Life Science Marketing Group

North Carolina Biotechnology Center

March 10, 2020

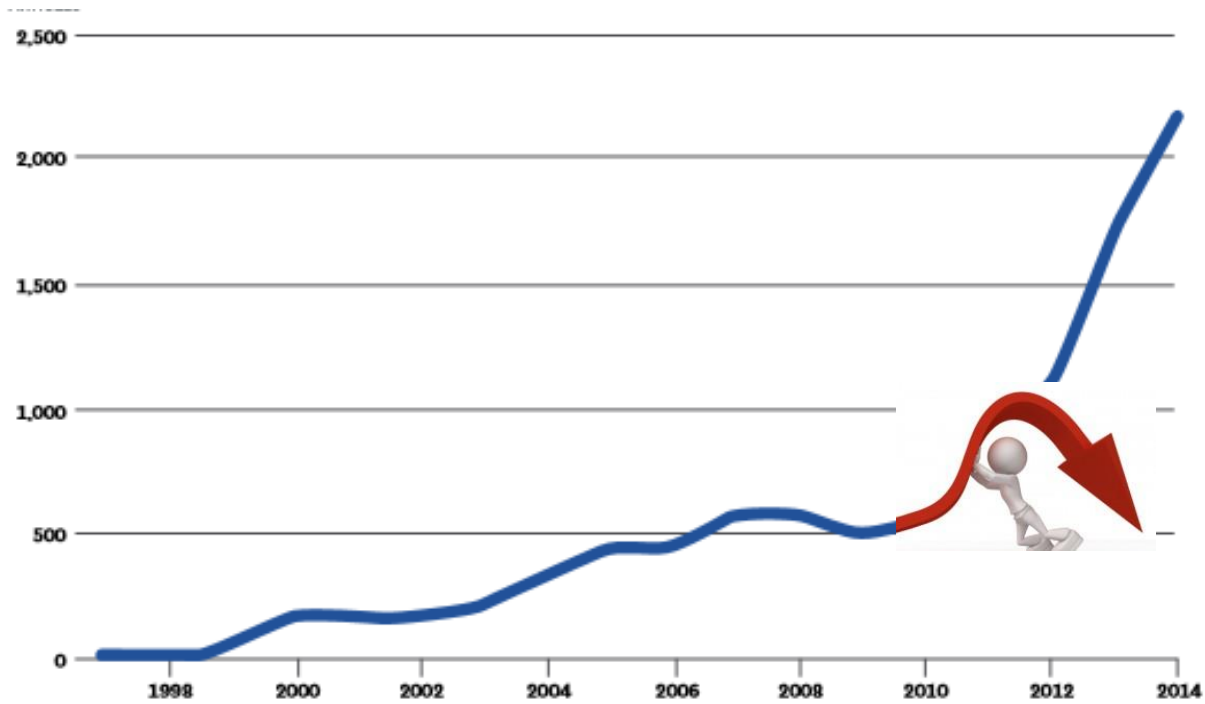|	
12:00–12:15	Greetings & lunch
12:15–12:20	Announcements
12:20–1:00	Strategies for the Perfect Product Launch
1:00	Wrap up

Strategies for the Perfect Launch

NCBiotech Life Science Marketing Group
March 10, 2020

"It takes a lot of hard work to make something simple, to truly understand the underlying challenges and come up with elegant solutions. To be truly simple, you have to go really deep." ~ Steve Jobs

The "Perfect" Launch

Reality

ViaVerus

Strategies for the Perfect Launch

NCBiotech Life Science Marketing Group
March 10, 2020

"It takes a lot of hard work to make something simple, to truly understand the underlying challenges and come up with elegant solutions. To be truly simple, you have to go really deep." ~ Steve Jobs

"The one thing I know is the revenue forecast is completely and totally made up. You have absolutely no idea."

~ Brad Feld, The Foundry Group, August 3, 2015

90% of startups fail

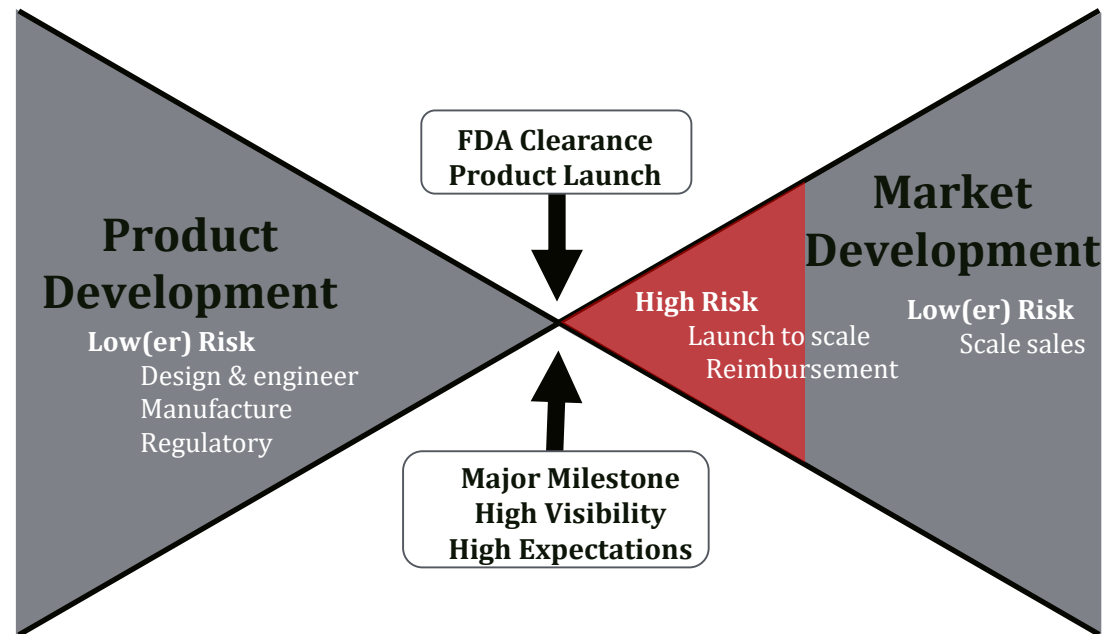Of which, 90% fail due to market factors (not product dev)
~ *Steve Blank*

75% of VC-backed startups fail to return capital invested
~ *Scott D. Anthony, The First Mile*

ONLY 14% of new product launches are innovative **BUT generate 61% of profits**
~ *Harvard Business Review*

