

Orthopedic Device Company Uses Go-To-Market Strategy for New Product Launch

Situation:

A large orthopedic device company received approval to launch a new product that would expand its attainable market to new buying groups and significantly grow revenue. Given a crowded marketplace with limited growth, the company's go-to-market strategy involved displacing existing competitors.

Challenge:

Sales and marketing leaders sought to determine attainable market potential at product launch and develop a comprehensive launch strategy, including customer segmentation, targeting, and sales force sizing. As part of this effort, they wanted to quantify the risks for sales force execution of launch strategy.

Our detailed quantification of the risks for each phase of launch strategy allowed the client to make informed decisions on various sales force investments.

Solution:

Using demographic and corporate data, Alexander Group developed a statistical account targeting model to determine the

size of the overall market. At the initial launch of the product, we estimated the company's market potential at approximately 7% of the total market. We conducted seller workshops to understand the buying and selling processes as well as to quantify the time required for sales conversion.

Additional analyses and workload modeling provided estimates for annualized revenue and served as key inputs for sizing and territory deployment. We recommended a simple commission structure that was time-specific for the new product launch and highly motivational to reward the behaviors that drive product adoption. We created a launch readiness roadmap for sales initiatives, outlining potential risks and expected ROI.

Benefit:

In order to meet Year 1 revenue expectations, we built a business case to hire 3x more sellers than originally budgeted. Our detailed quantification of the risks for each phase of launch strategy allowed the client to make informed decisions on various sales force investments.