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CASE 3 - ROUND 1

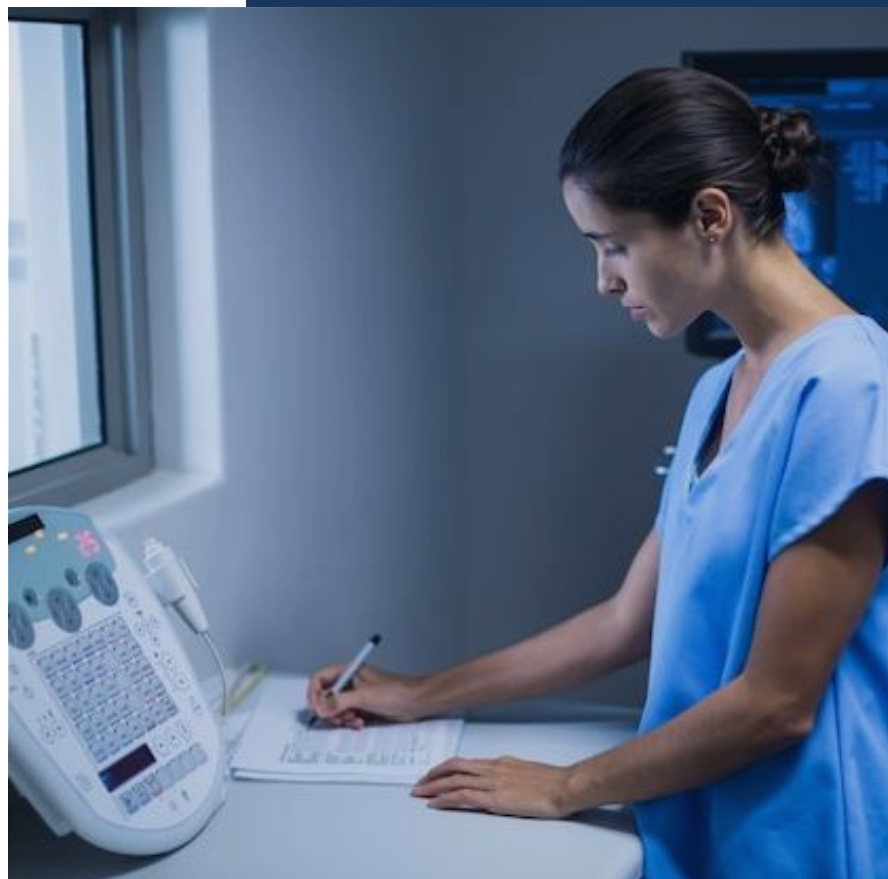
**LIFE GUARD**



Life Guard is an emerging medical device company, established three years ago by a group of seasoned professionals, specializing in general mass-market medical consumables. The firm aims to leverage its expertise to cater to the growing healthcare needs of India and aspires to become a leading provider of medical devices and a trusted partner of doctors in chosen medical specializations providing a wide range of products. Their product portfolio includes consumables such as IV cannulas, urinary catheters, and basic wound care products. To ensure cost efficiency while maintaining stringent quality control standards, the company outsources manufacturing to established partners in China.

The Indian medical devices market, valued at USD 12 billion in FY22, has shown a CAGR of ~18% from FY15 to FY22.

Medical device penetration remains low in India (given the low healthcare expenditure) hence a significant growth opportunity. However, 70% of the demand is met through imports, especially of high-value devices like medical equipment, where almost 85% of the market is dependent on imports. The manufacturing ecosystem is relatively under-developed and there is lack of clarity on various regulatory issues including pricing.



However, the landscape is changing. The government is incentivizing domestic manufacturing through Production Linked Incentive (PLI) schemes, providing financial and regulatory support for R&D activities via various policies. Quality standards for devices have been defined (based on risk classification) and harmonized with global standards. These initiatives, coupled with increased collaboration between industry and academia, present opportunities for the Indian medical devices industry to leverage the country's vast population and tap into the Indian medical device market's potential.

While the above are promising developments and highlight the future potential of the industry, Life Guard currently faces significant challenges in terms of stressed margins and entry of multiple competitors who are more innovative and cheaper, which has intensified competition in the mass-market consumables segment.

The company, currently generating annual revenues of INR 250 crores, aims to grow five-fold in the next five years.

However, the company is aware of several internal and external limitations. Internally, the firm must evaluate its manufacturing capabilities and other limitations in terms of resources. Externally, they must navigate price regulations for different products in the Indian market and contend with intense competition. Moreover, shifting consumer preferences towards technologically advanced products pose a risk, potentially requiring substantial R&D investments.

Successfully addressing these challenges and capitalizing on growth opportunities is critical for the company to achieve its vision of becoming a leading player in the Indian medical devices industry. The firm has hired you to help them address the issues and come up with a growth strategy to achieve their goals.

## *Key Deliverables – Round 1*

### **Market Assessment and Hypothesis Development**

- **Conduct high-level industry research to understand how the current Indian Medical Devices market dynamics would evolve over the next 5-10 years**
- **Develop an issue tree and formulate a hypothesis based on your understanding of the case**

