

03

UNIQUE VALUE

Differentiation Strategy

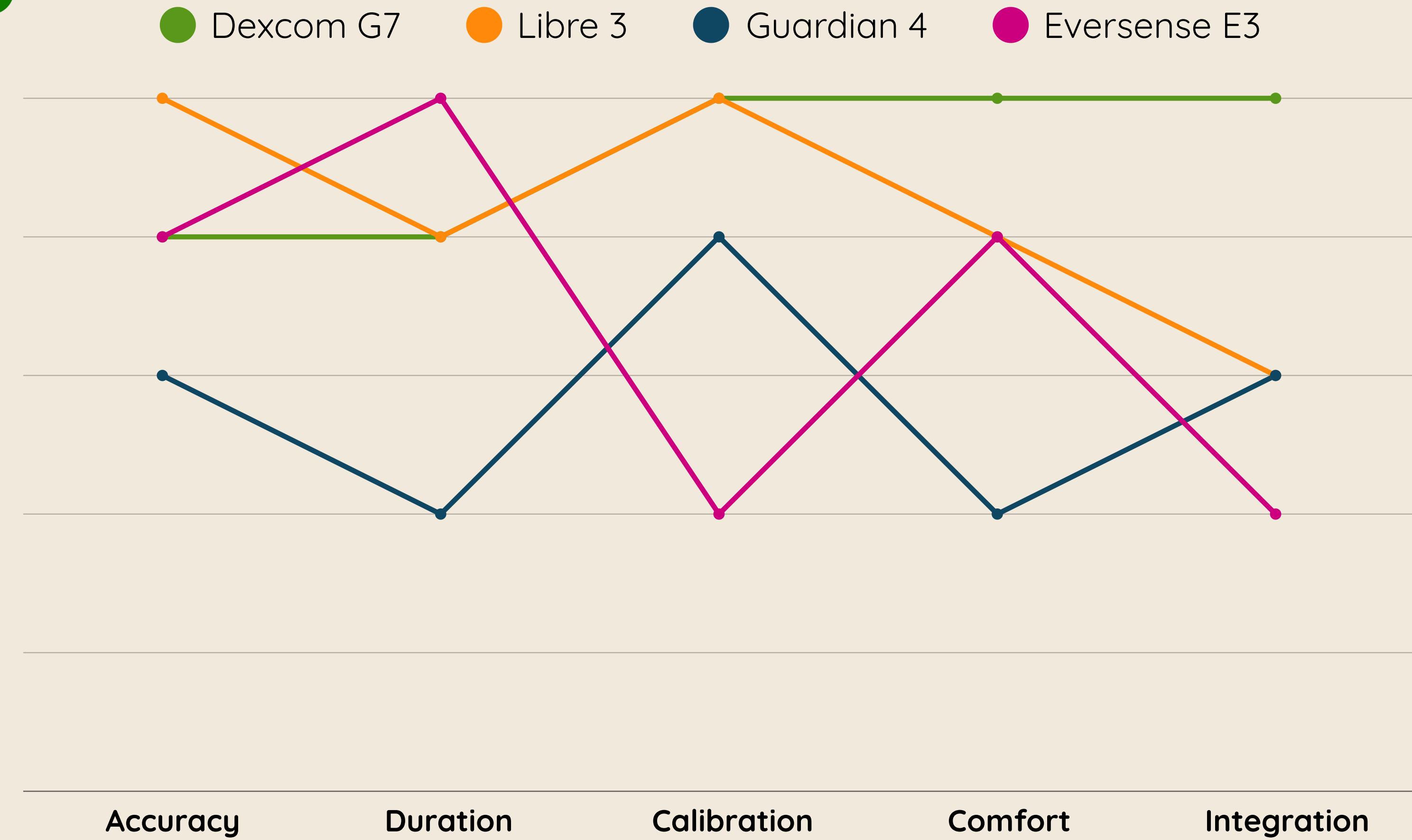
Superior Features

- Integrations with Insulin Pumps
- Minimal warmup
- No calibration needed

Brand/Image

- Dexcom is the trusted option by most doctors
- Premium, state of the art and accurate

