

Partner



CIT Sales Management students collaborate with OrthoXel in generating a sales and pricing strategy in a highly competitive market.

Background

OrthoXel is an early stage orthopaedic trauma device company working in the field of intramedullary nailing. OrthoXel's first two products, the Apex Tibial Nailing System and Apex Femoral Nailing System have United States FDA 510(k) Clearance and European CE Mark with clinical studies ongoing at Cork University Hospital. OrthoXel is pre-revenue and is currently looking to generate initial clinical use in the United States in hospitals, followed by a commercial contract.

The Need

The USA is an attractive market as it offers high margins based on current reimbursement models and device pricing. Accessing the market is a complex process as the majority of hospitals are members of group purchasing organisations (GPOs) or integrated delivery networks (IDNs). Most devices in trauma are bought as part of a 3 year portfolio contract deal usually awarded through a tender process via the GPO. A limited amount, usually around 20% can be purchased off tender and out of contract process in order to avoid a monopoly.

OrthoXel is up against what some would call the "mega vendors" in the United States; Stryker, DePuy Synthes, Zimmer Biomet, and Smith & Nephew. Stryker and DePuy control around 80% of the intramedullary nailing market between them. Unique sales strategies are essential to gain access to this market.

The Solution

The class approached this project as if they were running commercial operations at OrthoXel, they considered which hospitals to target in the US and why. They investigated the kind of distribution model to employ in the short / medium and long term along with the kind of sales model that would be appropriate for a lean start-up organisation.

The class suggested the positioning in the market for the OrthoXel device, paying close attention to the competition particularly the Stryker T2Tibial Nail / Alpha Tibial Nail in terms of the value proposition and the pricing strategy.

The class analysed the company's current sales strategy and the business environment in which it operates. They presented their findings and made recommendations on the company's future sales strategy.



OrthoXel's new femoral nailing system which will be market ready this year.

Benefits of the collaboration

The benefits of this collaboration for OrthoXel included the market research conducted by the students. This will allow the company to further formulate future competitive strategies.

The sales strategies the students came up with will also benefit the company in the type of market in which they are selling and the most effective sales strategy to implement.

The students were given the opportunity to gain valuable experience working with a company that specialises in orthopaedics, biomechanics, entrepreneurship and the medical device industry.

"It was a pleasure for OrthoXel to be able to support CIT and the Sales Management students, we briefed a project on the expansion of OrthoXel into the United States. It was fascinating to see the range of ideas that came back and how quickly the students had grasped the unique challenges facing the business." – Alanna Carty, Global Marketing Manager, OrthoXel.

Engaging with OrthoXel afforded the students an opportunity to apply strategic knowledge learnt in class to a real life business situation. OrthoXel benefitted greatly from receiving feedback as to the accuracy of their current strategies and gaining some valuable insights into other areas such as segmentation. Overall this collaboration was of great mutual benefit. – Mike Falahee, Marketing lecturer.



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