



Irish Medtech
Association
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Overview / Commercial Survey

14 September 2017

Adrienne McDonnell

Senior Executive,

Our strength lies in the number and diversity of our members



Irish medtech industry strategy to 2020

How Ireland is innovating
for the future healthcare and
economic growth





**Our vision is that Ireland will be
a global leader in innovative
patient-centric medical technology
developments, products
and solutions.**

Strategic themes



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graph LR; A((Strategic themes)) --- B((Realise the full potential of the Irish cluster)); A --- C((Driving our future)); A --- D((A global location for convergence)); A --- E((Nurturing entrepreneurship)); A --- F((Professional service to members));
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Realise the full potential of the Irish cluster

Driving our future

A global location for convergence

Nurturing entrepreneurship

Professional service to members

Strategic areas of focus

Commercial

Innovation

Entrepreneurship

Skills

**Business
Excellence**

Commercial Working Group Mission

The Irish Medtech Association Commercial Working Group will identify, develop and implement a programme around the areas of best practice sharing for the development of international strategic sales and marketing for the medical device and diagnostics industry in Ireland.



To support increased commercial activity being led out of the Irish medical technology industry.

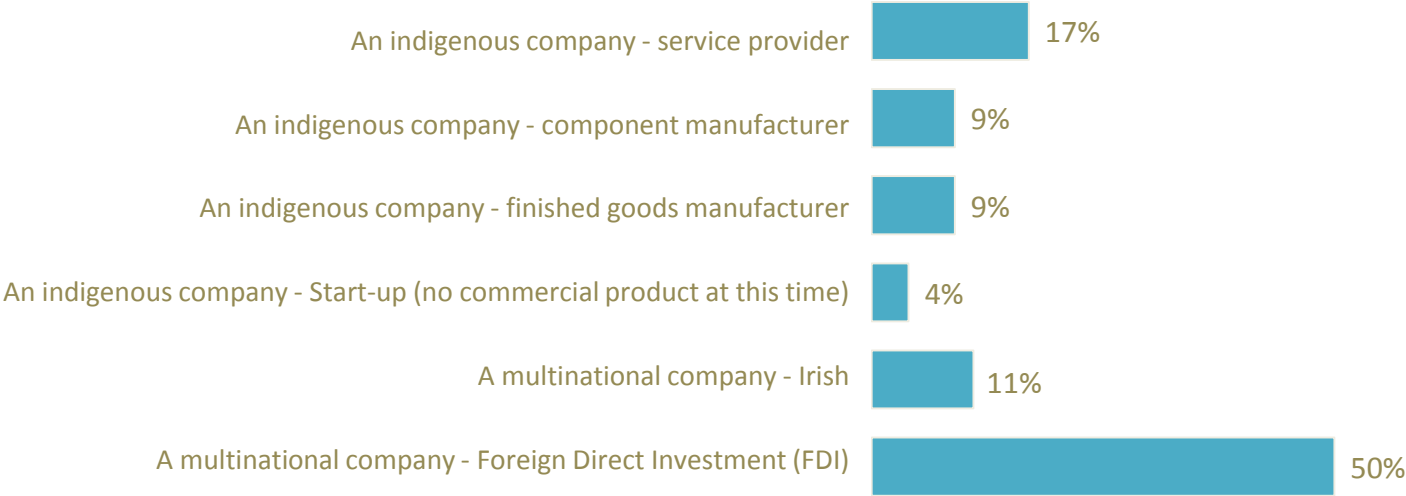
Survey target



Commercial Survey

- ✓ Research was conducted through an online survey with an invitation being sent to all members of the association. Fieldwork ran from December 2016 to January 2017 to allow for as many companies as possible to participate in the research, with follow-ups carried out throughout this period.
- ✓ In total we achieved n=54 completed surveys.
- ✓ Survey represents 15,766 employed across the Medtech sector in Ireland

