



## UNCOVERING A BLIND SPOT

IN NEW PRODUCT DEVELOPMENT

### THE LAUNCH ADVISORY TEAM

BusinessCare for HealthCare™

#### SUMMARY & BENEFITS

- New Product Development
- In-Depth Market Analysis
- Uncovering Blind Spots
- Identifying Pitfalls
- Advancing Marketing Excellence

Recently, a \$300 million healthcare group (name withheld) acquired a promising new technology from a small entrepreneurial company. The product had an excellent sales history and value proposition suggesting it was potentially a very profitable technology. Having passed through its development and approval processes, the company acquired and launched the product. Soon afterwards, however, sales and pricing lagged far behind expectations.

The Launch Advisory Team was called in to bring an outside perspective to the problem and evaluate the situation. An in-depth analysis indicated the product's initial sales and higher ASP were actually a result of a backorder of similar product throughout the nation caused by an unforeseen epidemic that happened to coincide with the launch of this product just prior to its acquisition. Customers purchased the product not for the new technology or its price but to temporarily solve their inventory shortages. Once the backorder of product ended, the market quickly returned to normalcy dominated by the two largest competitors.

It is usually difficult to internally identify a blind spot, particularly when there are pressures to move ahead with a project and show results. In this case, poor launch sales caused the leadership team to reevaluate the product, technology, and its potential. With the blind spot exposed, the company made adjustments to their business and, with the help of the Launch Advisory Team, developed a new strategy for sales. Had they more comprehensive marketing insight, however, the company, more than likely, would not have acquired the technology. In addition, had the company an unbiased analysis, it would have proven very valuable to them in the Stage-Gate Process for new product development.

The Launch Advisory Team was... *“instrumental in getting us focused on our future and growth (by asking) the hard questions and (by providing) constructive support in finding the best answers.”*