Strategy Canvas



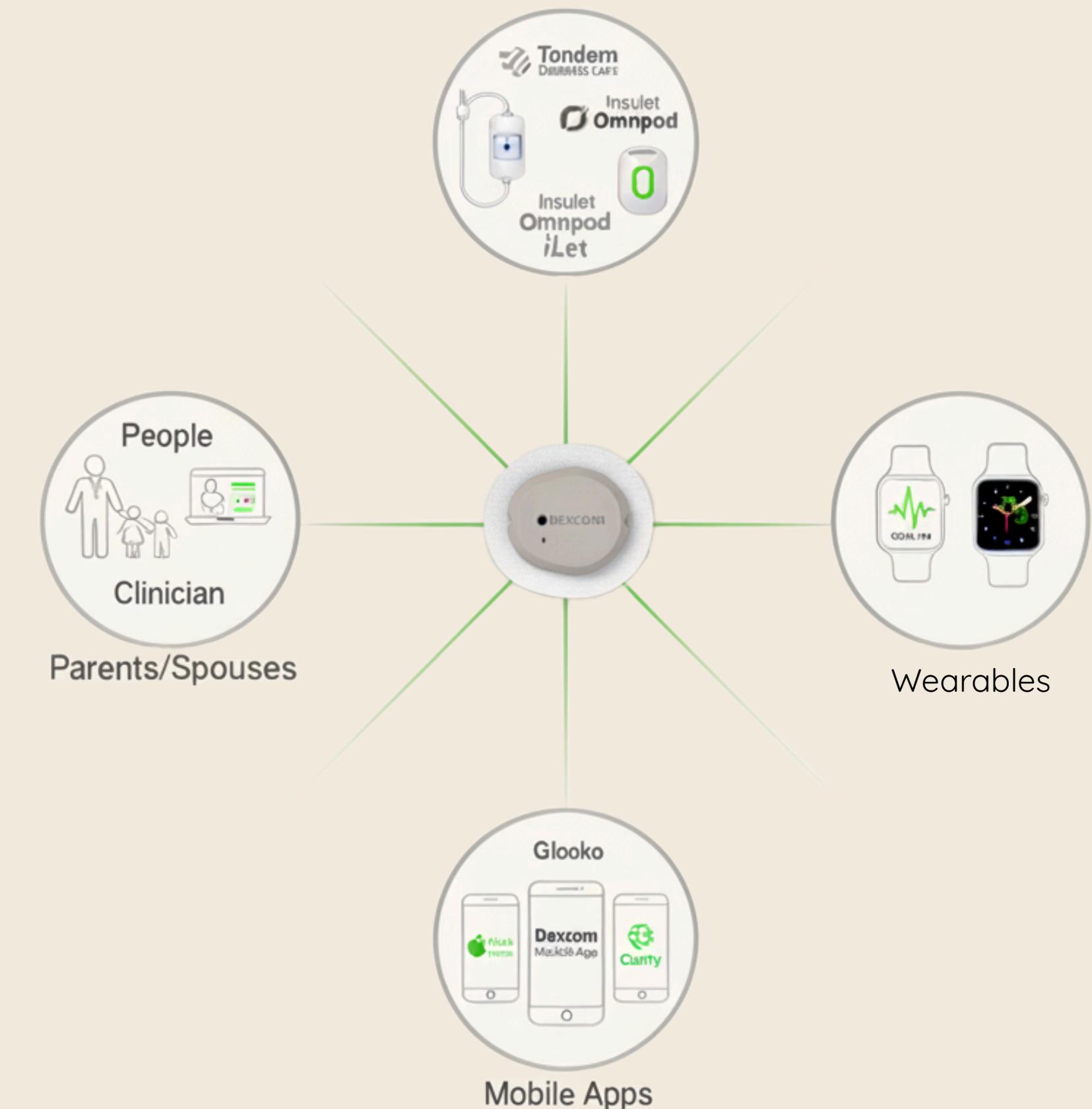
Brand Image

The Most Connected CGM System in the World

Competitors offer a glucose reading.

Dexcom offers a connected care network.

