

**TLGG Consulting**

# A perspective on the evolution of MedTech by TLGG Consulting

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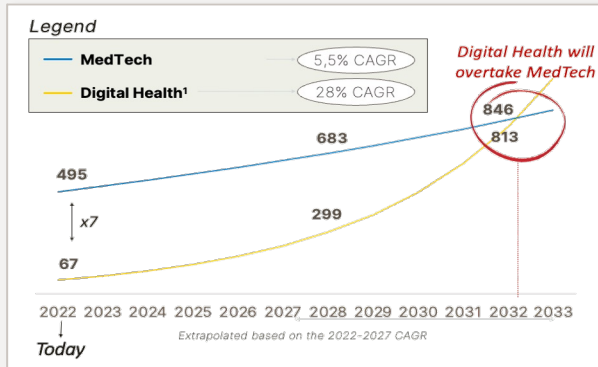
# **The MedTech Opportunity**

## Industry Status

Shifting market dynamics, changing user expectations and new entrants into healthcare space create need to evolve for MedTech companies



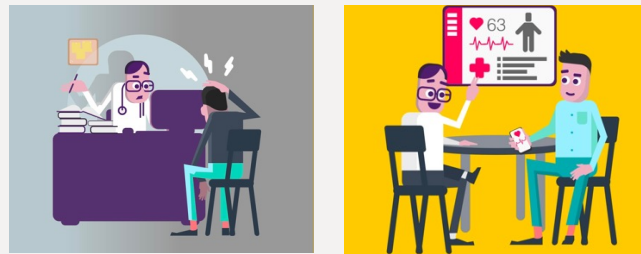
### Digital Health will overtake MedTech in 2032+



Digital health platforms (DHP) fastest growing segment



### User expectations are changing from within & outside healthcare



FROM TRADITIONAL CARE TO (DIGITALLY-ENABLED) COLLABORATIVE CARE

Companies with consumer expertise will outperform traditional healthcare players



### Big players are staking claims in healthcare space

CVS to buy home health giant Signify Health for about \$8 billion

Amazon's \$3.9 billion acquisition of One Medical moves a step forward

New entrants on rise, increasing competitive pressure on traditionalists



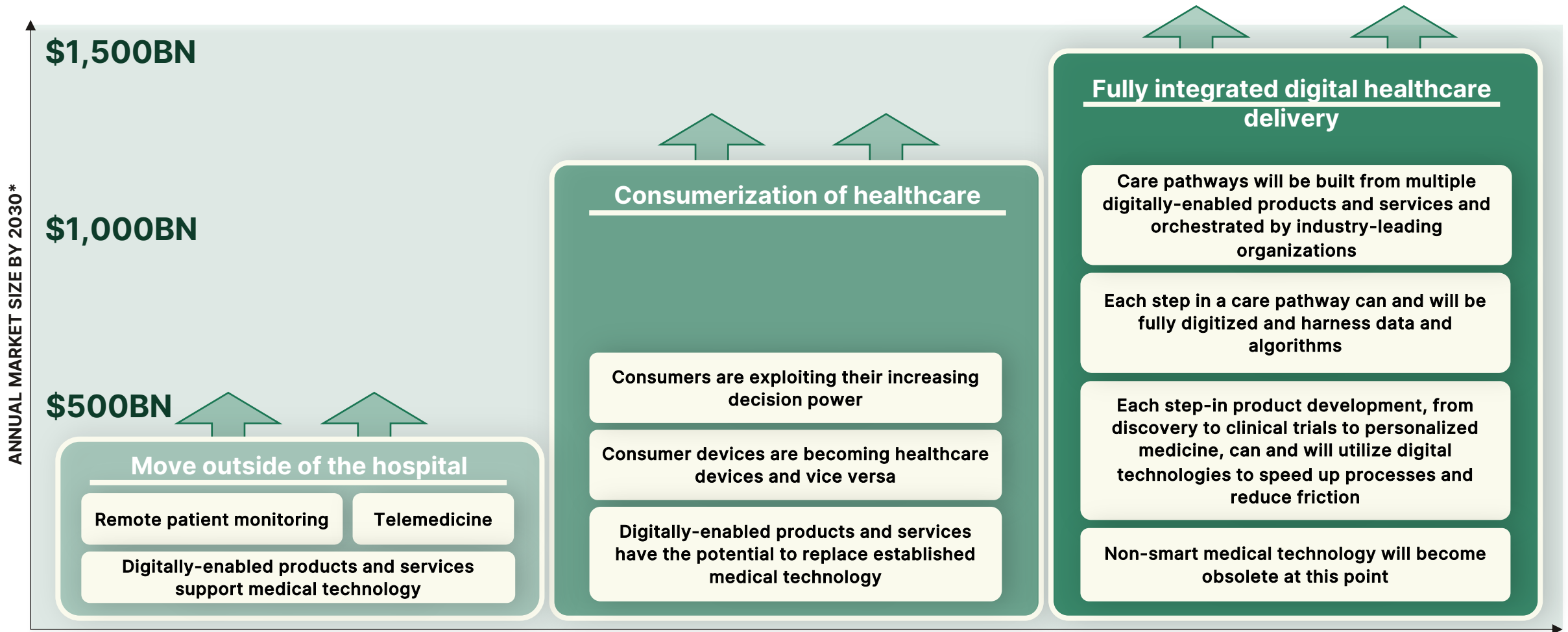
### MedTech manufacturers are on low-growth trajectory

