

Business Analysis Fundamentals -BUS701 CW-2



Medtronic

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Medtronic

- A global leader in healthcare technology since 1949, with 95,000+ professionals across 150 countries.
- From inventing the first battery-powered pacemaker in 1957 to advancing diabetes care and supporting global health during the pandemic, the company continues to transform care through AI-driven innovations and robotic-assisted surgery (Medtronic, 2025).

PESTEL Analysis on Medtronic

- PESTEL - provides comprehensive view of external challenges and opportunities
- Helps anticipate global healthcare policy shifts, regulatory risks, and technological trends.
- Aligns Medtronic's innovation, sustainability, and partnerships with the external environment.
- As Siddiqui (2021) notes, PESTEL is particularly useful in healthcare to understand the complex interplay of external factors that shape business decisions.

Pestel Analysis - Medtronic

← Opportunities

Supportive Government Healthcare policies

Growing Demand for Medical Devices

Aging Global Population Increase in Demand (Holland and Bätz-Lazo, 2004).

Integration of AI in Medical Diagnostics

Threats →

P

Trade Policies, Political Instability , Patent Protection

E

Slow World Medical Market Economic Growth (Carter, 2018).

S

Heighten Pressure on Healthcare accessibility

T

Competitors rapid innovation

E

Sustainability Standards, Supply Chain Disruptions(Siddiqui, 2021).