Product Development

Low(er) Risk
Design & engineer
Manufacture
Regulatory

**FDA Clearance
Product Launch**

**Major Milestone
High Visibility
High Expectations**

High Risk
Launch to scale
Reimbursement

Market Development

Low(er) Risk
Scale sales

The real game changers are even rarer. Only about 1 in 300 new products significantly impacts customer purchase behavior, the product category, or the company's growth trajectory.
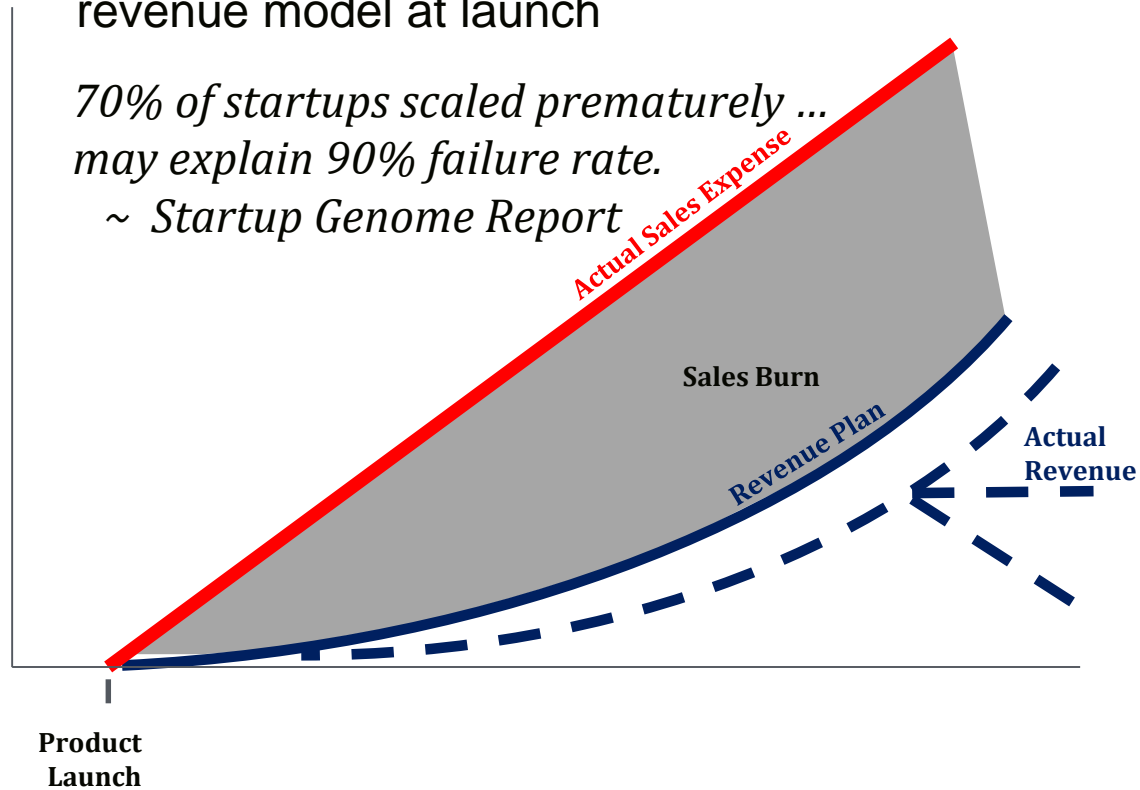
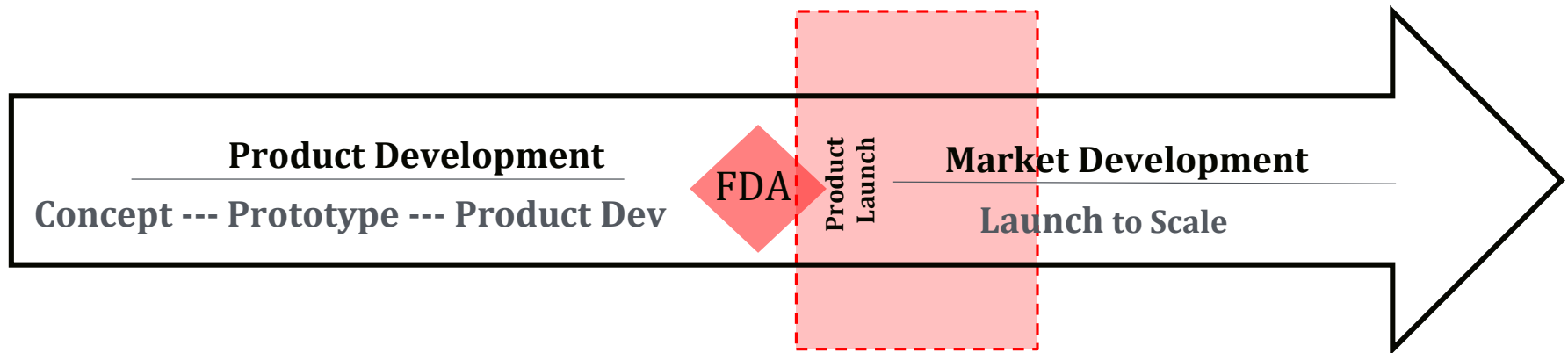~ *Getting To Know Tomorrow's Customers, New Markets Advisors*

The Problem – Enormous Costs

Assumption: A scalable revenue model at launch

70% of startups scaled prematurely … may explain 90% failure rate.
   ~ Startup Genome Report