- Current **customers** (esp. hospitals) under intense **cost pressure**
- Existing product lines and revenue streams, **limited potential for organic disruption**
- High exposure to **stagnant markets limits growth potential**
- **Comparatively low R&D spending** and insignificant efforts on digital products **limit disruption potential**



### Evolution from Digitization to Consumerization to Healthcare Ecosystems integration

Digital health platforms create new digital health market opportunity of USD +1,5 T by 2040



\* 2021 – Source: cms.gov

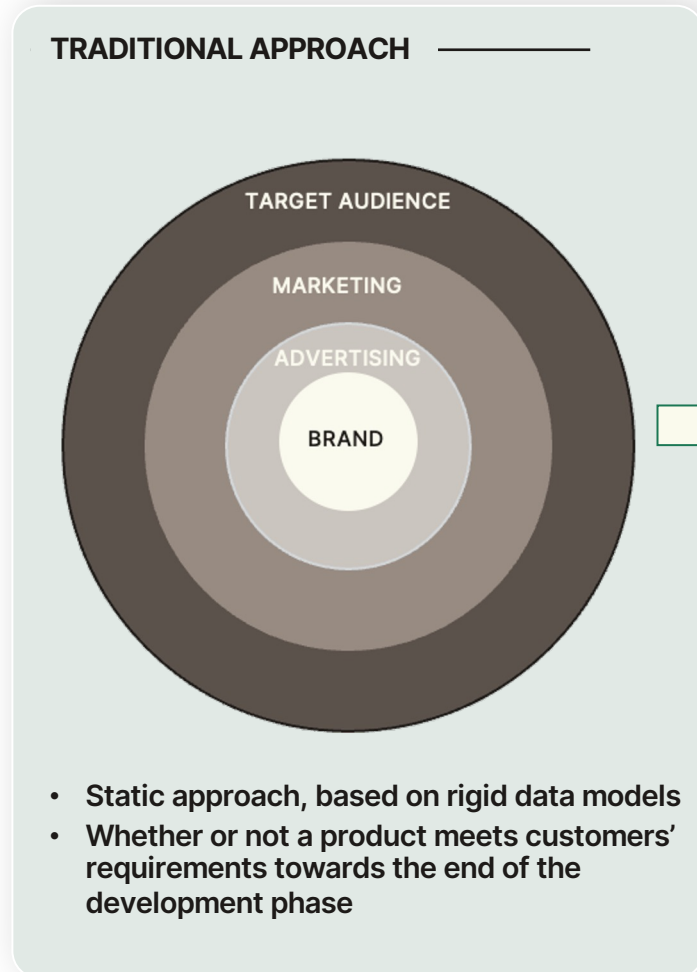
DIGITAL HEALTH ECOSYSTEMS: DEVELOPMENT STEPS (EXCERPT)