L

FDA Regulations and IP Laws compliance risks



TWOS Matrix Analysis on Medtronic



For Strategic Alignment



For Turning Threats into Growth Paths

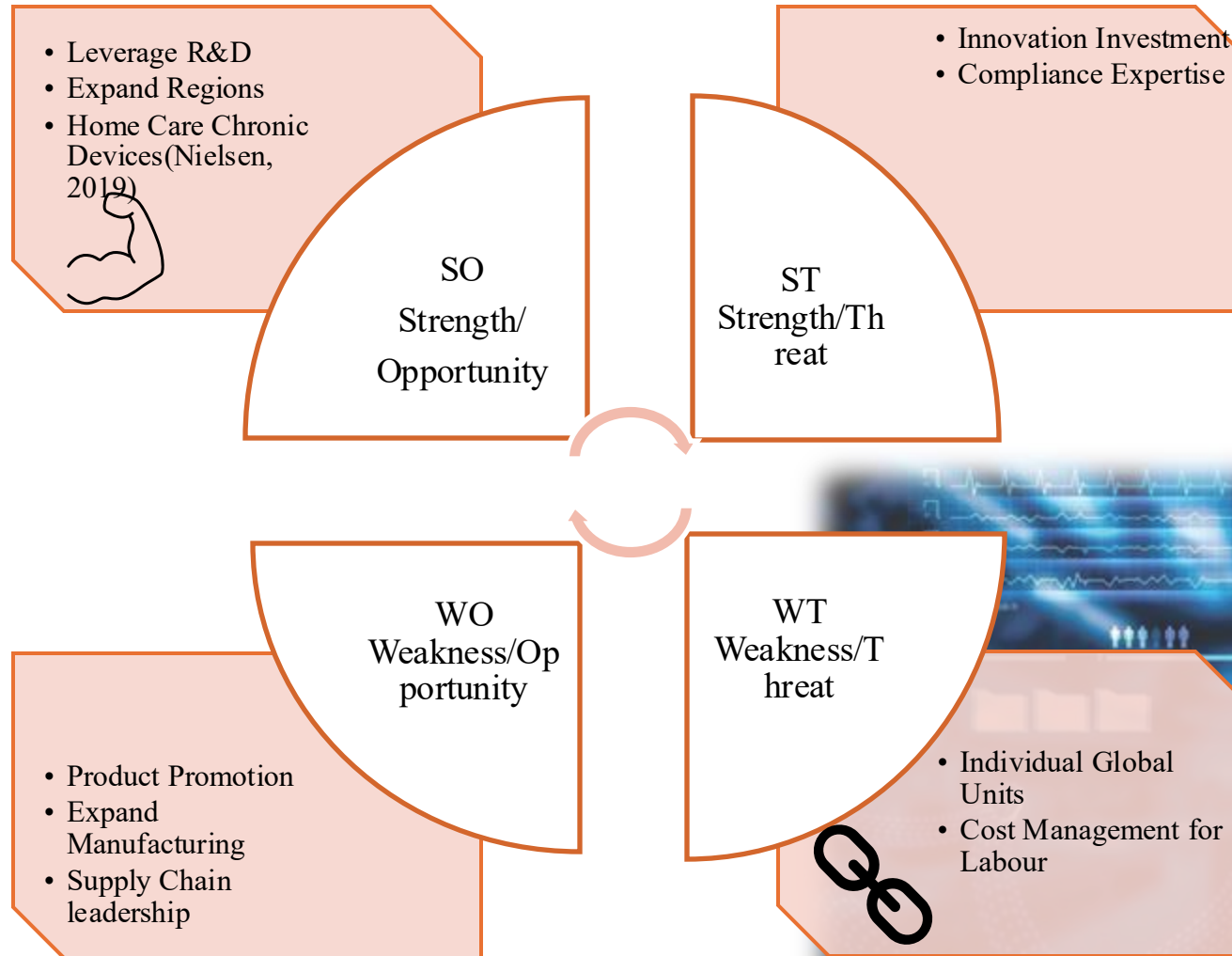


Maximizing Opportunities in Digital Health



Balance internal challenges and external capabilities

TOWS Matrix – Medtronic Plc





Porter's 5 Forces Framework on Medtronic

- Understand **industry dynamics and external pressures**.
- Benchmark its position against rivals.
- Identify strategies for **sustained competitive advantage** (e.g., innovation, partnerships, sustainability).
- As Holland & Bátiz-Lazo (2004) and Scott Morton (1997) suggest, competitive forces strongly shape how firms in healthcare and pharmaceuticals position themselves globally.

Porter's Five Factors Framework

Threat of Substitute(Low)

- Less Preference to Ayurveda, Homeopathy
- Cultural Ancient Medical Practices



Bargaining Power of Suppliers(High)

- Dependence on Few Suppliers
- Uniqueness of Products
- Switching Cost (Bajada et al., 2015).



Bargaining Power of Buyers(Varies)

- Product Importance
- Prescription from Doctor
- Purchase Quantity



Threat of New Entrants(Moderate)

- High Capital Investments
- FDA Regulations (Scott Morton, 1997)
- Manufacturing Complexity



