Sustaining Innovation Within The Orthopedic Industry

Titanium 2012

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Agenda

Introduction: The Challenges Ahead & Trends
The Innovators & Top Execs
The Strugglers
3 Simple Ways To Drive Innovation
3 Higher Risk Ways To Drive Innovation
Summary
Sustaining Innovation.....

.....one of the industry’s biggest go-forward challenges.

Value proposition under intense scrutiny.
Trends

Physician/Hospital Alignment
Hospital Purchasing Consolidation
Patient As Consumer
Comparative Effectiveness
Cost Removal Programs
Commoditization

Result: Reduced # Of Available Product Options
“The Innovators”

Ruthless About Change
Act Quickly
Little Fear of Cannibilization Of Revenue Generators
Frequent – But Smaller -- Acquisitions
“Innovative Execs”

Visionaries
Diversify – But Remain Focused On Core
Make Tough Choices
“Innovation Strugglers”

Bureaucratic
Play Defense
Catch-Up By Making Significant – And Riskier -- Acquisitions
Driving Innovation – 3 Simple Steps

1. Solicit Input
   The “Once-Every-Six-Years Syndrome”
   Allow Cultivation Of Ideas To Perculate Up

2. Provide Time For Unofficial Activity
   Set-Aside Time To Work On Creative Ideas

3. Establish Process For Turning Ideas Into Reality
   Prioritize, Resource, and Test Ideas Quickly and Inexpensively
Driving Innovation – 3 Higher-Risk Ways

1. New R&D Model
2. Invest Outside Comfort Zone
3. Emphasize Diversification
Summary

Status Quo NOT An Effective Go-Forward Strategy To Drive Innovation

Benchmark, Implement Simple Ideas and Remain Open-Minded

Create Opportunities For Innovation
Thank You

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