Overview of Companies Who Participated



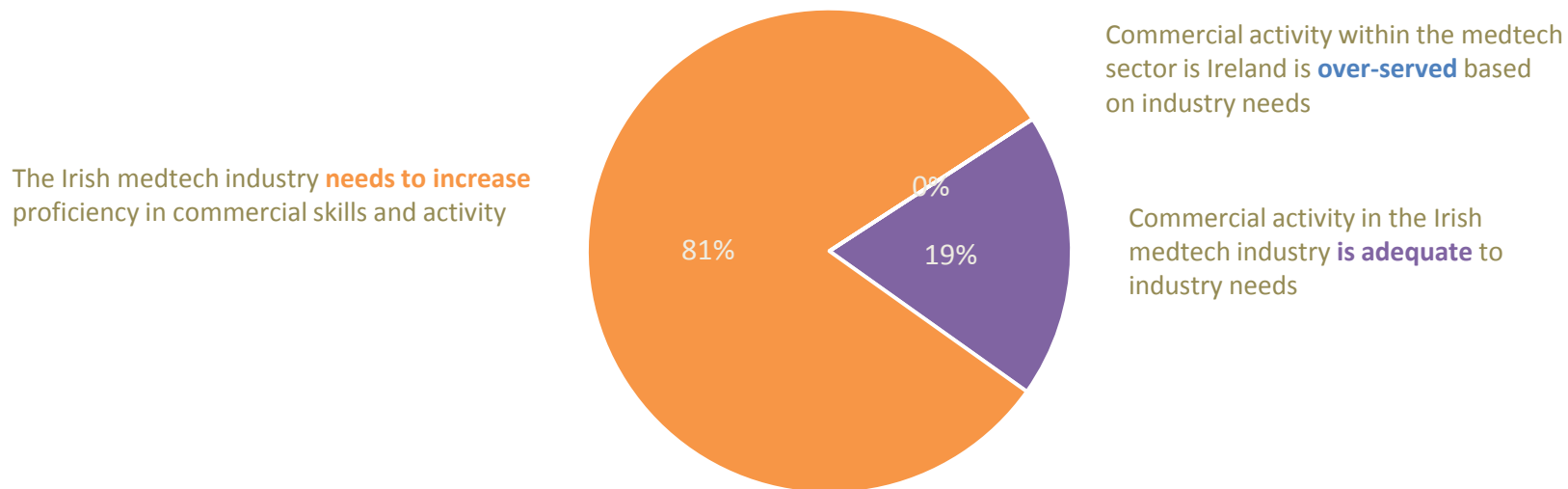
SURVEY RESULTS



Level of Commercial Activity Being Undertaken Within Irish Medtech Sector

(Base: All Members n=54)

Which of the following would you say best describes the level of commercial activity being undertaken within the medtech sector in Ireland?