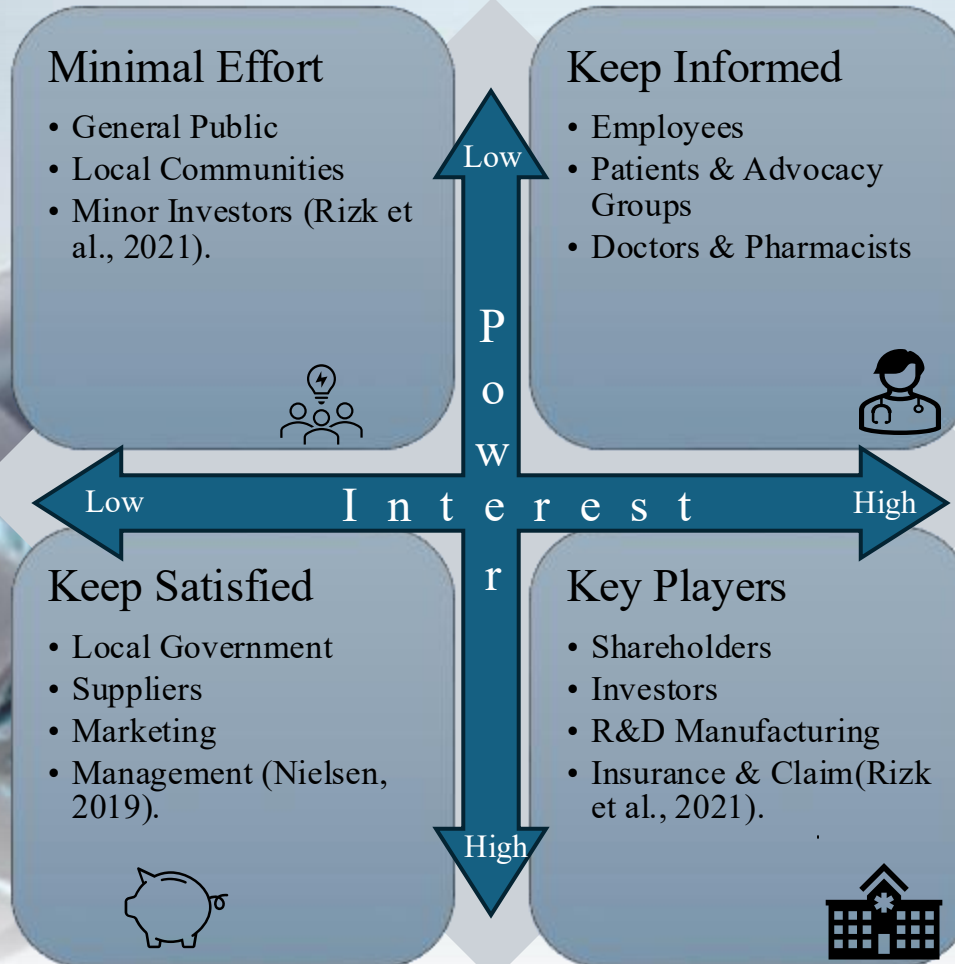
Competitive Rivalry(High)

- Global Competition
- Fixed High Cost
- Innovation , R&D investments



Mendelow's Matrix for Stakeholder Mapping

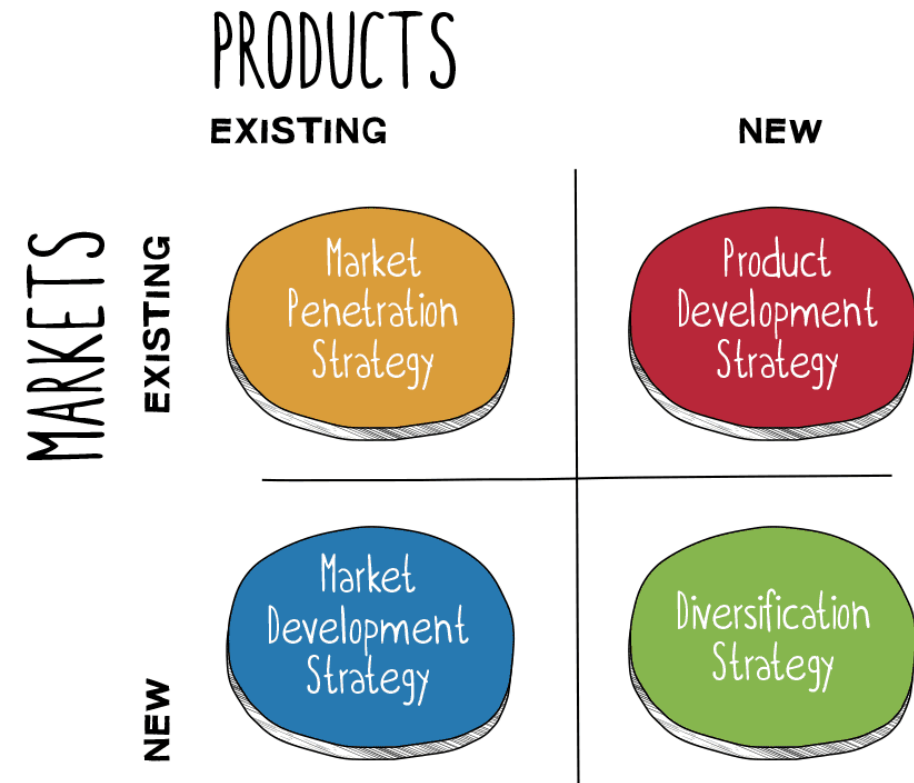
Medtronic



ANSOFF Matrix on Medtronic

- Provides a **structured framework for growth strategies**.
- Encourages a balance between **defending core markets** and **exploring new opportunities**.
- Aligns with Medtronic's strengths in **innovation, global reach, and partnerships**.
- As Siddiqui (2021) notes, strategic tools like Ansoff help healthcare businesses navigate external complexity while identifying structured growth pathways.

