



Market Innovation Case Study

Fortune 1000 Engineered Products Co.

Create a New \$100 million Business: Where to Play? How to Win?

The Client

Our client is a publicly traded worldwide designer, manufacturer, and integrator of precision motion control and flow control products and systems.

Our Client's Situation & Challenges

We were asked to determine the most appropriate market segments to create a new \$100 million MedTech business, with the ground rule that the acquisition portfolio would be complementary to our client's core competencies in precision motion control and flow control, and within acquisition budget constraints.

Our Client's main concern was running out of growth in core markets.

An internal decision was made to explore MedTech as a growth trajectory, but the management team had little knowledge of the industry—funding was made available to perform multiple studies by a variety of resources: internally, by boutique consultancies and investment bankers, but none were not actionable—they either touched on technology or market, but not the two in unison to create an action agenda with a degree of predictability.

Of particular concern was high acquisition prices driven by typical EBITDA acquisition multiples.

How We Helped

We assigned a multi-disciplined, high powered team comprised of business, science, engineering, and clinical experts to (1) activate an extensive network and (2), perform the requisite analysis to first identify market segments and winning technologies that fit internal competencies, and then determine high-potential acquisition targets.

Our difference was the unique blend of science, technology, and business talent (with extensive technology and business networks) who could address the opportunity objectively and move quickly to qualify and then act on opportunities worth advancing.

“This team pulled it all together, blending technology and business that actually produced a tangible result.”

Vice President, New Business

The Result

A suite of acquisition candidates, grounded in core technologies and market value that resulted in a new, \$100 million medical products business, within acquisition budget constraints.

We profiled 105 MedTech market segments on the basis of size, growth CAGR, and industry concentration.

Down select criteria was employed to determine those segments that would benefit from flow control and motion control competencies—taking 105 segments down to 12 comprising 4 Platforms.

An industry scan was then performed to determine possible candidates with requisite valuation estimates developed to determine acquisition budget feasibility

Technology, IP, and clinical analyses were conducted to determine technology viability and overall competitive longevity—producing an additional 4 acquisition candidates.

A final set of 6 products from two platforms, comprising 8 acquisition candidates resulted

We then facilitated introductory meetings in advance of investment banking proceedings

The **StratOps** Group Approach

We employed our proven methodology to find relevant technologies, products with verifiable claims and operating in the market. Our approach, demonstrated successful in multiple client settings, improves the visibility to emerging technology based businesses thus enabling rapid market entry.



105 “Opportunity Zones”

12 Segments,

4 “Business Themes” meeting flow and motion control competencies

6 Products

8 Acquisition Candidates

4 Acquisitions—New \$100mm business

Sample Deliverables

