as possible.

They were also evaluating innovative sales models to launch their new product successfully, accelerate revenue and increase market traction to attract potential acquirers, with the lowest amount of risk.

The objective of the medical device company was to leverage the expertise of a sales partner by employing a “shared risk/shared reward” Sales Prototyping model.

Important benefits of this flexible model include:

- Ability to capture and utilize real-world customer feedback early and to validate and optimize the sales cycle
- Quick acceleration of revenue stream
- Mitigation of financial and HR risk
- Sales teams can easily be either disbanded in the case of a liquidity event, with no HR risk to client, or transferred back to client with the blueprint for full-scale deployment
- Mutually-aligned interest, based on pay-for-performance, “shared risk/shared reward” business model
- Significant increase in company’s valuation at exit

Acquiring companies will pay a higher value when the products they are purchasing have proven market traction and can plug in easily to their existing core sales channel.

Insights Gained, Goals Defined

As discussions progressed with the client, it became apparent that there were two goals to consider. The first option under consideration was to attract venture capital funding for further product development.

The second route was to attract potential acquirers that could provide a liquidity event. After SalesForce4Hire consulted with the client on these options, it was decided that we would utilize our proprietary Sales Prototyping process, which allows us to create a scalable sales force and is designed to optimize market launch speed while minimizing business and financial risk.

This sales prototype would be designed with the agreed-upon goal of an acquisition by a targeted acquiring company.

Acquiring companies will pay a higher value when the products they are purchasing have proven market traction and can plug in easily to their existing core sales channel. The main challenge was to justify the client's accurate pre-money valuation and evaluate potential best suitors for their products. This Sales Prototyping model would also be used to validate the sales revenue the acquiring company could expect through acquisition of the medical device company and deployment of the new product line to its own existing sales channel.

SalesForce4Hire was brought in with the goal to accelerate revenue and successfully sell our client's product into the medical device marketplace. Once our custom sales prototype was developed, we employed our Sales Accelerator™ System, which was completed in less than 30 days, to develop and build a revenue-generating sales team. This team was hired and ready for training in less than 60 days.

SalesForce4Hire built a sales prototype on a small scale to analyze and optimize the following:

- Customer acquisition process
- Acceleration of market traction
- Length of the sales cycle
- Messaging focused on economic and clinical value
- Market risks vs. rewards; Reimbursement issues
- Call points, including value-analysis committees, key opinion leaders, physicians, group purchasing organizations, integrated delivery networks, distributors, etc.
- Expected ROI per territory
- Increased valuation at exit

Validation

The "shared risk/shared reward" Sales Prototyping model utilized by SalesForce4Hire benefited all parties involved in the acquisition of the medical device company. It allowed the medical device company to have a sales model in place that was carefully designed and targeted to help determine its product's ultimate viability in the marketplace. In addition, the custom-designed sales prototype placed the medical device company in the best possible position to be acquired, with fewer burdens on its acquirer to integrate its product line into its business.

The acquisition expanded market presence beyond the United States and into the global market, placing our client's technology in the hands of surgeons worldwide. Sales Prototyping allowed the acquiring company to leverage a proven model, validating the due diligence process prior to acquisition.

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