THE ANSOFF MATRIX



CREATED BY: IGOR ANSOFF, 1960 ESSENTIAL MARKETING MODELS [HTTP://BIT.LY/SMARTMODELS](http://bit.ly/smartmodels)

Medtronic – Ansoff Matrix

- **C- Market Development** (Existing products – New Market) is the positioning for Medtronic as per the Ansoff Matrix as a pharmaceutical company providing both healthcare services and devices

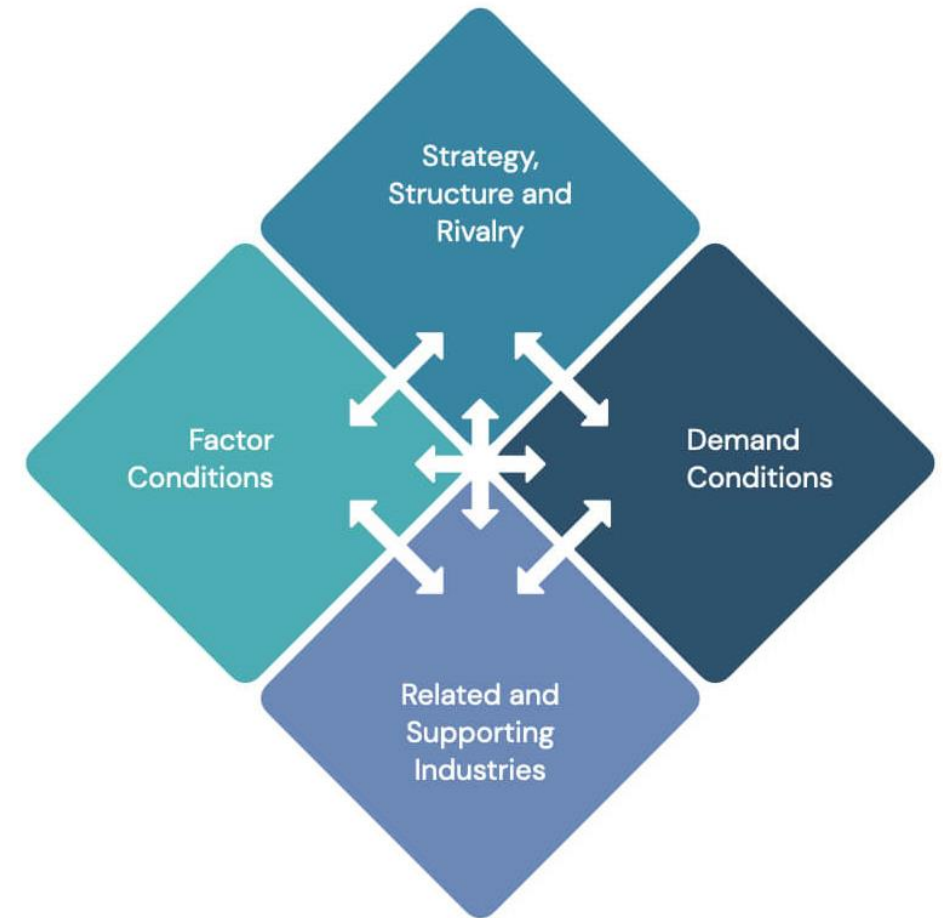
Justification :

- Medtronic launched **targeted marketing campaigns** to strengthen presence in emerging healthcare markets.
- The company aims to expand internationally with a projected **\$15.3 billion in revenue from global markets by 2025** (DCF Modelling, 2024).
- Medtronic identified **3,500 potential new hospital network partnerships** across emerging markets (Medtronic, 2024).
- The company invested **\$2.1 billion in international market expansion** in 2022.
- Medtronic demonstrates a strong commitment to **advancing healthcare technology globally** (Medtronic, 2024).



