

# **Strategy integration and communication**

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SECOND EDITION

# BIODESIGN

The Process of Innovating Medical Technologies

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# INTRODUCTION

- For the purpose of planning, management, and communication what, in the past, was developed as a **detailed business plan** is now presented as a concise **“pitch deck”**.
- The pitch puts forth a cohesive argument for **why the company is viable**.
- The most effective **pitch decks** demonstrate an understanding of the audience’s **priorities, issues, and questions**, and address them in a straightforward and comprehensive manner.
- An effective pitch must identify and address the project’s **greatest risks head** on rather than trying to side-step them.
- One more important factor is that the strongest presentation typically makes an **emotional connection with the audience and communicates the passion** that the team has for addressing its chosen need.
- An effective pitch can range in length ***from 10 to 50 slides, with 15 to 30 slides*** often considered optimal.

# DEVELOPING THE PITCH

**Paying attention to small details** can make a big difference in the caliber of a pitch.

**Be succinct –**  
Emphasize quality and  
clarity over length

**Show, don't tell –**  
Emphasize progress and  
results to date

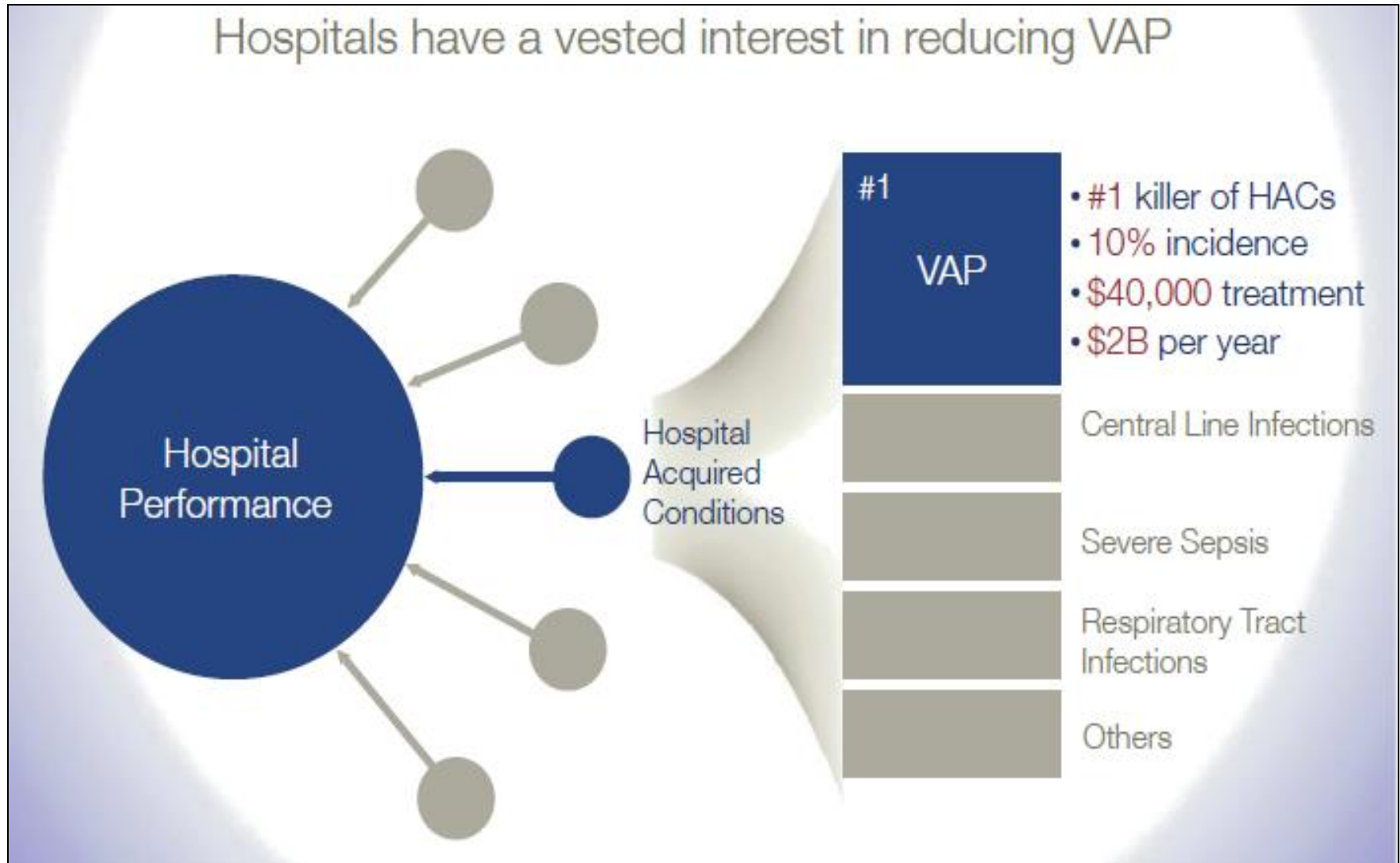
**Be specific –** Avoid  
generalizations

