CASE STUDY

PLAN B RECOMMENDATION HELPS COMPANY GAIN MARKET FOOTHOLD

OVERVIEW

A healthcare specialty company that sold a medication-on-demand [MOD] system providing hospitals, healthcare professionals and patients with a better way to manage medication and pain was in dire need of expansion-stage venture-capital funding. Though it had a unique selling proposition, the company believed it needed to add 10-12 additional in-house sales professionals to be successful, at a projected cost of $8-10 million.

CHALLENGE

The company needed greater visibility and awareness in the healthcare market space it targeted, as well as the ability for reps to reach decision-makers to present the company's story. At the same time, the company needed a cash infusion and wanted to minimize possible dilution for initial investors.

EXCELERANT SOLUTION

Excelerant Consulting was engaged and began by recruiting and establishing a solid relationship and partnership with regional distributors. A recommendation was made for the company to shift its plan to add 10-12 direct-sales reps in favor of building a team of 60-80 reps [on an IRS Form-1099 basis] that had existing relationships with the regional distributors. Since the distributors were well-known in their respective geographies, the company would establish immediate credibility and the reps would be paid on a commission-only basis. This reduced overhead, eliminated the threat of "cash burn", and kept existing headcount manageable.

RESULTS

Within six months, relationships were established and contracts signed with eight regional specialty distributors with intact sales teams that were already well-networked with hospitals and other healthcare systems in their specific markets.

Excelerant provided training and ongoing support to the field, as well as establishing a funnel management program as part of the company's new sales program. The company was able to operate with fixed-cost marketing, and needed to raise significantly less than the $8-10 million it originally targeted.