### Changing consumer expectations everywhere require new capabilities for traditionalists

Specific (data) capabilities are necessary to identify relevant opportunities within the digital health market and implementing them quickly is key



**RECENT EXAMPLE**

**Amazon launches RxPass, a \$5/month Prime add-on for all-you-need generic drugs covering 80 conditions**

Ingrid Lunden  
 @ingridlunden / 11:59 pm PST • January 23, 2023

**CAPABILITIES THAT ARE NEEDED**

Customer centricity	Omnichannel	Upgraded online-merchandising	
Failing forward & learning faster	Advanced analytics & machine learning		
Big data management	Real time & on demand	Partnerships	...
Personalized digital marketing & loyalty	Social media & social commerce		



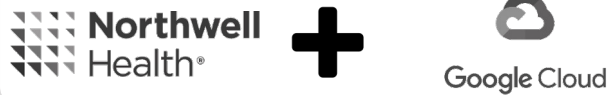


Strategic moves into healthcare by big (tech) players are harbingers of emerging ecosystems and intended positions through partner, build, invest

**“MOST HEALTH INFORMATICS EXECUTIVES SEE BIG TECH AS A THREAT”**

SURVEY SAYS FROM NOV 2018

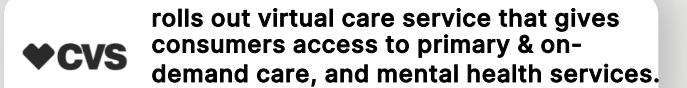
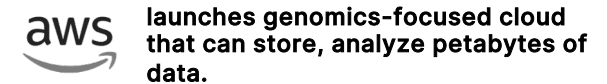
**BIG PARTNERSHIPS**