**Keep it simple –** Make  
each slide self-  
explanatory

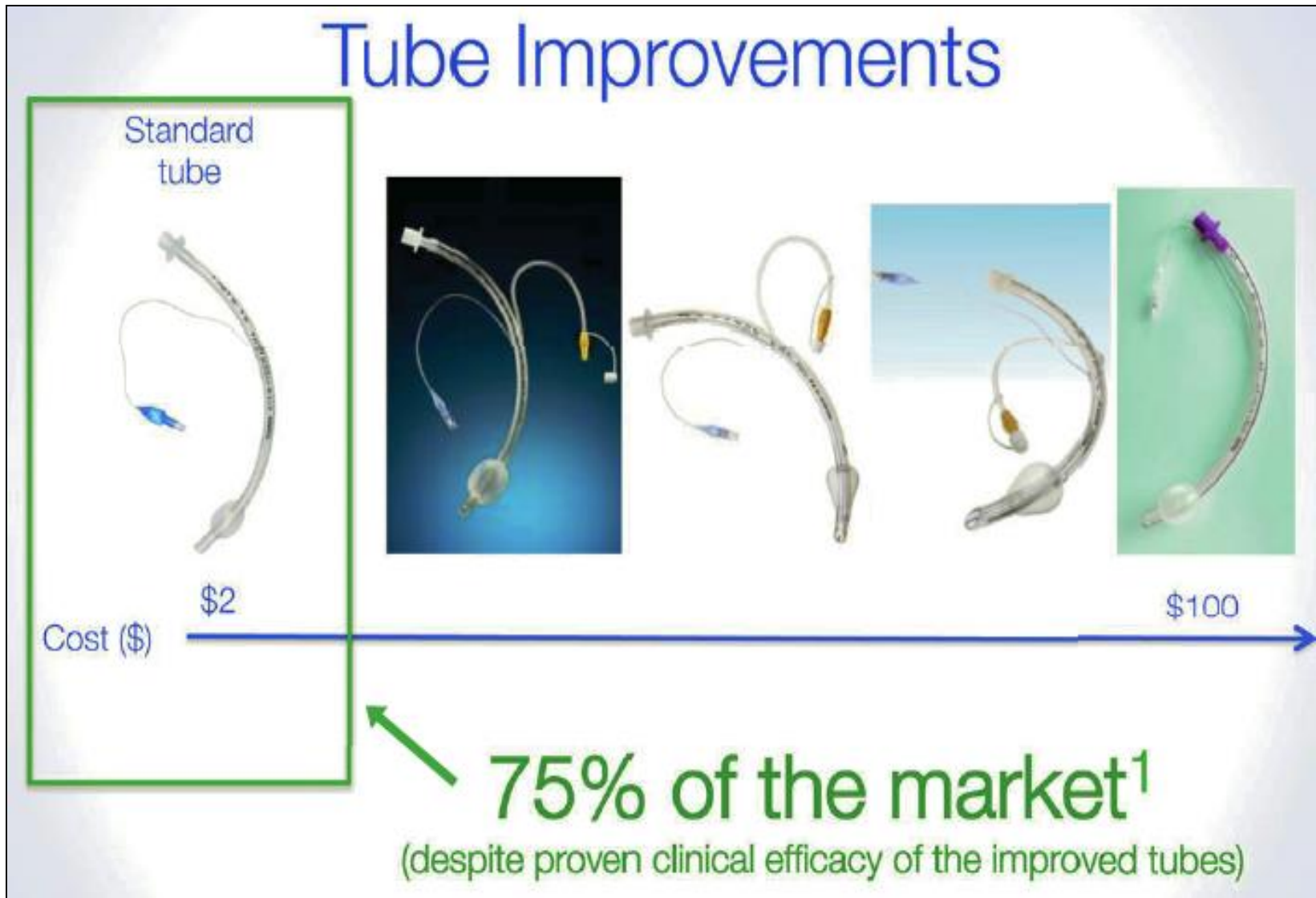
**Double check  
everything –** Be sure the  
pitch is well written