Actual Sales Expense

Sales Burn

Revenue Plan

Actual Revenue

Product Launch

Product Development & Market Development

Product Development

Concept --- Prototype --- Product Dev

FDA

Product Launch

Market Development

Launch to Scale

Product Development & Market Development

Product Development

Concept -- Prototype -- Product Dev
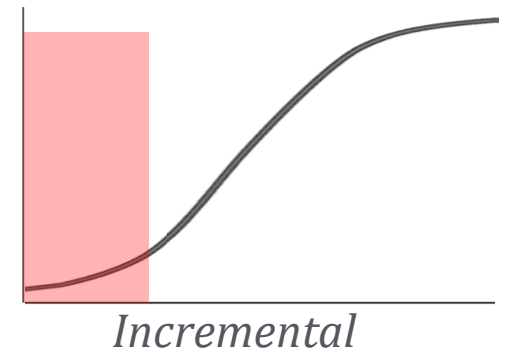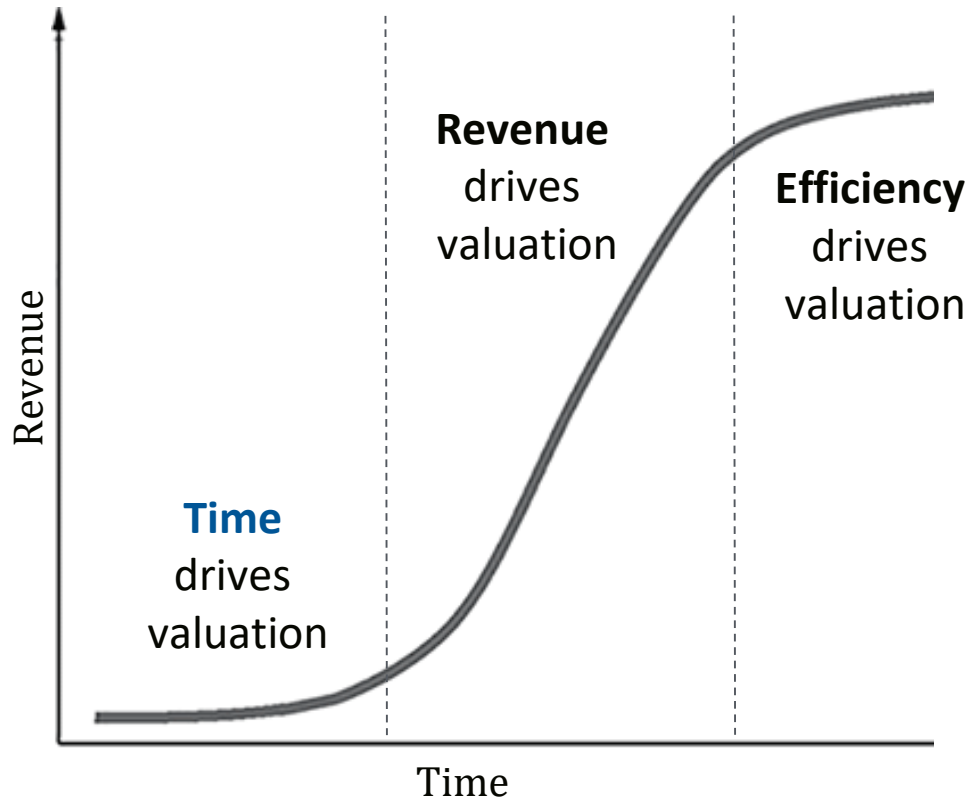
FDA

Product Launch

Market

Market Entry

Repeatable Sales Process
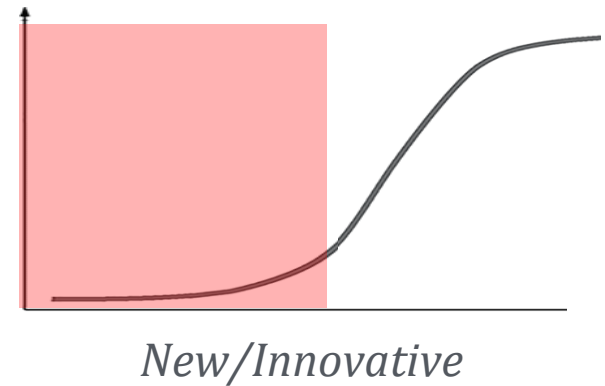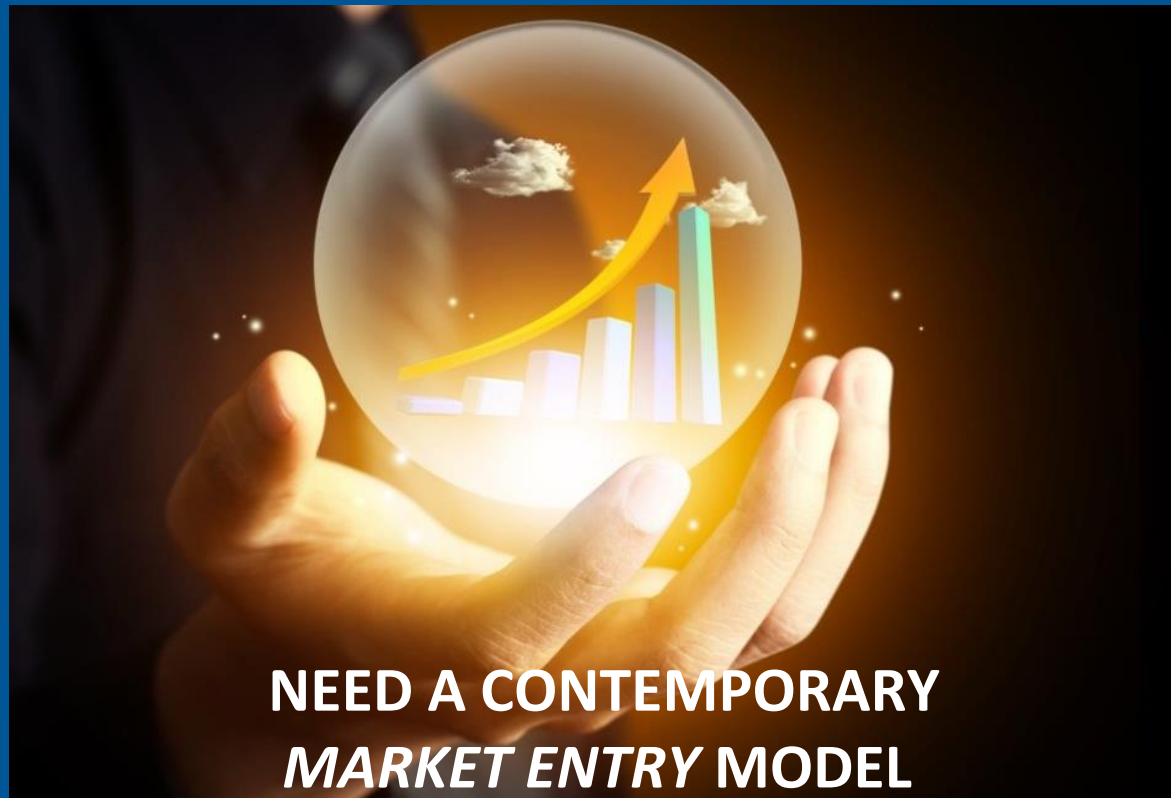
Development

Market at Scale

Revenue
vs.
Valuation

Product Life Cycle

Revenue (y-axis), Time (x-axis)

