

Market Entry Strategy Development:

Consulting a Medical Technology Startup in Entering the European
Market with a Product of Breakthrough Innovation

Head of Department: Achilles Georgiu

Professor: GyörgyBógel

Supervisor: Robert Byssz

Student: Grigoris Pissinos

Introduction	3
The challenge	3
Key considerations	3
Size of the problem	3
The early-stage of the project.....	4
The solution	5
Learning outcomes	5

Introduction

This public document intends to summarize the process and findings of my Capstone Project developed for my Master's degree in Technology Management and Innovation at the Central European University. Due to the confidential nature of the project, below I will refer to the co-founder of the company as "project owner" or "the client" and will refer to the company as "The Company". Based on our discussion taking place on 2019.04.10., I understand that the client is considering to enter the market with The Company's first product. The team is developing a breakthrough medical technology device aiming to provide a niche solution to the market of stroke survivors who suffered central nervous system damage (unfortunately no further details of the solution can be discussed in this report due to the confidentiality of the project and the informational sensitivity of the technology).

The challenge

Since the condition The Company aims to help with mostly develops due to stroke, the Company was interested in the development of a market assessment that quantifies the problem and assesses the business relevance of the solution including the determination and analysis of potential target markets considering the market size, market characteristics, burdens of entry and other strategic factors. Gathering reliable and consistent datasets that contribute to the identification of trends and drawing of meaningful conclusions were of key importance for the accurate assessment of the market. The scope of the project also included the development of initial hypotheses about the business model (including customers, product, distribution, pricing, competition etc.). These initial assumptions will be later validated by testing them on the market, generating real feedback and adjusting them to the "real scenario". The processes identified in the roadmap were linked to relevant stages of Everett Roger's Diffusion of Innovation Model.

Key considerations

Size of the problem

In order to assess strategic considerations, determining size of the "problem" the company aims to solve is of utmost importance. In order to do so, a throughout market assessment was developed that quantified the problem and identified Tier 1 and Tier 2 target markets (based on

a scoring model that was developed in collaboration with the client).

The early-stage of the project

The early stage of the project - being in product development phase - limits the report's competence in determining winning market practices. Concerning the project's early stage, the lack of consumer and general market feedback makes the validation of initial assumptions of the business model problematic. Rather than groping in the dark, based on a mutual agreement with the project owner, a decision of focusing on the development of a theoretical roadmap that will be available for use in a later stage has been made. In order to do so, we agreed on neglecting the traditional model of Product Development and rather use the Customer Development (see the book: The Four Steps to Epiphany) approach, a methodology consistent with the increasingly popular lean start up philosophy. Using the Customer Development approach was further supported by the fact that it was extensively covered during my Technology Management studies at CEU and its advantages (e.g. practicality and customer centricity) were highlighted compared to the more traditional Product Development Approach. The decision of using the Customer Development model was in line with the Company's business philosophy – consistently with the lean approach –that was prioritizing execution over planning (hence trying to enter the market as soon as possible). By not committing ourselves to a single plan (e.g. planning how customers will react to the product) one anticipates mistakes (false assumptions) and (if validation proves otherwise) sees failure as part of the learning and discovery process. Such an approach makes the collection of real customer feedback faster, leading to more valuable validations in the early stages (not relying on a first generation business extensively makes the process of product development more agile).

The solution

Frequent communication with the client helped the development of the report and enabled the application of up-to-date adjustments as the timeline progressed (e.g. the list of Tier 1 countries expanded during the course of the project). The writing of the report started with updating and extending the Company's existing research and quantifying the market of the problem The Company aims to solve. The findings of the market assessment are presented in first part of the report, together with one-pagers about the short-listed countries presenting key data and an analysis of the market. In the second part, the report elaborates on market entry opportunities for each of the countries identified as Tier 1 targets (the short list contains both Tier 1 and Tier 2 countries). In the third part of the report, hypotheses are presented together with a roadmap for their validation. The fourth part presents general roadmap that aim to guide the execution of the previously presented contents. The fifth part concludes the report and presents its key findings. It is important to note that the testing and validation of hypotheses were not included in the scope of the project due to its early-stage and The Company's limited access to customer feedbacks (The Company enters a highly regulated market that makes the testing of the product dependent on licenses that are yet to be received).

Learning outcomes

During the course of the project I was invited to Slack (an online collaboration tool used by the company that helps the organization of teamwork) and Asana (a project management application) by The Company in order to foster collaboration. I also participated in weekly skype sessions which enabled me to experience the everyday operations of a startup that is actively working on product development. Overall, not only the actual writing of the report, but the whole collaboration process was very useful for my professional/personal development.

