

Context

- This effort was a bottom-up analytics led business planning exercise for a newly acquired asset entering a high innovation CV segment
- The client had no clear strategy around account prioritization and rep deployment (strategy was to hire “competitor” reps)
- Company is preparing for innovative CV product launch in high (8+%) growth market, but top 3 incumbents had 90%+ share
- Client will be 4th to market with a differentiated product and had set an internal goal of reaching 20% market share 3 years after launch
- Product is a high physician preference product with limited contracting hurdles



Two phased approach to maximize launch success

Account segmentation/prioritization

- Used patient level analytics to identify pockets of opportunity
- Leveraged McKinsey tools (Hospital IQ) and analytics tools (Field Guide) to segment and prioritize
- Considered account potential, behavioral segmentation, as well as likely success factors at the account level to develop a segmentation
- Leveraged analytics to build a set of priority accounts to capture share in (vs. incumbents)

Account level strategy

- Mapped priority accounts geographically by potential
- Built need based/segmentation driven deployment models based on coverage ratios and likely success rate in each priority account
- Helped build dynamic account segmentation to help measure and drive sales rep deployment

Utilized account criteria and performance drivers to segment and prioritize accounts

Market/account drivers

- Case volumes and volume growth
- Surgeon training(e.g., Endo trained CT surgeons)
- Hospital contracting control levels
- Competitive dynamics (incumbents)
- Other provider behavioral drivers

- Existing client account relationship
- Previous account performance history
- Non-customer client relationship (e.g., trial site for high innovation product)
- Geography / practical considerations

Internal status/performance drivers

- Leveraged both Medicare and Commercial data on ~6000 potential accounts
- Used “behavioral” account characteristics and surgeon training to prioritize accounts
- Overlaid client and account factors to each account
- Estimated likelihood of “success” in each account

Prioritized ~350 hospital and physician customers for targeting

Based on segmentation/prioritization we developed account level deployment strategies with potential 5x increase in sales over next 3 years

Account segmentation

Example: prioritized accounts based on procedure type

X Avg procedures/ account

2015 Market (EVAR, TEVAR, Surgical grafts)					
	Segment ¹	Account number	Procedure 1 volume (% total sales)	Procedure 2 volume (% total sales)	Procedure 3 volume (% total sales)
Highest priority	Quartile 1 P1 + Quartile 1 P2	130	14,019 (36%)	4,523 (67%)	8,917 (62%)
			107	35	68
	Company 1	36	N/A	(71%)	(53%)
	Company 2	86		8	27
	Overlap	27			
	Quartile 1 P1	40	470 (1%)	372 (8%)	610 (4%)
			22	18	29
	Company 1	2	N/A	(5%)	(5%)
	Company 2	13		11	16
	Overlap	2			
Lower priority	Quartile 1 P2	172 ²	8,456 (22%)	802 (12%)	2,073 (14%)
			50	5	12
	Company 1	14	N/A	(12%)	(16%)
	Company 2			3	9
	Overlap	6			
Total		342 ³	22,945 (59%)	5,697 (85%)	11,599 (81%)

342³ accounts comprise ~60% procedure 1, ~85% procedure 2, and ~80% Procedure 3 volume

¹ Company 1 and Company 2 volume from 2016

² Does not include accounts with 6 Procedure 1 volume

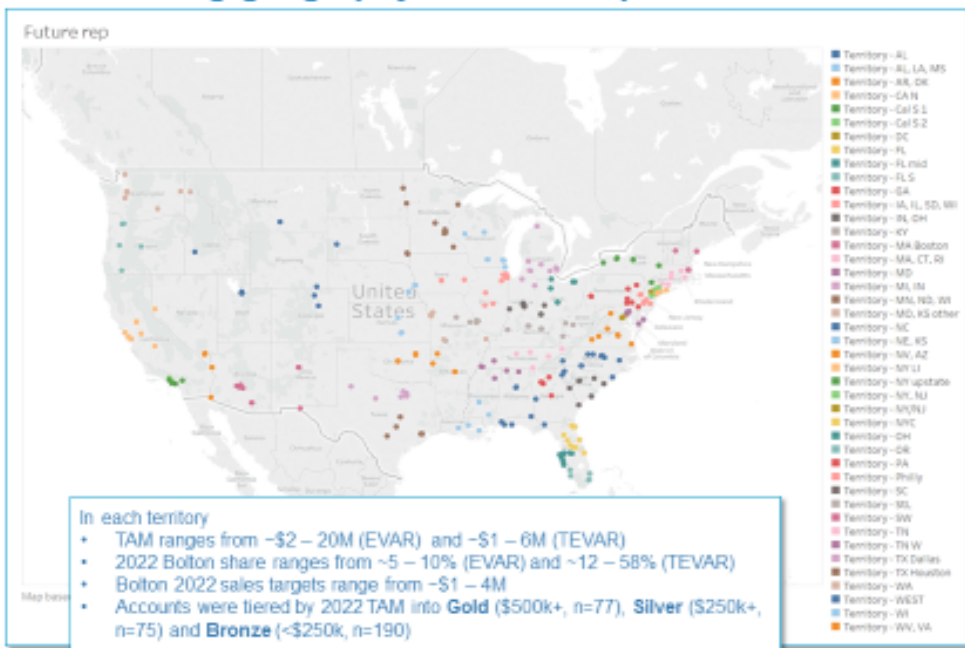
³ 21 additional high value accounts added manually with client input

SOURCE: CMS 2015 market data, Endeen 2015 market data, Aleron 2014 market data, Client internal data

McKinsey & Company 7

Account level strategy (deployment)

1 41 territories were mapped around 342¹ accounts considering geography and market potential



121 additional high value accounts added manually with client input

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Impact over the next 3 years is expected to be

- 5-fold increase in sales
- Doubling of original client projected growth rate