Time drives valuation

Revenue drives valuation

Efficiency drives valuation

Incremental

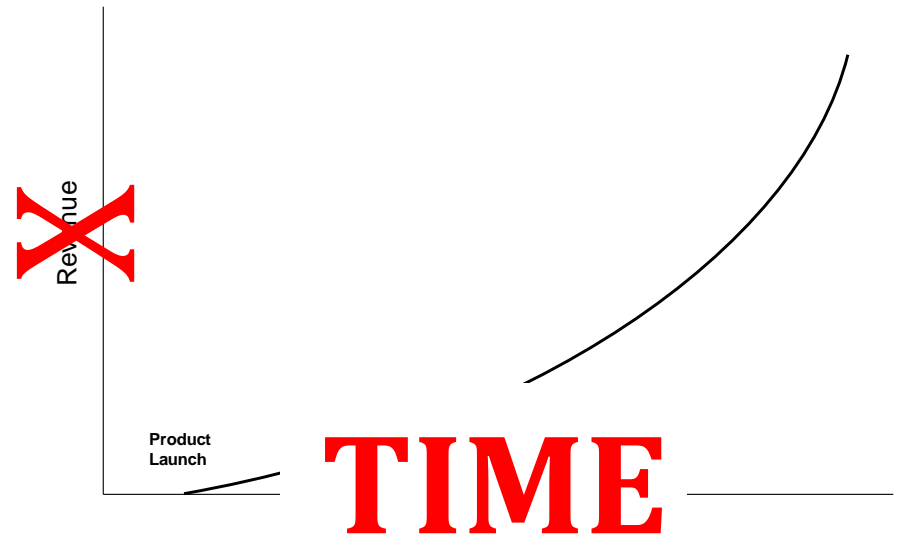**Incremental vs. Disruptive**

New/Innovative

NEED A CONTEMPORARY
MARKET ENTRY **MODEL**

Fundamental Shift

GOAL is the
Repeatable Sales Process

Revenue is an indicator, not the goal

Start Selling Earlier --- Data IQ

Outsider	**Engaged**
Internal Assessment	Engaged with

Outsider

- Market data & reports
- Secondary market research
- THE Business Plan

➤ Assumption-based
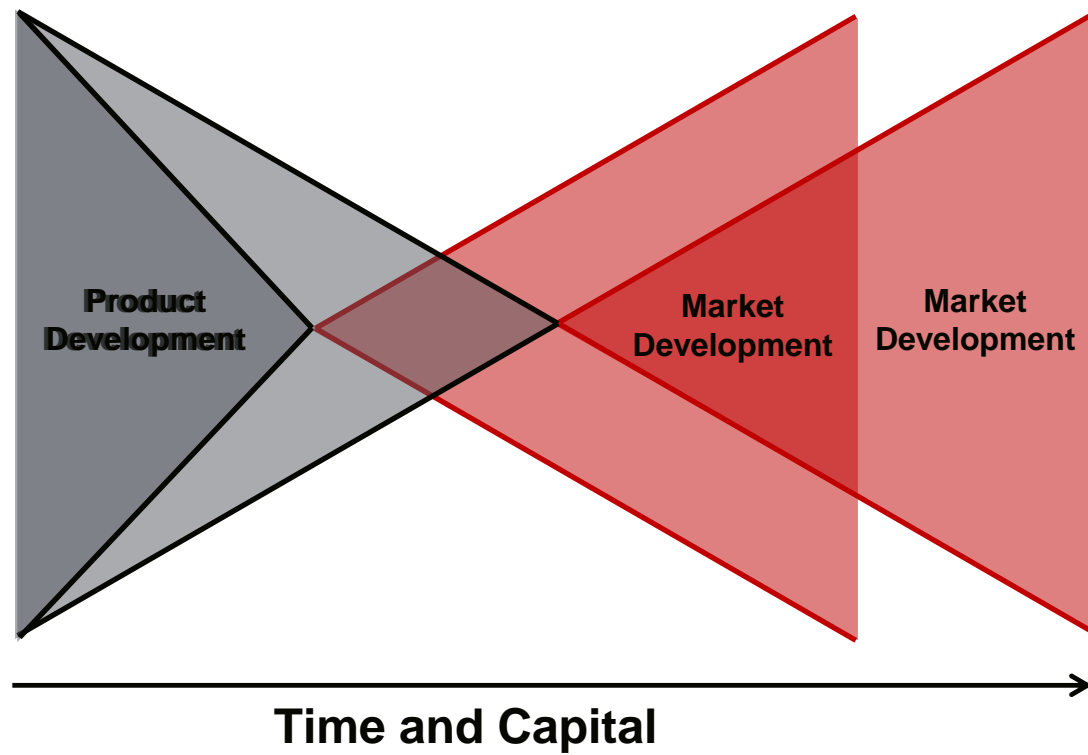➤ Get to "Engaged with" NOW
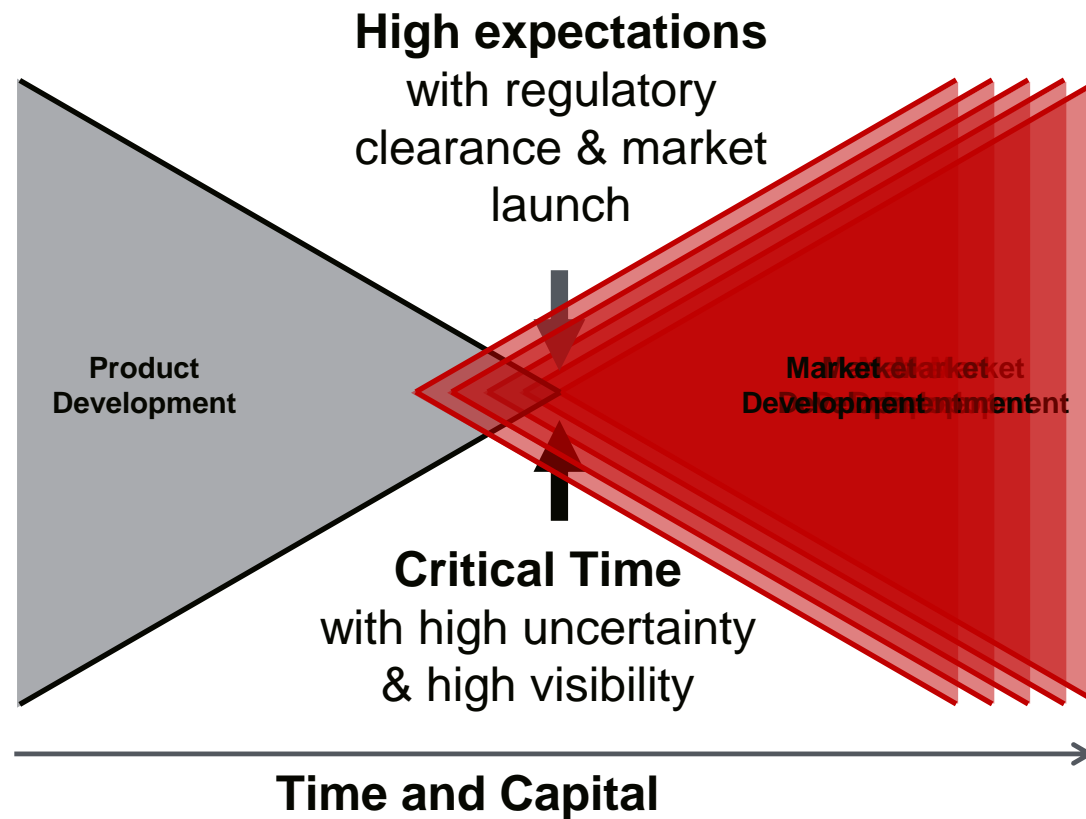
Key Insight:
    Market Size