Dexcom is a brand patients and doctors know they can trust



03

UNIQUE VALUE

Competitor Response

Future Goals

Dexcom

- Expand into the Type 2 Non-Insulin Market
- Drive Product Innovation & Convenience
- Grow Global Market Access & Coverage
- Establish a Metabolic Health Platform

Abbott

- Expand Global CGM Market Leadership
- Innovate for Access & Affordability
- Drive integration & Next-gen Features
- Sustain Growth in Core Medical Devices

Medtronic

- Become a standalone Company
- Strengthen Automated Insulin Delivery
- Embrace Interoperability
- Expand Patient Access

Senseonics

- Launch the 365 - Day Sensor
- Integrate w/ AID Pumps
- Transition to Direct Commercialization
- Build a Comprehensible Solution

Assumptions

Dexcom

- Reimbursement for all Type 2
- Primary care widely adopts CGM
- G7/G8 maintains their accuracy lead
- Non-diabetics will buy Stelo for health

Abbott

- FreeStyle Libre remains cheapest
- Non-insulin users widely adopt
- Dual sensor beats competitors
- Global adoption accelerates easily

Medtronic

- MiniMed spin-off creates value
- Integrated AID is preferred
- New sensor closes accuracy gap
- Regulatory approval remains smooth

Senseonics

- Year-long sensor overcomes cost
- High patient retention continues
- Physicians embrace procedure
- Direct sales model succeeds

Current Strategy

Dexcom

- Expand into Type 2 market
- Launch 15 - day G7 sensor
- Maintain superior accuracy advantage
- Build massive global scale
- Drive metabolic health adoption

Abbott

- Lead global price & access
- Seamlessly integrate w/ pumps
- Increase sensor wear time
- Broaden over-the-counter sales
- Launch advanced Libre Plus

Medtronic

- Spin off diabetes business
- Focus on integrated pump systems
- Achieve high Time in Range
- Improve sensor tech.
- Pursue interoperable components

Senseonics

- Aggressively market 365 - day sensor
- Take over commercialization fully
- Partner w/ AID pump companies
- Build strong physician network

Capabilities

Dexcom

- Industry-leading accuracy (MARD)
- Best real-time data sharing
- Strong pump integration network
- Rapid sensor warm-up time
- High-volume manufacturing

Abbott

- Extremely low production costs
- Highest volume global sales
- Smallest, thinnest sensor size
- Broad market distribution reach
- Highly diversified parent company

Medtronic

- Pioneer insulin pump tech
- Closed-loop system integration
- Full diabetes therapy ecosystem
- Deep hospital system relationships
- Large global service infrastructure

Senseonics

- Longest sensor wear time (365 days)
- Fully implantable sensor design
- Removable, reusable transmitter
- Very low patient interaction

Competitor Response

Abbott

Abbott's immediate response will likely be to aggressively counter Dexcom's pricing & expanded market reach by lowering the FreeStyle Libre price & accelerating the development of a 15-day sensor to match the G7. They will also likely strengthen critical pump integration deals & push new monitoring tech like the dual glucose-ketone sensor.

Medtronic

Medtronic will likely focus on its end-to-end diabetes management system, leveraging the ongoing business spin-off to gain focus. The core strategy involves rapidly rolling out the Simplera Sync CGM and finalizing the integration of Abbott's more accurate Libre sensors. This will solidify their MiniMed 780G as a superior, fully automated closed-loop solution.

Senseonics

Senseonics will likely aggressively market the unique advantage of its 365-day, fully implantable sensor, emphasizing patient freedom & less frequent changes, which is a key differentiator from Dexcom's 10- or 15-day wear. They will also likely launch long-wear pump integration & highlight the "no sensor waste" benefit to appeal to the value-conscious user.

Company Value Chain - Primary Activities

Inbound Logistics

Procurement: Sourcing biosensing materials & components globally to fuel high-volume manufacturing

Operations

Manufacturing: High-precision, automated assembly of sensors & transmitters in large-scale facilities to achieve low unit cost

Outbound Logistics

Distribution: Managing supply chains to pharmacies, distributors, & direct-to-patient channels globally

Marketing & Sales

Advocacy: Campaigning for broad payer reimbursement & securing coverage for new patient populations

Commercial: Expanding the direct-to-consumer sales model to new wellness markets

Service

Support: Providing 24/7 technical & production assistance to ensure high user retention & confidence in the life-saving technology

Company Value Chain - Support Activities

Firm Infrastructure

Compliance: Maintaining a robust quality management system (QMS) & responding to regulatory requirements

