

Opportunity Genesis: From Idea to Acquisition

Client: Early-stage startup focused on the home healthcare marketplace.

Challenge: The startup's challenge was to leverage an existing technology in a new-to-the-world consumer application in order to setup a rapid liquidity event for all investors. With an innovative medical-condition detection technology, the startup was in need of help innovating on both technical and business fronts.

Technically, the challenge was to provide the startup with a low-cost, consumer-friendly, handheld product that incorporated the core condition detection technology. On the business side, the startup needed an innovative channel strategy in order to deliver the product to the widest possible audience, as it had no access to major potential distribution channels – drug chains, mass merchandisers or specialty retailers.

Diagnosis: On the surface, the client had an innovative core technology and a compelling market application. However, the startup needed to undergo the transition from technology to product, and potential market to real customers, based on a robust path to market and an in-depth understanding of key stakeholder needs.

The startup was under considerable time and cost pressure. These pressures necessitated a high-leverage roll-out strategy, product roadmap innovations, and creative channel strategies.

Methodology: Using the Opportunity Genesis methodology, Product Genesis began by conducting a number of key thought-leader interviews across various segments of the marketplace. The interviews were focused on understanding the typical use models and purchasing habits for home healthcare products and mapping these patterns to the core capabilities of the client's technology. The interviews, conducted in a Video-Voice-of-the-Customer™ format pointed directly to two key influencer constituencies outside the home healthcare target market – pediatricians and school nurses.

While the initial thrust of the interviews was geared towards identifying needs within the target home user base, the influencer group finding guided development toward a multiple product roadmap, starting with a professional

version with advanced features, and segueing into a home version with simplified operation. With appropriate architecture, these two products could be leveraged off of a common, cost effective platform.

Concept brainstorming sessions and concept testing verified that a single product platform would meet the needs of both major constituencies – the home purchaser, and the medical personnel. Key professional features (that added cost) could be offloaded to a professional-only accessory base station.

Additional channel benefits were incumbent in this roadmap. The more advanced product was seeded into pediatrician and school nurse offices, and referrals from these professionals acted as a driver for parents to request the home version from local retailers. This dual push-pull strategy became extremely effective in gaining shelf space in key retail channels. In addition, the seed products were able to pay for themselves through a recurring consumables stream.

Results: The most salient results of the Opportunity Genesis process were the identification of a professional to home healthcare roadmap that resulted in a pull-through retail channel strategy, and the development of a single platform architecture for the two product derivatives. The dual platform reduced the cost associated with developing and manufacturing the product versions, while the professional referral/ consumer pull-through strategy gave the startup unprecedented retail access.

The product roadmap and channel strategy drove the product into the market, which rewarded the startup with both rapid user and channel adoption. The wide adoption of the product in turn led to a bidding war for the startup, less than twelve months after initial product launch. This resulted in a high multiple acquisition of the startup by a major medical device company.

Further validating that the product roadmap matched key user needs, *Contemporary Pediatrics* bestowed its annual **Best New Product** award on the device.

The Opportunity Genesis process took an innovative detection technology, infused key stakeholder needs into a market opportunity roadmap and a development strategy that produced a successful, award-winning product line, and a highly valued business.