Engaged

- Primary market research
- Customer/decision maker interviews
- Pilot programs
- MVP release
- KOL engagement

Key Insight:
    Unmet Need

➤ Exponential improvement in data quality
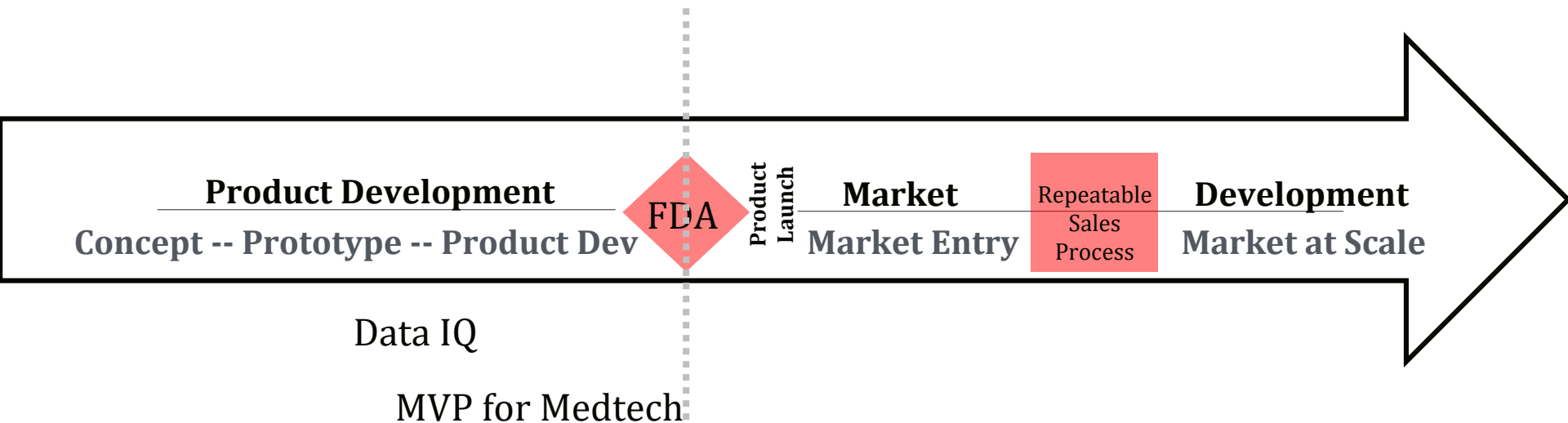
MVP – Tech Model

MVP – Regulated Model

High expectations
with regulatory
clearance & market
launch

**Product
Development**

**Market
Development**

Critical Time
with high uncertainty
& high visibility

Time and Capital

Product Development & Market Development

Product Development
Concept -- Prototype -- Product Dev

FDA

Product Launch

Market
Market Entry

Repeatable Sales Process

Development
Market at Scale

Data IQ

MVP for Medtech

Market Segmentation
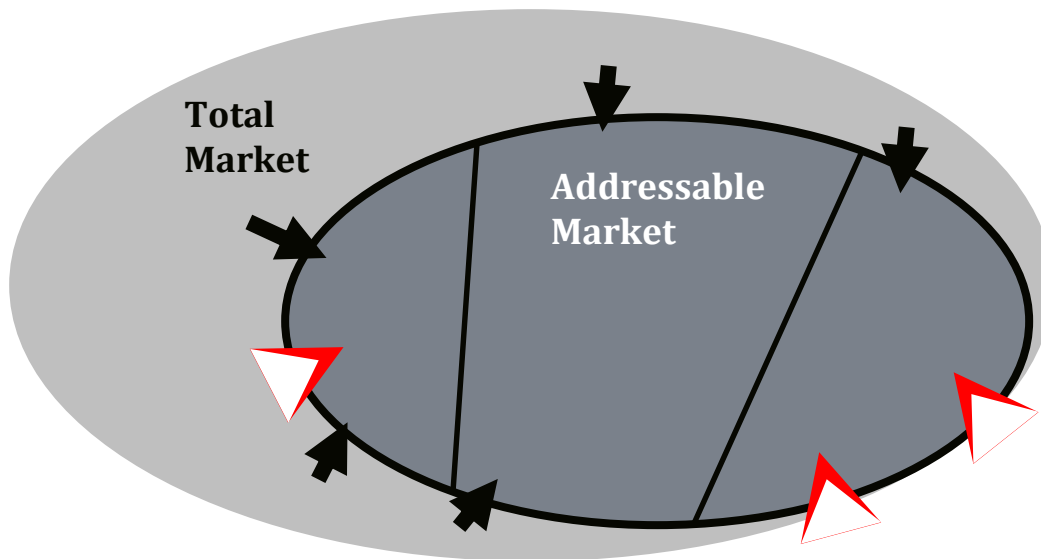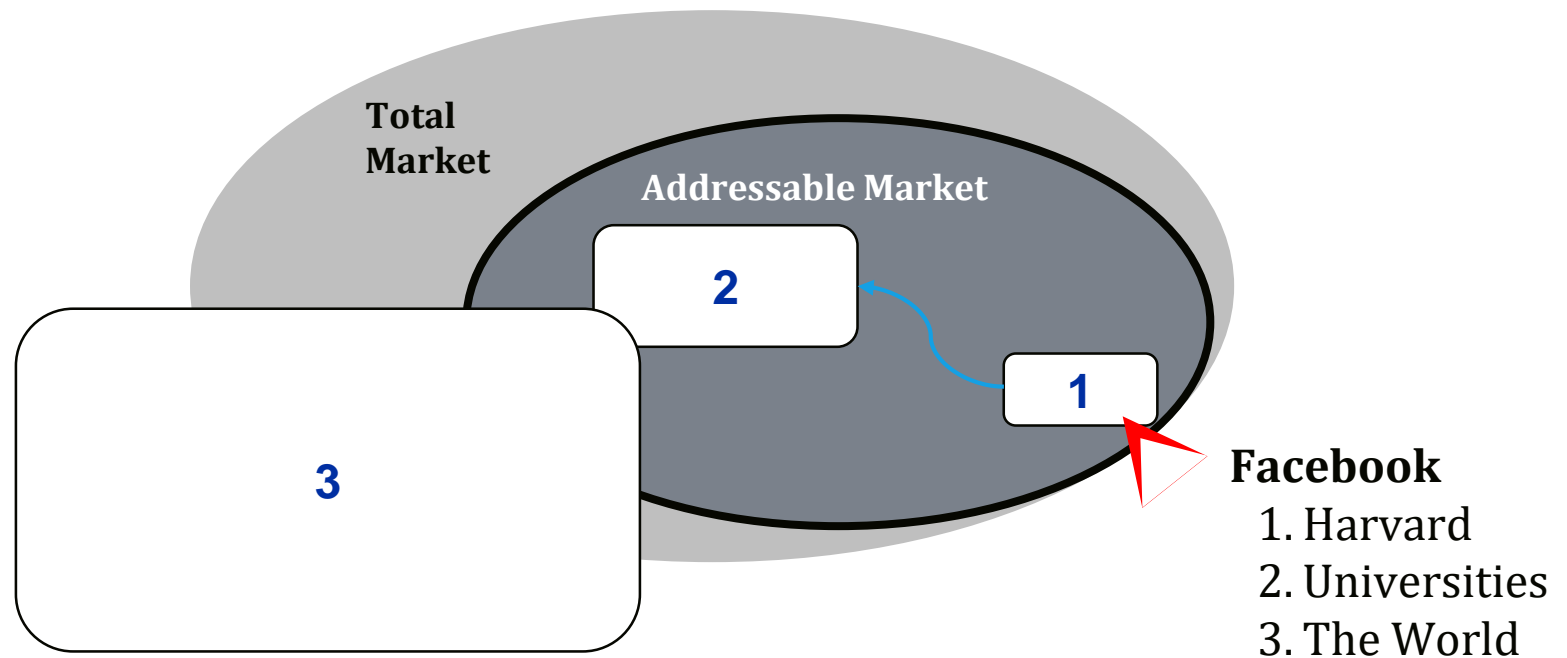