Porter's Diamond Framework - Medtronic

- Explains how **home and host-country environments** shape competitive advantage.
- Shows how **demand, government, and rivalry** fuel innovation.
- Helps Medtronic identify **where and how to expand globally** while staying competitive.
- As Holland & Bätz-Lazo (2004) note, analysing global healthcare industries requires frameworks that capture **national and international competitiveness**, making Porter's Diamond an ideal tool.



Porter's Diamond Framework

Factor Conditions:

- Strong **capital resources** fund innovation and growth (Essay48, n.d.).
- Investment in **HR and R&D** sustains competitive advantage.
- **Infrastructure support** boosts markets and local economies.

Related and Supporting Industries :

- **Global suppliers** (65,000+ in 134 countries) ensure accessibility (EY, n.d.).
- **Rivalry with J&J and Abbott** drives innovation and expansion.
- **Partnerships** (e.g., Blue Yonder, IRACD NA) boost global growth (Banga, 2024).

Medtronic

Demand Conditions :

- **Large domestic market** supports global expansion.
- **Demanding customers** drive innovation.
- **Domestic demand** shapes tailored healthcare solutions.

Strategy, Structure & Rivalry:

- Medtronic drives growth through **AI-powered innovation** (Medtronic, 2025).
- A global **organizational structure** supports efficiency and collaboration.
- Strong **rivalry with global players** fuels competitiveness.

Business Proposal -Digital Health Ecosystem Platform for sustained competitive advantage

Platform Concept

- Individual Healthcare Monitoring with Personalized Patient Centric Vision for long-term sustainability (Benis et al., 2021).
- Explainable AI ensures fair, accurate, and reliable healthcare decisions. Hasan et al., 2023).

Strategic Objective

- Expanded Market share by 20% by 2030 through integrated solutions
- Enhanced Global Brand Recognition (Hasan et al., 2023).
- Create new revenue streams from subscription-based digital health services. (Mauro et al., 2024).

Competitive Advantage

- Strong business continuity, sustained market position, and reliable data integrity. (Chotia et al., 2023).
- Technology leadership and collaborative healthcare ecosystems.

Strategic Approach

- Training to Healthcare professionals to ensure adaptation as 70% of potential customers prefer to know a company through content not just promotion
- Providing access for everyone and everywhere -Localized affordability models in emerging markets (tiered pricing, NGO collaborations).