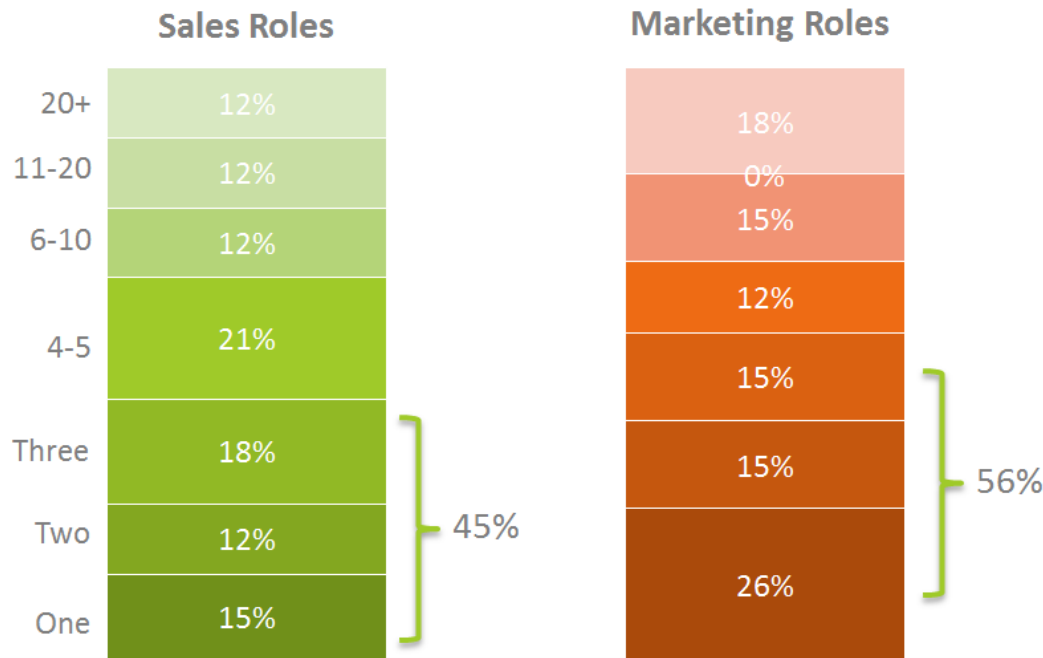
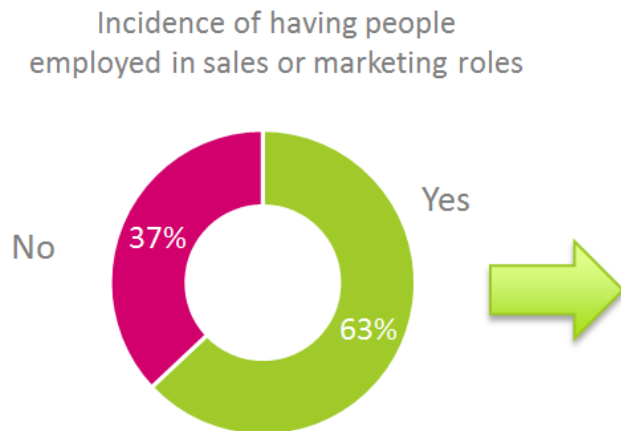
Over 8 in 10 members believe the Irish Medtech industry needs to increase proficiency in commercial skills and activity, with the remainder claiming commercial activity is adequate to the industry needs.

Number of People employed in Sales and Marketing Roles



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(Base: All Members n=54)

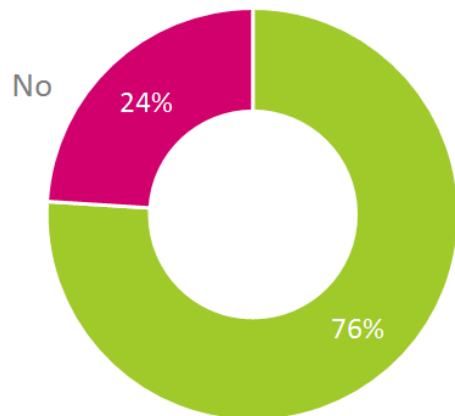


Almost two thirds of members companies claim to have people employed in sales and marketing roles. Of those, 45% three people or less dedicated to the sales function; and 56% of those companies have three or less employed in marketing only roles.

Sales and Marketing Combined Roles

(Base: All indigenous Company Members n=21)

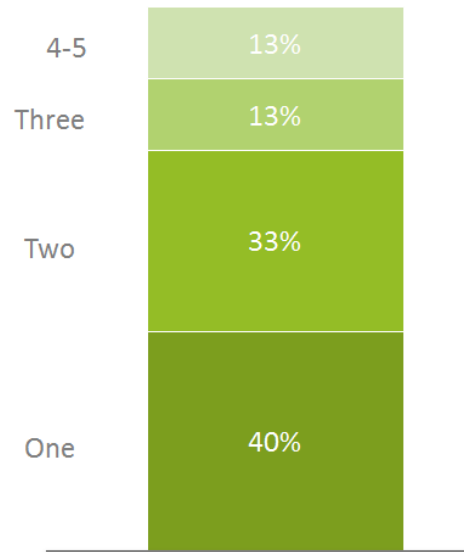
Incidence of Having People Work in Both
Sales and Marketing Combined Roles



Yes



Number Employed in Combined Sales & Marketing Roles



Amongst indigenous member companies, just over 3 in 4 companies have people working in both sales and marketing combined roles. Within those companies, 4 in 10 have one employee and a further third have two people employed in these roles.