Financial: Managing large cash & liquid assets to fund global expansion and R&D

Human Resource Management

Talent: Recruiting & training specialized engineers & clinical sales teams for a high-growth medical device market

Technology Development

R&D: Continuous innovation on sensor accuracy, wear time, & software integration

AI/Software: Integrating real-time data insights & AI into applications for enhanced user experience & clinical value

Procurement

Supplier Relations: Building trust & reliability w/ critical, single-source component suppliers to mitigate supply chain risk

Takeaways from the Value Chain

Core Differentiators

- Technology development is paramount: The most critical activity is R&D. Their ability to shrink sensors, reduce warm-up time, & improve accuracy justifies their premium price point over competitors.
- Regulatory & Reimbursement Mastery: The Marketing & Sales and Firm Infrastructure functions are central to turning innovation into revenue. Dexcom has mastered the process of securing payer reimbursement & navigating global regulatory approvals, this unlocks huge revenue streams.

Takeaways from the Value Chain

Cost & Efficiency Focus

- Scale for Cost Control: Operations is focused on achieving massive scale & automation. This drives down COGS for high-volume products like the G7 & to make low-cost products like Stelo profitable.
- Supplier Dependence Risk: The Procurement activity shows a potential risk. Relying on specialized, single-sourced suppliers for unique biosensing materials is necessary for product quality but creates a supply chain vulnerability that must be managed carefully.

Takeaways from the Value Chain

Future Strategy Alignment

- Service Drives Retention: The Service activity is key to retaining users. Providing 24/7 tech support helps w/ patient frustration, renewal rates, & solidifies customer loyalty against competitors.
- HR for Innovation: The HRM function support innovation by recruiting & retaining highly specialized engineering talent required to advance sensor tech & software integration ahead of its rivals.

Consumption Chain

How do consumers become aware of a need for your product/service?

- Doctor diagnoses diabetes; recommend CGM technology.

How do consumers find your offering?

- Doctor writes prescription; patient goes to pharmacy

How do consumers make their final selection (priority of attributes)?

- Accuracy, alerts, size, & pump compatibility matter most

How do consumers order & purchase your product?

- Prescription filled at pharmacy or distributor; pay copay.

How is your product/service delivered?

- Picked up at pharmacy or shipped directly to door.

Consumption Chain

How is your product/service paid for?

- Insurance pays bulk; patient pays negotiated copay/cash.

How is your product stored/moved around?

- Stored at room temperature; worn on body/in pocket.

What is your product really used for?

- Real-time glucose tracking; informs treatment decisions.

What do consumers need help with when they use the product?

- Sensor application, adhesive issues, and phone app setup.

How is your product/service disposed of?

- Applicator & sensor disposed as biohazard waste.

Consumption Chain Takeaways

Awareness & Purchase Stages

- Physician as the Gatekeeper: The chain clearly shows that the physician is the most critical factor in initiating the sale & ensuring the transaction. Dexcom's strategy must heavily focus on clinical evidence & physician education.
- Insurance Dictates Access: The complexity of "How is your product/service paid for?" highlights that insurance coverage & reimbursement are the biggest hurdles to access, not necessarily consumer awareness.

Consumption Chain Takeaways

Usage & Post-Purchase Stages

- Ease-of-Use is Paramount: The questions about what consumers need help with show that the sensor application & technical setup are major pain points. Improvements here directly reduce customer friction & increase loyalty.
- Data is the Product: The answer to “What is your product really used for?” confirms that the physical sensor is simply a delivery mechanism; the true product value is the real-time data & actionable health insights.
- Disposal is a Hassle: The final step indicates that disposal is a known inconvenience that adds complexity to the user experience, particularly compared to competitors w/ smaller, less wasteful applicators.

04

Resources & Capabilities

Resources

Patents

Dexcom has patents for their CGM technology and algorithms.

Brand Reputation

Dexcom's name is well-known and trusted among doctors and patients.

Manufacturing facilities & Workforce

Dexcom has 3 large manufacturing facilities including one internationally and employs over 10,000 people.

Capabilities

R&D

Dexcom has rapid product iterations with significant improvements. Dexcom released G6 in 2018, G7 in 2023, and the G7 15 Day system in 2025. The newest release lasts 50% longer and is 60% smaller than the G6.

