Closing a Growth Gap

Case Study

Situation

A major medical testing lab was being affected by multiple change drivers demanding a strategy refresh.

- Trends were pointing to value-based pricing and growth of Accountable Care Organizations.
- Competitors were taking business away.
- Hospital labs were pulling tests back in-house.
- Key medical experts were jumping ship and creating new start-ups.

Challenge

The company had enjoyed strong product leadership and was slow to act on new opportunities. How would they maintain product leadership while pivoting to demands of a new growth strategy and generating the income that stakeholders demand?

Key performance indicators were signaling a concern. Top leadership recognized that the current state was not sustainable.

Approach

The leadership team spent three months learning our methods and tools as they created straw models of a different operating model. Even as they designed their future state, they adjusted project portfolios to close gaps in key capability required for the short-term. Following an "after-action review" on why key talent was exiting the company, we coached the team to revisit their growth strategy, to look beyond the hospital labs that were their target customer base to a multi-billion-dollar opportunity in specialty labs surrounding hospitals.

Results

- The business was restructured to a new market with new operational capabilities and laboratory competencies.
- Talent, including new hires, were unleashed to deliver results.
- The business doubled in revenue.

Key to Success

Incremental thinking and a focus on the current state was discarded. Involving leadership in the discovery of attractive product adjacencies built confidence in their ability to compete. Clear-eyed understanding of capability gaps helped them target investments. Connecting the dots from their current state to a very different future state facilitated commitment to change and realization of outstanding results.

Brought to you by:

CAPABLE
COMPANY

Adaptive organizations from adaptive leaders