# SOME EXAMPLES OF A PITCH DECK PRESENTATION SLIDES FOR A MEDTECH VENTURE

## Ventilator-associated pneumonia (VAP)



# SOME EXAMPLES OF A PITCH DECK PRESENTATION SLIDES FOR A MEDTECH VENTURE



# Development Timeline

\$2.5M

2015

2016

C.L. Bougie

R&D

V&V Testing

Safety  
Study

Comparison  
Study

Design Finalization of  
Sora Suction Catheter and BronchoGuard

2015

Q1

Q2

Q3

Q4

Headcount (FTEs)

1

2

2

2

R&D

93,000

194,116

95,956

85,750

Pre-Clinical and Clinical Trials

15,000

13,000

29,000

118,820

SG&A Staff

39,063

39,063

39,063

39,063

Facilities

8,180

8,180

8,180

8,180

Marketing

5,067

67

755

11,213

IP

30,000

25,000

57,500

20,000



# IP & Regulatory

FTO

Patents  
Filed

Regulatory  
Path



C.L. Bougie



Provisionals

Class I  
Exempt



Sora Suction  
Catheter



Provisionals

Class I  
Exempt



BronchoGuard



Class II,  
510(k)

# Commercialization Roadmap

Demonstrated sales by 2016; Portfolio acquisition in 2017

\$2.5M+ Series A

Target Acquisition  
3-5x return



2014

2015

2016

2017

2018

Bougie Development and Market Studies

Targeted Roll Out  
and Distributor  
Partnership

Acquiring company launches  
commercially

Comparison study

Aspiration Prevention R&D

Suction Catheter  
Limited Release

CareFusion

SAGE

Hollister

BARD

Covidien

Teleflex

smiths medical

COOK

Kimberly-Clark

# MAJOR SECTIONS OF THE PITCH

The major sections of the pitch can be mapped to specific steps in the bio design innovation processes. Innovators should consider all of the questions listed here; however, not all of the answers will be included in the pitch deck. Focus is key.

Major sections	Questions to address	Relevant activities in the biodesign innovation processes (from which to pull information)
Elevator statement	<ul style="list-style-type: none"><li>• <u>What is the core problem</u> the business is trying to solve?</li><li>• What is the solution it has developed?</li><li>• What key benefits will the solution deliver to its target customers?</li></ul>	5.7 Marketing and Stakeholder Strategy 5.9 <u>Competitive Advantage</u> and Business Strategy
The clinical need	<ul style="list-style-type: none"><li>• <u>What is the need being addressed?</u></li><li>• Why is this need important?</li><li>• How is the need currently being addressed (if at all)?</li><li>• In what ways are current solutions inadequate?</li></ul>	1.3 Needs Statement Development 2.1 Disease State Fundamentals <u>2.2 Existing Treatments</u> 2.5 Needs Selection