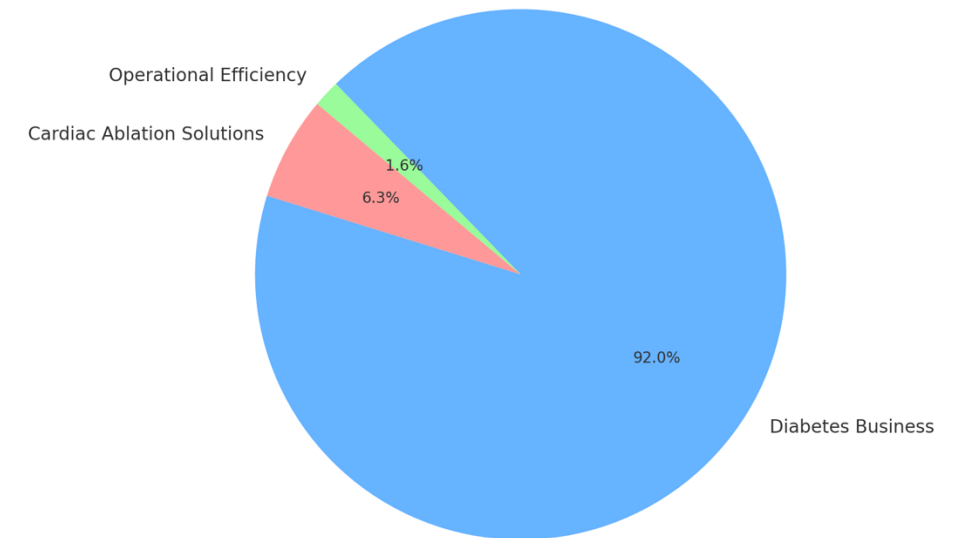
Revenue Enhancement & Benefits

- Moves Medtronic from a medical device maker to a healthcare solutions ecosystem leader.
- Enhances the efficiency of financial management and reduces costs, ultimately increasing the financial flexibility of the enterprise (Fan et al., 2024).

Revenue Enhancement & Benefits

- Medtronic's digital initiatives are driving growth across several key areas :
- **Cardiac Ablation Solutions:** Revenue increased by nearly 50%, with U.S. sales rising 72%, attributed to innovations like pulsed field ablation technology.
- **Diabetes Business:** Achieved \$728 million in Q4 FY2025 revenue, a 10.4% year-over-year growth, reflecting strong demand for diabetes management solutions. (Medtronic, 2025)()
- **Operational Efficiency:** Digital tools have streamlined operations, contributing to a 13% increase in operating profit and a 70-basis point improvement in operating margin in Q1 FY2026. (Medtronic ,2025)()

Medtronic Digital Initiatives Contribution (Relative Scale)



Implementation Road Map



Planning and Design (1-3 Months)

System Design and Architecture – Setup Process and Approach AI solution Plan



Technical Integration (4-8 Months)

Gathering Data from 3500 hospital network partnership worldwide (Medtronic, 2024).



Pilot implementation(9-15 Months)

Training Infrastructure to Adaptation
Marketing and Promotion , Awareness
Co- Development Partnerships



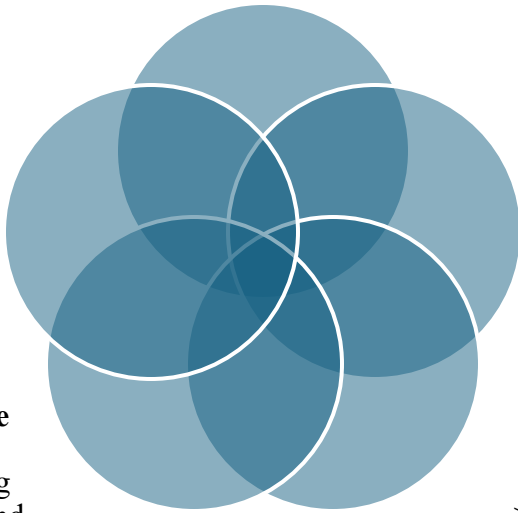
Global Implementation(16-24 Months)

Expanding to new markets and Maintaining 24/7 responsive service. (Medtronic, 2025).
Global Scale of AI driven medical devices with diverse

Risks & Mitigation

High R&D costs & uncertain ROI -
>Stage-gate investment model, focus on scalable platforms first.

Adoption resistance from healthcare providers->Training centers, incentives, and co-development partnerships.



Cyber Security Threats
-> Invest in robust cybersecurity frameworks (Chotia et al., 2023).

Competition from Rivals (J&J, Abbott, Stryker) -
>Differentiate via AI-driven innovation and stronger partnerships.

Metrics & KPI:

International revenue growth (Target: \$15.3 billion by 2025) (Medtronic, 2025a).

Clinical trial success rate for new technologies compared to industry benchmarks (Wu and Luo, 2010).

Supply chain resilience score (measured by on-time delivery >95%) (EY, n.d.; Banga, 2024).

Customer satisfaction (Net Promoter Score, NPS > 70) across global markets (Andolina et al., 2023).

Annual revenue growth rate (Target: 6–8% CAGR by 2028) (Medtronic, 2025b).

Business continuity readiness index, ensuring supply stability and resilience (Fan et al., 2024).



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