**NOTABLE ACQUISITIONS**



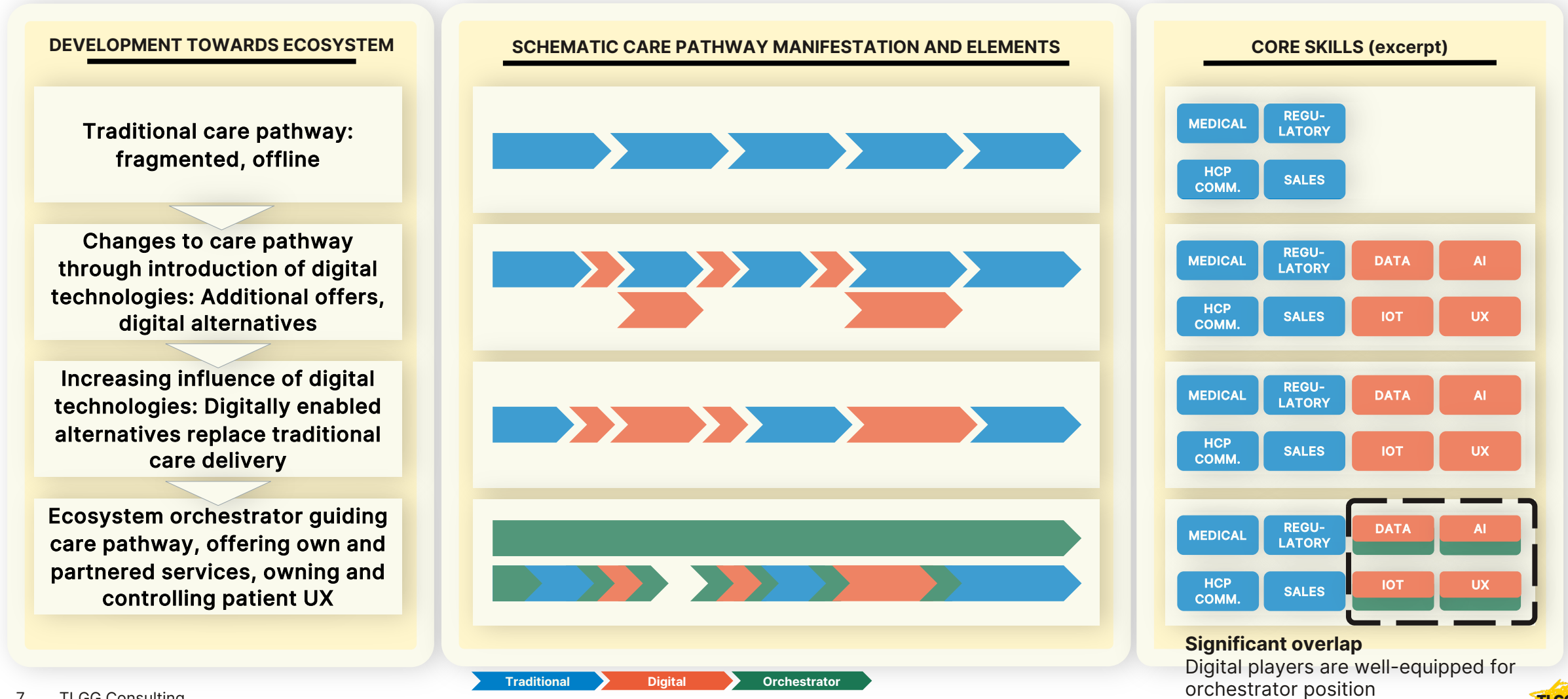
**NEW ENTRANTS**



**These high-level moves do not only highlight deeper strategic priorities but also foreshadow the potential of large-scale partnerships setting standards for other ecosystem participants.**

## Requirements

Strategically re-shaping care pathways with smart digital offers build on new core skills while anticipating changing user behaviors & expectations is key



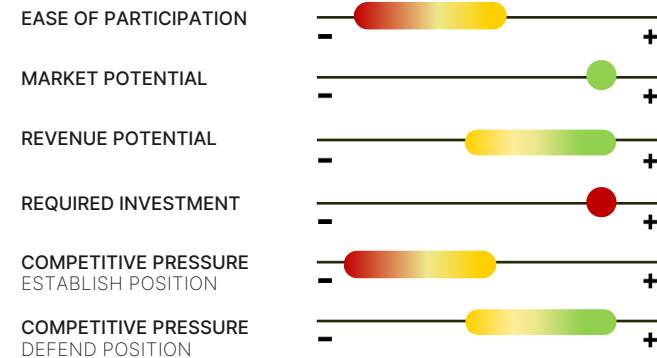
## End-state in mind: Three roles to consider within digital health ecosystems

A clear understanding of a companies ambition and future is key to focus activities, investments and capability development

### POSSIBLE ROLES WITHIN ECOSYSTEMS (classification exemplary)

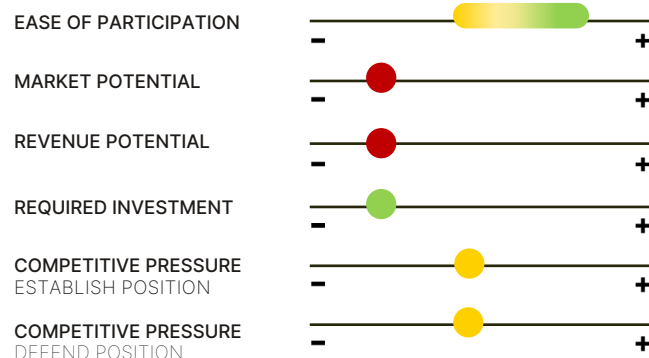
#### ORCHESTRATOR OF AN ECOSYSTEM

Orchestrators offer both their own and third-party products and services on their own platform; they have the highest visibility towards users, the highest decision power and usually the highest revenue potential.