Entry Points

Different from market segmentation
- More refined, more granular
- Bottom up; Not top down
- Assumption to be tested

Target customer; target use
- Specific "buyer" profile
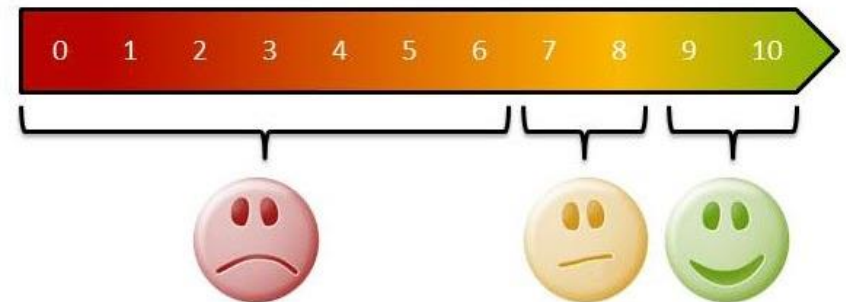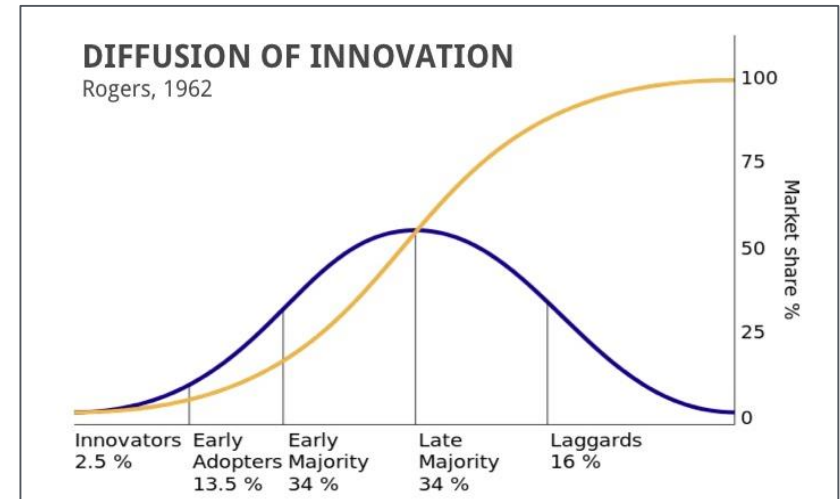- Very specific use with high pain & high benefit