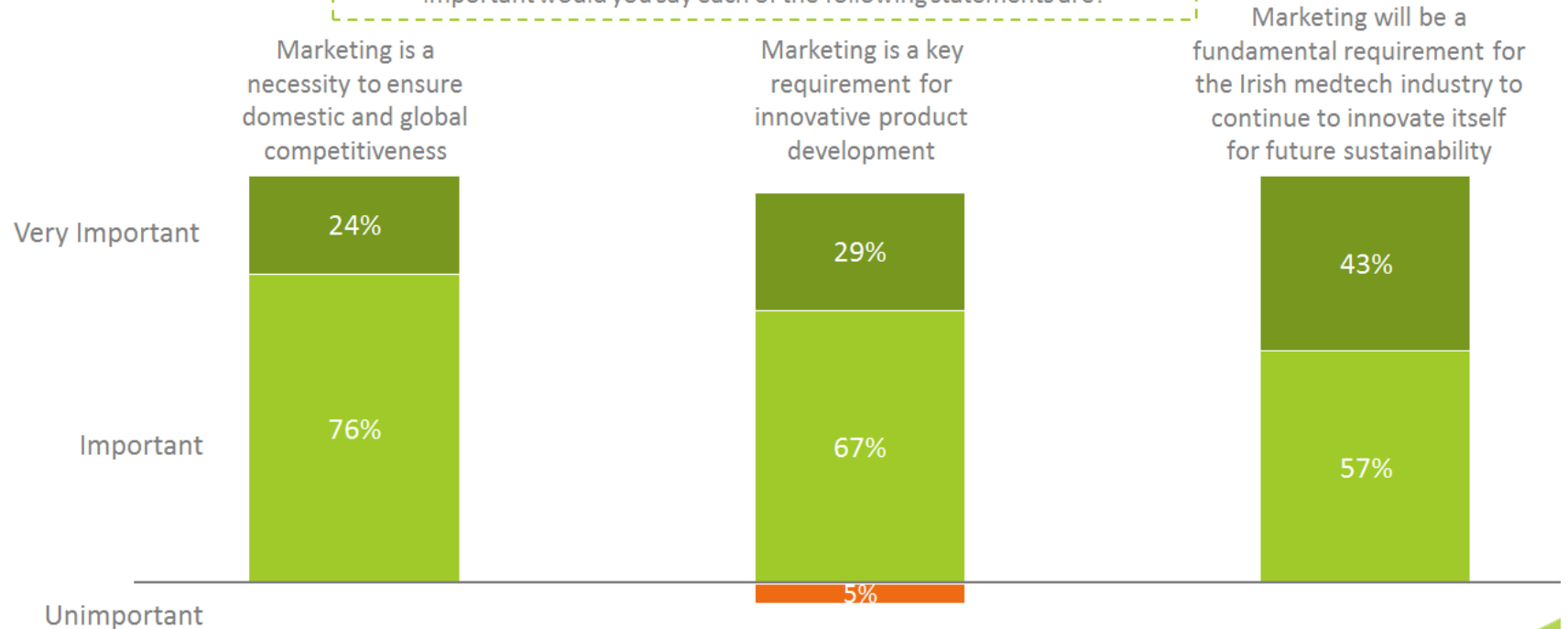
Importance of Marketing to the Indigenous Medtech Sector



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*(Base: All indigenous
Company Members n=21)*