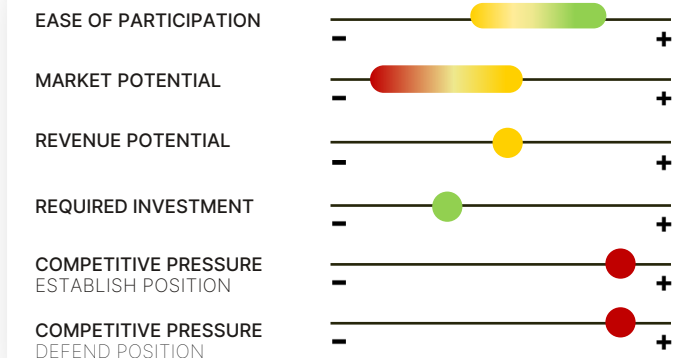
#### PARTICIPANT IN AN ECOSYSTEM

Participants cooperate with third parties which operate the ecosystem, providing (customer) access or specific capabilities that would benefit to both parties, under orchestrator's conditions.



#### ENABLER OF AN ECOSYSTEM

Enablers act as supporters of Participants, Orchestrators, or other Enablers, but don't have direct contact with the final end-user. Most companies are Enablers, as they are the foundational backbone.

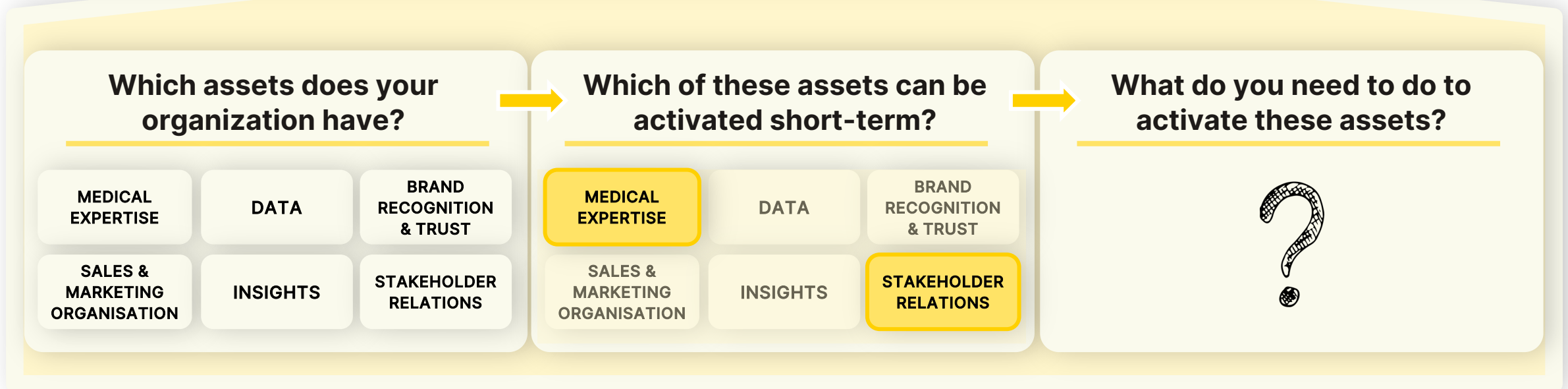


**The orchestrator position is usually the most lucrative and thus attractive position in an ecosystem, but also, the hardest to achieve and maintain.**




## Asset activation to determine the role within digital health ecosystem

We assist MedTech firms to prioritize assets, streamline operations, develop solutions, and determine their strategic role in a DHE



MedTech companies need to develop a strong target hypothesis based on user needs, tech opportunities and individual situation and assets



 **KEY TASK: Definition of short-term critical path of activities to enable long-term ecosystem participation and success**

## WE WOULD LIKE TO TALK

### **KATRIN ZIMMERMANN**

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### **Thomas Hagemeyer**

Healthcare Lead @ TLGG  
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- What role do you want, and can you take on as a company in the future, in which dependencies are kept to a minimum?
- What is needed to achieve and to succeed in this role?
- What is the competition doing and how should that be best mitigated?