



### Client Situation

A leading manufacturer of patient care products was struggling to regain market momentum for one of its product lines -- patient monitoring systems. A few years earlier, when the company acquired the product line, these patient monitoring systems were gaining strong acceptance from major hospitals. Unforeseen production issues, however, caused some concerns among hospital purchasers and the company's sales efforts stalled.

Senior management asked Alliance to determine whether the company should continue to invest in the patient monitoring product line or explore other strategic options.

### Alliance Approach

The team focused on understanding three critical issues:

- Current customer perceptions about the patient monitoring systems (e.g., performance relative to competition, production concerns)
- Long term potential for the market (e.g., size, growth, profitability) and prospects for the company (e.g., market share, ROI)
- The strategic and financial costs of exiting the patient monitoring space

Over a three month period, the team interviewed current and potential hospital customers, created detailed financial models and forecast scenarios, and worked closely with senior management to craft a strategic vision of what the business could become. The team's final recommendations were based on the following learnings:

- Hospitals that had already purchased the patient monitoring systems were fanatically loyal. Potential hospital customers were uniformed about the improvements that the company had made to address past production issues
- The market for patient monitoring systems was large and growing. The company's product had significant performance advantages relative to competition that could be better exploited to gain market share
- The investment needed to address the production issues was largely complete. Exiting the product line would be difficult given the installed base and more important would damage the company's reputation and negatively impact its long-term growth strategy



### Results and Impact

As a result of the team's recommendations, the company has publicly reaffirmed its commitment to the patient monitoring product line and increased its spending in sales and marketing. Equipment placements in major hospitals have picked up and sales momentum has been reestablished.