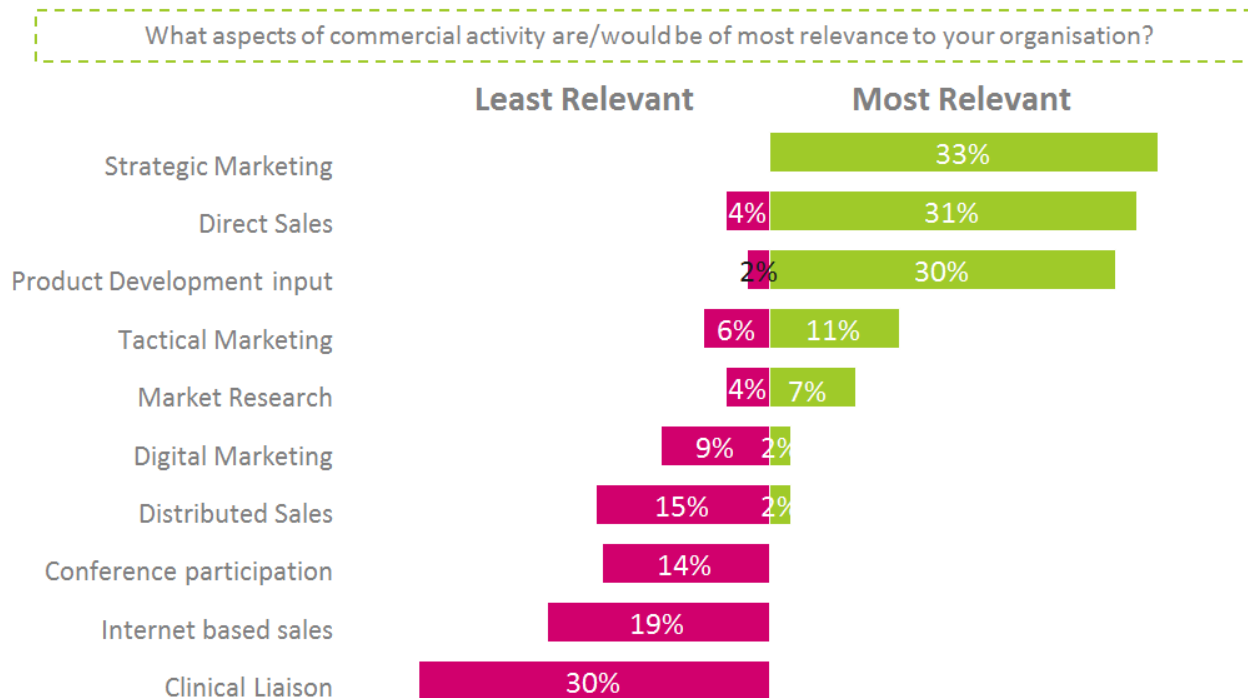
In relation to the importance of marketing to the Irish medtech sector, how important would you say each of the following statements are?



100% endorsement in the role of marketing in the indigenous medtech sector. Also a 100% recognition that marketing is fundamental in terms of future sustainability for this cohort. While there is strong recognition that marketing is a key requirement of innovative product development – we still have 5% who say it is unimportant.

Importance of Marketing to the Indigenous Medtech Sector

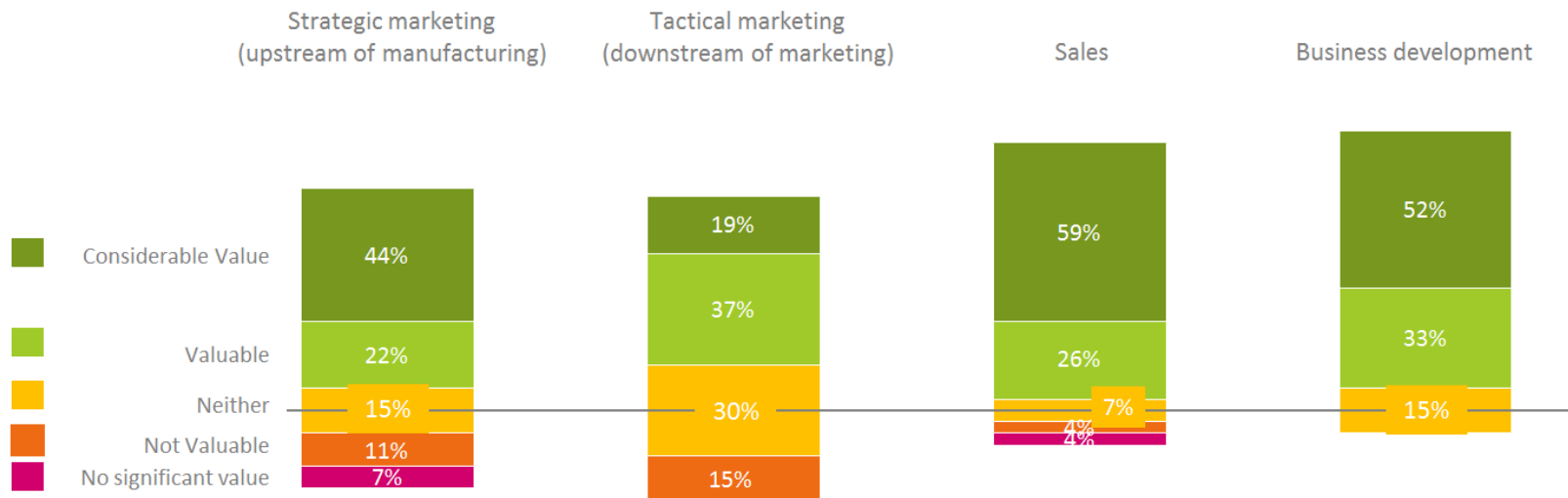
(Base: All Members n=54)