## Contd.....

Major sections	Questions to address	Relevant activities in the biodesign innovation processes (from which to pull information)
The market	<ul style="list-style-type: none"> <li>• <u>Who is the target customer?</u></li> <li>• What is the market size?</li> <li>• How fast is it growing?</li> <li>• Who are the primary competitors?</li> <li>• How will the company differentiate itself from the competition?</li> <li>• What are the barriers to entry?</li> </ul>	<u>2.4 Market Analysis</u> 5.7 Marketing and Stakeholder Strategy 5.9 Competitive Advantage and Business Strategy
Intellectual property	<ul style="list-style-type: none"> <li>• <u>How will the company protect its IP?</u></li> <li>• How strong is its IP position?</li> </ul>	<u>4.1 Intellectual Property Basics</u> 5.1 IP Strategy
R&D strategy	<ul style="list-style-type: none"> <li>• <u>How will the company prove (or has it proven) that the solution is technically feasible?</u></li> <li>• What are the risks that must be addressed and how will they be mitigated?</li> </ul>	<u>4.5 Concept Exploration and Testing</u> 5.2 R&D Strategy 5.5 Quality Management

# PITCHING & FUNDING

The pitch is certainly an important tool that helps facilitates conversations with investors and can lead to funding.

Innovators should spend nearly as much time screening investors as investors spend screening investment opportunities.

## Questions for screening investors

At what stage does the individual or firm usually invest?

What is the typical investment level over the life of a company?

What is the typical amount invested in each round?

For VCs, when was the current fund started? (If > 5 years ago, then there may not be adequate funds remaining for additional financing rounds.)

For individuals, how did the investor earn his/her money? How many other companies is s/he involved in?

How much time will be spent with the company? What expectations does the investor or firm have regarding involvement?

What prior deals has the individual or firm done in the industry?

# COMMON QUESTIONS ASKED BY PROFESSIONAL INVESTORS

Area of inquiry	Technology or service concept
Technology or service concept	<ul style="list-style-type: none"><li>• Is the product/service concept clear? Does it make sense?</li><li>• Is there sufficient proof of principle or evidence of feasibility?</li><li>• <u>Are there adequate proprietary aspects – patents, trade secrets, or other barriers to entry?</u></li><li>• Can it be manufactured at a reasonable expense?</li><li>• Are there regulatory issues?</li></ul>
Market size and dynamics	<ul style="list-style-type: none"><li>• How large is the market, realistically? What is the actual addressable population?</li><li>• Does the company have realistic potential to obtain substantial revenues in the market?</li><li>• Is the decision making of purchasers and users well understood?</li><li>• Are there reasonable marketing and sales costs? Sales cycles? Distribution systems?</li><li>• <u>Are the business relationships between referral sources, purchasers, providers, and consumers well understood?</u></li></ul>

## Contd.....

Area of inquiry	Technology or service concept
Business model and financial requirements	<ul style="list-style-type: none"><li>• What are realistic revenue and expense projections for the company?</li><li>• <u>How much capital will be required to reach positive cash flow?</u></li><li>• What are realistic expectations for the timing and sources of this cash?</li><li>• What are the realistic exit opportunities for investors in this deal?</li></ul>
Exit scenarios	<ul style="list-style-type: none"><li>• <u>How are investors most likely to realize an exit? What scenario seems most likely?</u></li><li>• For acquisition candidates, what companies are most likely to be interested? What other acquisitions have they made recently? Does the company have an established relationship with one or more of these companies? Why would these companies acquire a technology in the space rather than developing it themselves?<sup>11</sup></li><li>• What timeline is most realistic for achieving an exit?</li><li>• What are the major factors likely to influence whether or not the exit is realized?</li></ul>