Ten Reasons Medical Device Companies Fail

A CFO’s perspective

7th Annual International Symposium on Technology in Medical Data and Devices
Calit2 Auditorium, UCI
Let’s start on same page

Definition of Failure
1) Webster: Lack of success
2) Poetic: Give something your all, but you fail in an epic blaze of glory
3) Banker: Out of cash; out of business
4) Mine: Start of learnings from mistakes
Ten Reasons
1) Tech in Search of a Problem to Solve
2) Attracted the wrong investors
3) A shrinking slice of the pie
4) Worked just great in the Lab, but....
5) Wrong Management Team
6) Profit ≠ Cash Flow
7) Reimbursement Rock / Adoption Hard Place
8) It’s a product not a company
9) Millionaire manufacturing
10) FDA changed its mind
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Some Suggestions

1) Talk with real end users / patients
2) Check with real economic potential buyers
3) Understand your insurance position
4) Use FDA presubs early and often
5) Plan for twice as much; twice as long
Thank You

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