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## Highlights: Q2, 2019

We are pleased to share Fletcher Spaght's Second Quarter Highlights, summarizing recent achievements within our specialized consulting practice groups. We appreciate your continued interest and support.

### HIGH TECHNOLOGY PRACTICE

#### **Medical Simulation**

Conducted due diligence on the potential acquisition of a company with novel auscultation simulator technologies on behalf of a major manufacturer and distributor of medical simulation technology and anatomic models; effort included comprehensive interviews with laboratory directors and other key stakeholders regarding their unmet needs and likelihood to adopt the target's products; findings were reviewed with FSI's client and the client's debt lender; the transaction has since closed.

#### **ICU Data Connectivity**

Developed a data connectivity strategy for a venture-backed company preparing to commercialize an ICU-based continuous monitor of multiple blood analytes; effort included in-depth discussions with influencer CIOs at major hospital systems; findings and insights from the CIO market research informed FSI's recommendations for approach to EHR integration, connectivity and opportunities to leverage data generated by the system for analytics applications.

### HEALTHCARE PRACTICE

#### **Bioprocessing**

Conducted due diligence on a bioprocessing protein concentration measurement technology; effort included in-depth discussions with both the target's current and lost customers; findings confirmed assumptions on technology adoption thereby validating revenue projections; insights also uncovered several areas for product improvement; client has moved forward with acquisition.

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### HEALTHCARE PRACTICE (cont'd)

#### **Biologic Drug Development**

Assisted with multiple elements of the growth strategy for a start-up developing a novel platform technology utilizing quantum cascade laser microscopy to analyze protein folding, aggregation and deamidation for development of biologics and biosimilars; FSI advised on their strategic plan and their business model culminating in the development of a compelling investor presentation; FSI also conducted an outreach effort to potential investors resulting in multiple in-person meetings with several corporate and financial venture capital firms with negotiations now in process.

#### **Urology/Prostate Biopsy**

Evaluated the market potential and delineated the competitive landscape for an advanced image fusion and procedure guidance system with an initial focus on prostate biopsy application; efforts included in-depth discussions with physicians complemented by a large quantitative survey on current biopsy practices, receptivity to the proposed system and technology and trends in prostate cancer screening and biopsy; insights focused on an actionable segmentation of the market, addressing the relevant market size and characteristics of likely adopters.

#### **Spinal Implants**

Examined the market opportunity for a new spinal implant, developing an actionable segmentation defining the characteristics of early physician adopters and the relevant patient types they would consider to be most appropriate; in addition to physician perspectives, investigated the impact of other market segment factors on adoption including site characteristics, e.g., ambulatory surgery centers, and payer segments/channels, e.g., workers' compensation, the VA; insights formed the foundation for defining and prioritizing attractive market segments, development of marketing messages targeted to stakeholders within key segments and supported the identification and delineation of the marketing and sales paths and processes for successful market entry.

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### HEALTHCARE PRACTICE (cont'd)

#### **Clinical Research Organization**

Created a growth strategy and recommendations for specific initiatives for a Clinical Research Organization, specific to late phase research service offerings; effort investigated market trends, changing customer needs, evolving competitive dynamics and the perceived, and realized, impact of new digital health competitors today, and across the planning horizon; insights and recommendations resulted from comprehensive discussions with biotechnology and pharmaceutical company customers complemented by interviews with company management.

#### **Medical Monitoring**

Supported an early-stage monitoring company in their negotiations with a strategic investor; performed financial modeling, valuation support and negotiation strategy

#### **Ion Channel Drug Development**

Conducted a detailed market and technology assessment for a biotech platform technology company seeking to build a pipeline of proprietary drug candidates targeting ion channels in specific therapeutic areas of interest; FSI identified and prioritized ion channel molecular targets, and selected top indications for each target based on multiple metrics, including level of scientific and clinical validation, "big pharma" interest and technical feasibility; findings provided the foundation to set priorities across a broad set of internal R&D opportunities

#### **Disinfection**

Developed a market entry plan for a start-up company with a novel point-of-care low level disinfection system for healthcare facilities; effort included in-depth interviews with infection prevention and materials management stakeholders to develop and assess key value propositions; insights enabled FSI to highlight key levers as well as potential barriers to adoption; findings mapped out the anticipated sales process to inform FSI's client's sales and marketing requirements and expected investment required to achieve success.

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## **HEALTHCARE PRACTICE** (cont'd)

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### **Precision Dosing**

Tested the receptivity of primary care physicians and a mix of specialist physicians to a device that measures the pharmacokinetics non-invasively to determine individualized dosing for various drugs; compared the clinical and economic benefits to prioritize the initial drug for the device to measure, provide feedback to the developer on product functionality, workflow and report details to guide product development; also interviewed payers and payer-providers to identify receptivity to use prior to achieving a CPT code.

### **Regulatory Consulting**

Performed due diligence on a private equity investment in a leading provider of regulatory consulting services to the medtech industry; effort focused on understanding the impact of the new EU Medical Device Regulation (MDR) governing the production and distribution of medical devices in Europe vs. prior regulations under the Medical Devices Directive (MDD) as the MDR incorporates new industry challenges, e.g., software as a medical device and a life-cycle approach to medical device regulation in Europe rather than MDD which largely focused on achieving a CE mark; FSI's efforts also examined trends, issues, challenges in, and receptivity to, outsourcing regulatory compliance to third-party regulatory service providers

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## **CORPORATE GROWTH PRACTICE**

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### **Supplies Distribution**

Prepared a market assessment of customer needs and market trends in select categories of high-value products, in the context of the competitive landscape; findings became the foundation of a "War Games" workshop facilitated by FSI, with key decision makers within the client; workshop focused on identifying and evaluating strategic options to enhance market share and profitability, leading to delineation of initiatives and responses to current competitive dynamics evident and evolving over the forecasted environment, with detailed planning over a five-year horizon

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## **FSI PRACTICE GROUPS**

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**High Technology:** Internet, software, electronic commerce, communications, networking, hardware, services, etc.

**Healthcare:** Healthcare informatics, devices, healthcare information technology/services, diagnostics, therapeutics, services, etc.

**Corporate Growth:** Mature business transformation, growth options, profit improvement and acquisition support.

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## **FSI STAFF**

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The professionals of FSI have expertise in both strategy consulting and the industries on which we focus. To facilitate our international assignments, members of our staff are fluent in the major European languages and Chinese (Mandarin).

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## **THE FSI SERVICE OFFERING**

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- Strategy Consulting
- Growth Initiatives
- Market Research
- Competitive Intelligence/Analysis
- Investment Due Diligence
- Technology Commercialization
- Corporate Partnering

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## **FOR FURTHER INFORMATION**

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# Focus

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**FLETCHER SPAGHT, INC.**

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