Relationships with Partners

Dexcom has connections with other companies that make products for people with diabetes, and is able to partner with them to connect CGM to insulin pumps.

Manufacturing & Sales

Dexcom manufactures a high volume for devices that are precise (they have to be). They have effective B2B sales and have already expanded to Direct-to-Consumer as they serve people seeking wellness monitoring.

Limitations of Resources

Reliance on Patents

Patent expirations could open doors for competitors. Additionally, patents won't necessarily protect against companies imitating Dexcom's algorithm

Brand Reputation Risk

One large recall or safety issue could damage trust with customers. Competitors like Abbott have gained market share.

Manufacturing Concentration

Dexcom has only 3 major facilities means they are vulnerable to:

- supply chain disruptions
- geopolitical risk (international site)
- natural disasters

Limitations of Capabilities

R&D Speed vs. Regulatory Approval Timeline

Even if Dexcom innovates fast, FDA approval can slow down releasing new technology. Any regulatory issues can weaken competitive advantage.

Partnerships Can Create Dependency

If an insulin pump partner fails or changes strategy, Dexcom loses integration points.

Limited Direct-to-Consumer Experience

Competing with Fitbit, Oura, and Apple requires marketing capabilities that Dexcom hasn't explored until recent years.

05

Imitation Barriers

Imitation Barriers Created

1. Proprietary Sensor Technology & Algorithms	Dexcom's CGMs rely on patented enzyme chemistry and advanced calibration algorithms that deliver highly accurate, real-time glucose readings. These technologies are difficult to replicate without infringing on Dexcom's intellectual property or matching years of R&D refinement.
2. Regulatory and Clinical Validation	Dexcom has extensive FDA-approved clinical data and regulatory clearances built over multiple product generations (G4 to G7). Competitors face major time and cost hurdles replicating this proven safety and performance record, which is essential for physician and insurer trust.
3. Ecosystem Integration and Partnerships	Dexcom's integration with Tandem, Omnipod, and Apple Health creates a tightly connected ecosystem of devices and data platforms. This interoperability builds user loyalty and makes it difficult for rivals to offer a seamless experience across pumps, wearables, and mobile apps.
4. Brand Reputation and Clinical Trust	Dexcom's long-standing reputation among endocrinologists, hospitals, and patients creates a trust moat. Healthcare professionals are hesitant to switch to lesser-known or less-tested systems, even if they are cheaper.
5. Economies of Scale and Vertical Integration	Dexcom's large-scale production and partial in-house manufacturing lower costs and improve quality control. This operational efficiency is tough for smaller competitors to imitate without significant capital investment.

Imitation Barriers Faced

1. Lower-Cost Products (Abbott's FreeStyle Libre)	Abbott's simpler, lower-priced CGM appeals to cost-sensitive patients, insurers, and non-insulin users. Dexcom cannot easily imitate this price point without reducing margins.
2. Longer Wear Duration (Senseonics' Eversense 365)	Senseonics' implantable CGM lasts up to a year, which rivals Dexcom's sensor wear time. Dexcom faces pressure to innovate longer-lasting sensors, a technical barrier to imitate quickly.
3. Pump Integration & Automated Insulin Delivery (Medtronic Guardian Connect)	Medtronic integrates its CGM directly with insulin pumps to automate insulin delivery, creating a seamless closed-loop system. Dexcom faces barriers in replicating end-to-end automated insulin delivery without partnerships.
4. Brand Loyalty & Established Ecosystem (Abbott, Medtronic)	Competitors have loyal users in specific segments (e.g., type 2 patients with Libre, pump users with Medtronic), which acts as a barrier for Dexcom to capture those customers.
5. Distribution and Insurance Relationships	Competitors like Abbott and Medtronic have extensive insurance contracts and pharmacy networks, making it harder for Dexcom to expand into certain markets quickly.

Imitation Barriers Key Insights

- Dexcom's technology and data accuracy are core defensible advantages that competitors struggle to replicate quickly.
- Integration with insulin pumps and digital platforms creates a “stickiness” effect, making switching costly for users.
- Dexcom must innovate on cost, convenience, and wear duration to remain competitive.
- Competitors' ecosystem integration and patient loyalty highlight the importance of partnerships and continuous device compatibility.