EA

Entry Points vs. Market Segmentation

Total Market

Addressable Market

2

3

1

Facebook
1. Harvard
2. Universities
3. The World
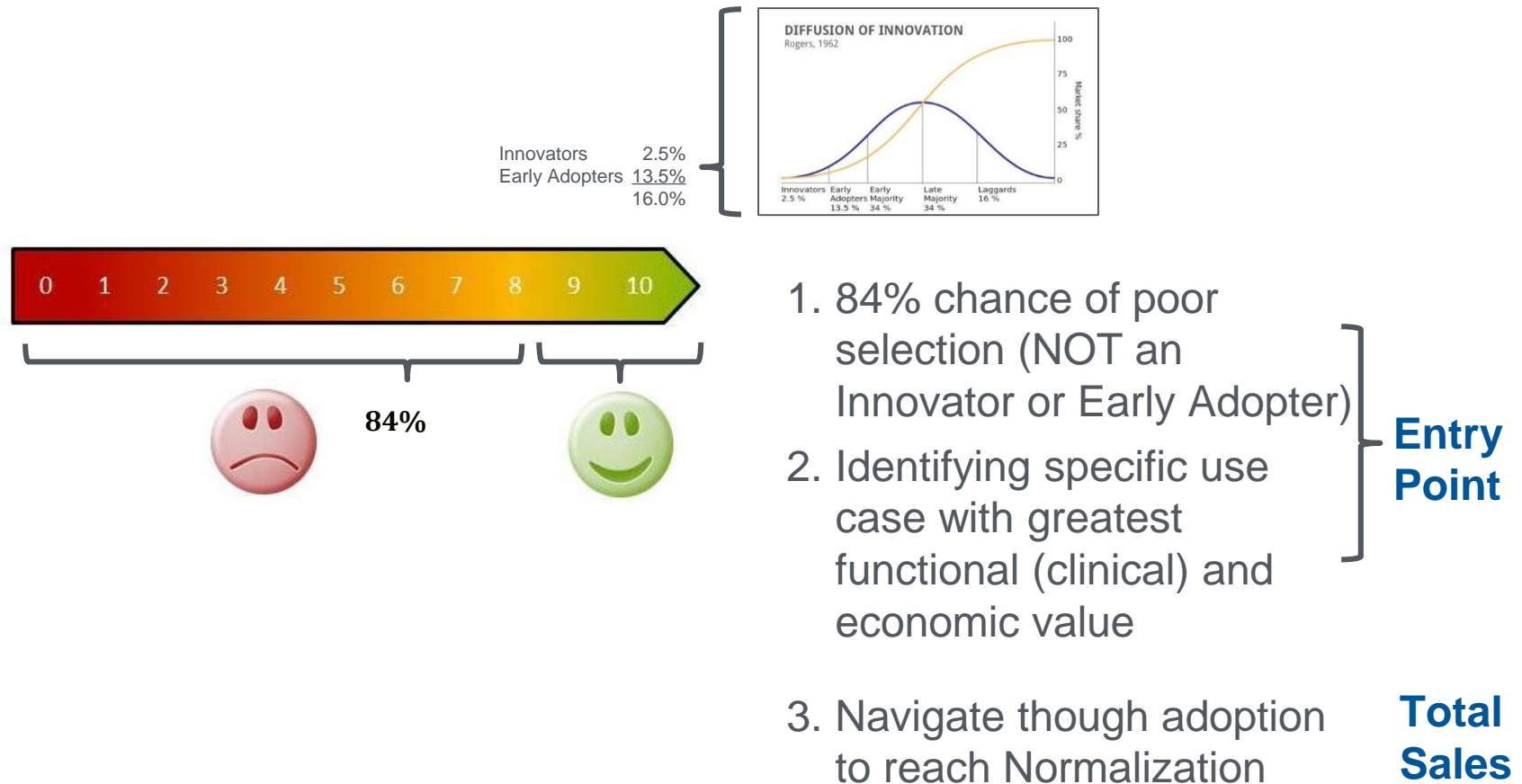
Who? Smart Revenue

- Shared vision
- Visionary; risk takers (target customer)
- Seeking solution to same problem (target use)

- Selection process (not sales to all comers)
- Antithetical for professional salespeople

Phys - Ross

DIFFUSION OF INNOVATION
Rogers, 1962

Innovators 2.5 % | Early Adopters 13.5 % | Early Majority 34 % | Late Majority 34 % | Laggards 16 %

Market share %

Selection Process
Probability Weighted Against … Success

DIFFUSION OF INNOVATION
Rogers, 1962

Innovators 2.5%
Early Adopters 13.5%
16.0%

Innovators 2.5% | Early Adopters 13.5% | Early Majority 34% | Late Majority 34% | Laggards 16%

Market share %

84%

1. 84% chance of poor selection (NOT an Innovator or Early Adopter)

2. Identifying specific use case with greatest functional (clinical) and economic value

Entry Point
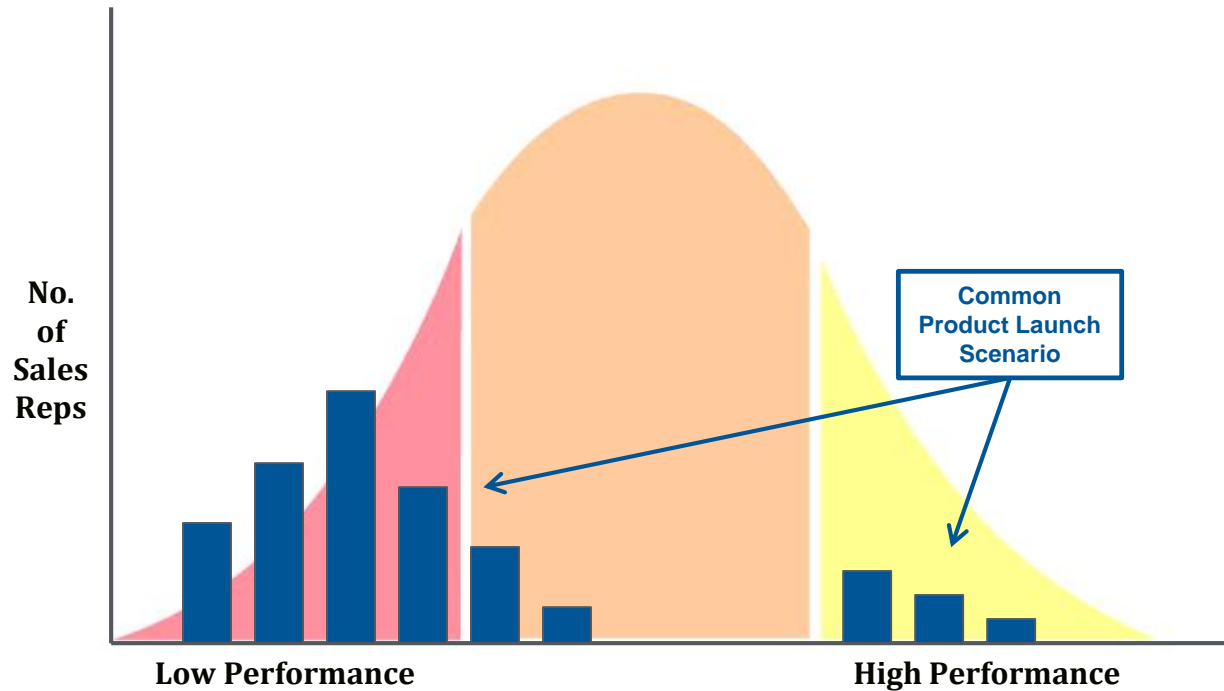
3. Navigate though adoption to reach Normalization

Total Sales

Healthy Sales Team Performance

Common Scenario
Not a performance issue --- A leadership & strategy failure

Who?

The Process

Very different from professional sales – often diametrically apposed

1. Skillset … of Professional Market Entry
   - Innate ability plus … Learned skill set plus … Experience
   - The cowboys, rebels & troublemakers
   - "the visionary doer" or "the renaissance rep"

2. Hiring
   - Different hiring profile
   - Compensation designed to accommodate risk & team perspective

3. Different Management Style
   - Bottom up; egalitarian

"fewer people who could operate in a chaotic learning environment, versus a process-driven, execution one."