Strategic marketing is selected by a third of members as being the most relevant aspect of commercial activity to their company, closely followed by direct sales and product development input. Clinical liaison and internet based sales are both cited as being least relevant by as sizeable proportion of members.

Value placed on key aspects of Sales and Marketing

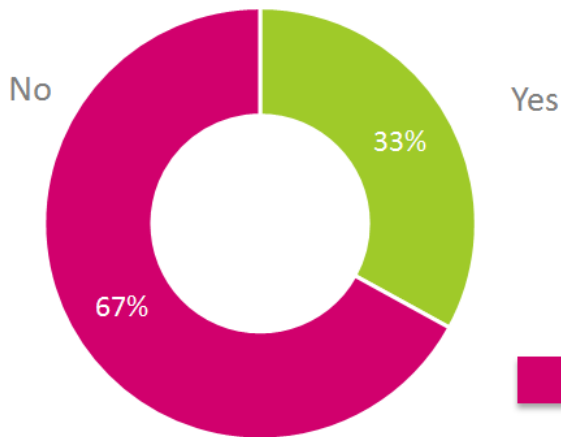
In terms of importance, please rank the following functions (irrespective of where they are currently located) from 1 to 5 in relation to the value they add to your Irish operations?



Sales is considered to be the most valuable aspect of sales and marketing, just ahead of business development with tactical marketing seen to be less valuable.

Location of Marketing within Irish Facilities

Is marketing co-located in your Irish facilities to help drive new product development?



What are the reasons why marketing is not co-located in Irish facilities?



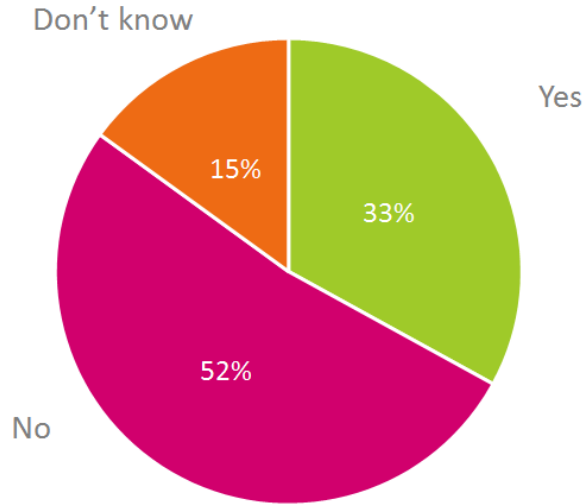
Just a third of multinational FDI companies have a marketing department co-located here to help drive new product development. Amongst those who don't have the marketing facility located here, the key reason is that the marketing facility is in the parent location; as well as a belief that there's a lack of need for it to be located in Ireland.

Potential for Introducing / Expanding Commercial Activity

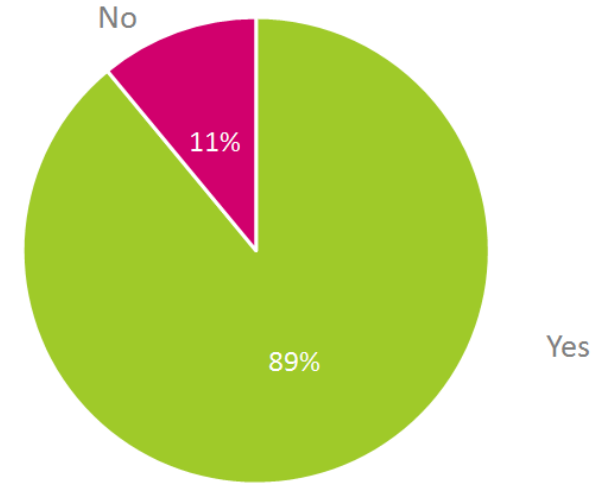


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Does your company have any plans to introduce/expand commercial activity based out of Ireland?