06

SWOT

Strengths

Leader in Glucose Monitoring

Dexcom is known for being easy to use, accurate, and providing real-time data for users

Trusted Brand

Dexcom is associated with good quality & reliable CGM which has led to customer loyalty

Partnerships

Dexcom has partnered with healthcare providers, insulin pump manufacturers, and pharmaceutical companies which has expanded their reach

Patented Technology

Dexcom's technology is protected

Weaknesses

Expensive

CGM systems can be expensive, which is a barrier for users without insurance.

Niche product

Limited market that they are heavily reliant on.

Subscription-based

Revenue comes from subscriptions, which means Dexcom needs customer retention

Market Dependency

Dexcom depends on U.S. customers heavily for a significant portion of their revenue.

Opportunities

Expanding Market

The global diabetes population is expected to continue growing. Additionally, there is an increasing interest by non-insulin users who are interested in Dexcom for wellness tracking. This presents a significant growth opportunity for Dexcom globally.

Technological Advancements

Advancements in sensor technology and additional integrations would help Dexcom to further enhance its CGM systems, making them more accurate, user-friendly, and integrated with other healthcare devices.

Telehealth Integration

As telehealth and remote patient monitoring becomes increasingly common, there is an opportunity for Dexcom to integrate its CGM systems with telehealth platforms, enabling healthcare providers to remotely monitor and manage patients' glucose levels.

Threats

Competition

Companies are introducing their own CGM systems. This competition is from both existing companies and new entrants which could impact their market share. As competition increases, there may be pressure to lower prices, which could decrease Dexcom's profit margins.

Regulations

The medical device industry is subject to strict regulatory requirements. Any delays or difficulties in obtaining regulatory approvals could slow Dexcom's growth.

New Technology

Technological advancements could lead to new diabetes management solutions that could potentially disrupt Dexcom's market position.

07

Recommendations

Issue #1: Limited Market with Fragmented Competition

- Too reliant on Core Market (Type 1 diabetes). This is a smaller population compared to Type 2 diabetes.
- CGM market is highly competitive, especially w/ Abbott's Free Style Libre system.
- CGM devices & their supplies are expensive, varying insurance coverage acts as a major barrier to wider adoption.
- Too focused on Insulin Users, this leaves the growing population of non-insulin-dependent Type 2 patients

Solution #1: Market to Athletes and Health Industry

- Capture the Non-Insulin-Dependent T2D Market. This is the largest potential growth area for Dexcom. Highlight how CGM shows the immediate impact of food & physical activity.
- Create a Lifestyle/Performance Segment (Athletes). Invest in NIL Programs & Sponsorships, help normalize the device.
- Shift the marketing narrative to focusing on broader metabolic health. Educate Primary Care Physicians rather than just endocrinologists.

Issue #2: Competitors Replicating Dexcom's Integration

- Dexcom was the first to offer integration w/ AID systems & popular digital health apps. Competitors now are forming their own partnerships & developing their own AID compatibility systems
- Unique features, like real-time data transmission & high accuracy are now standard across the industry
- Digital Health Apps Compete w/ Dexcom's Clarity data analytics platform

Solution #2: Create a product that lasts for greater amount of time than competition

- Reduce replacement frequency. Move beyond the industry standard of 14-15 days.
- Continue R&D efforts toward a 21-day or 30-day wear sensor
- Address patient fatigue and cost. Longer wear time addresses the two biggest pain points for CGM users: convenience & cost/waste
- Counter the Implantable Threat (Eversense)

Issue #3: Erosion of Physician Loyalty & Recommendation Rates

- Competitors have ramped up their professional marketing efforts
- Focused shift more to Direct-To-Consumer rather than focusing on educating the prescribing physician
- As Dexcom expands to Type 2 & general wellness, they must educate a wider range of providers
- Dexcom's systems still require physician's assistance w/ prescriptions, onboarding, & interpreting data

Solution #3: Market at Medical Conferences & Provide Samples to Clinics

- Maximize impact at Medical Conferences: Present clinical evidence & give hands-on experience,
- Provide no-cost samples to clinics to build trust. Encourage the use of Professional CGM samples in clinics for diagnostic purposes. Streamline the sample request process.
- Physicians who receive samples & see positive, real-world outcomes will gain confidence

08

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Company Overview

Market

Unique Value

R&C

Immitation Barriers

Recommendations