~ Steve Blank's 9/17/2019 blog, **AgileFall – When Waterfall Sneaks Back Into Agile**

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Agile Market Entry

An iterative framework that efficiently uncovers and codifies the proven repeatable sales process (RSP) for innovation.
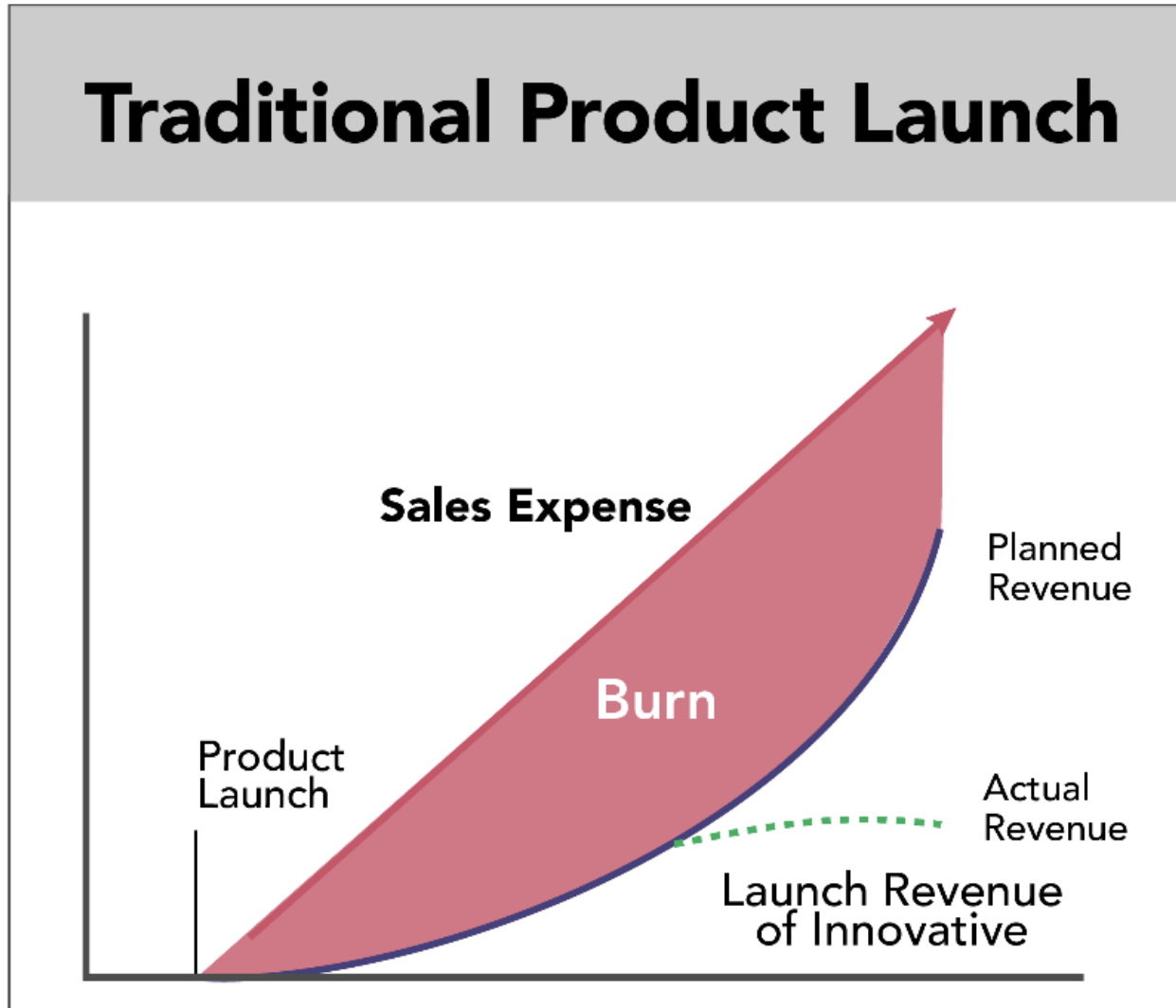
RSP can then be executed by a professional sales organization to scale revenue.
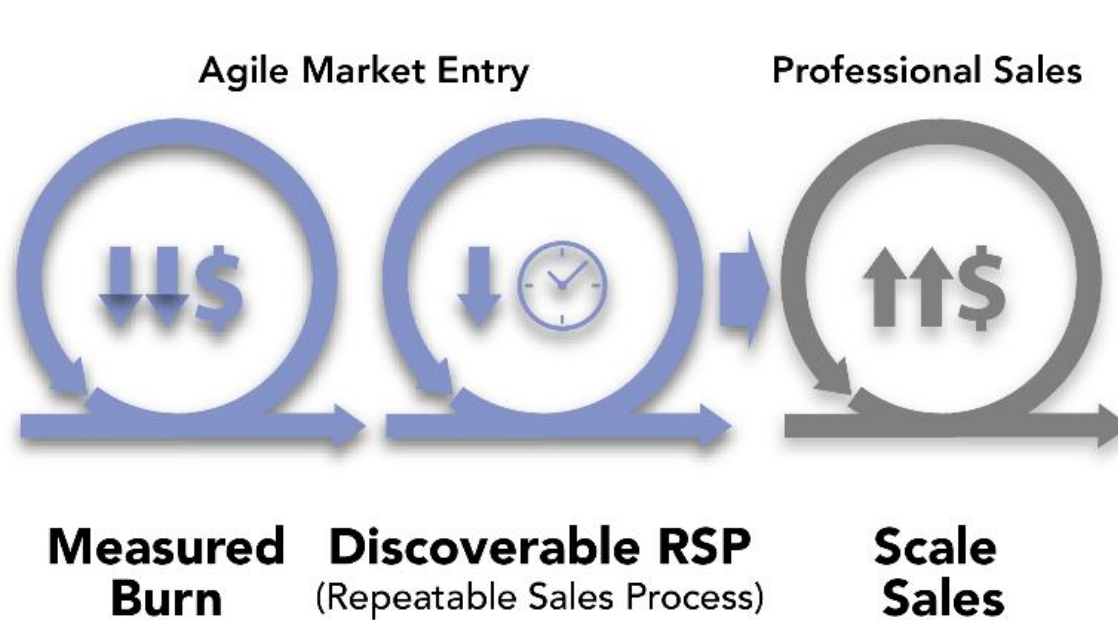
4 Ps of AME

- **P**ositioning (Leadership)
- Operating **P**rinciples
- Execution **P**ractices
- **P**eople

The Problem – Enormous Costs

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Agile Market Entry

Benefits of AME

- Measured Burn – reduce early spend
- *TruePath* to growth stage sales and accelerating revenue
- Increase enterprise valuation

5x ROI of AME

5 | **Develop New Markets** $$$$

4 | **Revenue Inflection at Scale** $$$$$

3 | **Prevent Premature Scaling** ($$$$$)

2 | **Lower Early Sales Burn** $$$

1 | **A Running Start** $

Thank you for participating

See you at our April 28 program!