Are there initiatives underway to drive this objective?



A third of multinational FDI companies claim their company has plans to introduce / expand commercial activity based out of Ireland. Of those, 9 in 10 companies claim there are initiatives underway to drive this objective.

Additional Comments

"I think the relationship between indigenous SME suppliers and the international medical device companies could be improved. i.e. import substitution."



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"Increased network activities with presentation form the stories of success and failure."

"There is an opportunity within indigenous and more acutely FDI companies to develop sales and marketing activity directly from Ireland. The perception is that Ireland is a manufacturing and technically competent location but sales are left to HQ."

"We have a unique opportunity to evolve from purely a manufacturing to a commercial hub also."

"Meeting the needs of the market in the Medtech sector is driven by having superior products. We need to encourage global collaborations on this front and the development of good market insights that will drive innovation in the right way."

"Upstream marketing skillset in Ireland is non-existent because very few products are initiated and commercialised here in Ireland. Awareness of the role of Upstream marketing in concert with R&D Engineering is appreciated and marketing hold very little PR."

"The structure of start-ups as single product entities limits the growth of indigenous medtech companies."

"Setting up Commercial focus conference is a great idea Education and training for Engineers & Technical folks is an essential part of strategy as these people are usually on front line of business opportunity."

"The medtech sector in Ireland centres on the large multinationals. The SME sector must be represented in a more balanced way."

"More opportunities for commercial reps to gather and meet would be helpful."

"It would be useful to know how many MNCs have sales and marketing activities in Ireland currently and also to know are there other Irish stars in sales and marketing like Liam Kelly at Teleflex that could be role models for Irish people in this discipline"

I would be interested in attending a forum that has a purpose of uniting Medtech R&D engineers/technical people with Sales & Marketing people plus doctors/patients/hospital buyers (i.e.: the customers), often these disciplines are kept apart especially in Ireland."

Key Findings

1. Over 8 in 10 members believe the Irish Medtech industry **needs to increase proficiency** in commercial skills and activity, with the remainder claiming commercial activity is adequate to the industry needs, no members claim the sector is over-served.
2. **Increasing lead generation, identification of unmet market needs, assessing market potential and market expansion decision making** are all deemed to be very important by members in relation to their company specific goals.
3. **8 in 10 members** would feel that the Irish medtech **sector is more technically oriented than commercially oriented** as limiting its ability to increase commercial activity. Almost three quarters feel **that Ireland being seen as a manufacturing hub only is a factor in limiting the ability of the medtech sector in Ireland to increase** commercial activity.
4. Most prevalent barriers being cited in preventing increased commercial activity are the **limited availability of hiring and operational budgets along with the difficulty in attracting suitable candidates**.
5. **Product development input and Strategic marketing** lead the way in terms of the aspects of commercial activity are/would be of most relevance to their organisation, with almost 6 in 10 members selecting them in their top 3 in terms of relevance. Direct sales is in the top 3 for half of all members. Distributed sales and internet based sales are of much less relevance.
6. **A third of multinational FDI companies** claim their company has **plans to introduce/expand commercial activity based out of Ireland**, of those **9 in 10 companies** claim there are initiatives underway to drive this objective.
7. There are two key drivers for multinational FDI's establishing/increasing marketing activity, both of which are cited by 2 in 3 member companies. They are **increasing the scope of company's charter within the global organisation** and **increasing the ability to secure new product development to future-proof the business in Ireland**.
8. Amongst members there is a call out for more **networking and knowledge sharing forums**, with the opportunity to move from a manufacturing to a commercial hub realised.



Marketing and innovation produce results; all the rest are costs.

— *Peter Drucker* —

Thank you



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