



## SECTOR SPECIFIC SERVICES

# Medical Imaging Services

A broad range of strategy services:

Growth strategy, M&A support, Organisational redesign and Profit Improvement

Cost reduction, Outsourcing, Low Cost Country (LCC) sourcing and Component strategies

## INTRODUCTION

Hendy Consulting has provided strategic advice to a Medical Imaging leader for the last two years covering all areas of the business, from product strategy and partnering/M&A to outsourcing strategy, cost reduction approaches and component strategies

We have worked for both Imaging Systems businesses and for the Component businesses that support them. We have developed insights not only into markets and competitors, innovations and channels but also into tubes and generators, anodes and detectors.

We believe that the business choices for most Diagnostic Imaging businesses are today relatively simple, but in future Medical Imaging businesses will face a broader range of decisions including:

- Make/buy and more sophisticated outsourcing decisions as EMS players add mechatronics and other capabilities to their offerings
- Partnering and IP licensing
- Co-opetitive collaborations with peers to develop new core technologies
- Increasingly complex business model and value chain participation choices

We believe that our work in other high technology markets where these decisions are commonplace enables us to lead the thinking process for Healthcare clients

## SERVICES

**Services provided to the Medical Imaging industry include:**

- Market strategy including market-entry strategy and technology commercialisation
- Partnering and merger and acquisition services
- Profitability improvement strategies
- Portfolio analyses for repricing, range pruning and performance improvement
- Sourcing strategies and purchasing cost down work for major purchased commodities
- LCC programme design and optimisation
- Component strategies
- Outsourcing strategies
- Organisational redesign and development



## SECTOR SPECIFIC SERVICES

# Services to Medical Imaging

### CASE STUDIES

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#### **CASE 1** **Outsourcing strategy**

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The Imaging industry faces a particular challenge in finding outsourcing partners since few of the big EMS players fully understand the capability implications of serving the medical market. Hendy Consulting synthesized the outsourcing agendas of the 6 businesses in a Diagnostic Imaging division and developed action plans/metrics as well as identifying the next big capabilities gaps for the client to address in improving its capabilities.

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#### **CASE 2** **Organisational development**

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Hendy Consulting assisted the leadership team of the purchasing function of an Imaging business complete a major organization redesign. Hendy Consulting provided process facilitation to the successful transformation of a 200-strong organization in 14 global locations. The work process emphasized stakeholder involvement and validation of the organizational model so that the plan was approved by workers councils and management without a hitch.

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#### **CASE 3** **M&A and partnering support**

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Hendy Consulting supported the leadership of a Diagnostic Imaging business investigate M&A targets. From an initial list of 55 companies, Hendy Consulting reduced this to a small number of targets for execution, by evaluating financials, product portfolios and overall strategic/cultural fit. Next, we calculated the synergy potential of each demonstrating the high value creation potential. As of publication of this leaflet, the approaches to the companies are being conducted.

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#### **CASE 4** **Profit improvement through commodity strategies for major Bill of Materials categories**

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Hendy Consulting worked with one Imaging Systems business to identify €25m of cost reduction opportunities in a materials base of €75m, through changes in design/specification or supplier or by leveraging LCC sources. Hendy Consulting held a workshop with the Executive leaders of the business unit to assign executive sponsors to each of the 30 different action items.

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#### **CASE 5** **LCC Strategy (Low cost country sourcing)**

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Medical companies globally are looking for ways to radically lower the COGS of Imaging Systems while at the same time delivering new functionality. The global majors have all embraced Low Cost Country sourcing (LCC sourcing) as a critical initiative to seek suppliers for appropriate commodities in China, India and beyond. Hendy Consulting Limited has recently completed an assignment for one of the global majors to summarize the top opportunities in LCC across a multi-business unit division. Hendy Consulting worked with general managers and development heads across the division to translate the pareto-optimal top 24 opportunities into discrete actionable plan. We also created transparency about the link between commodity cost structures and the likelihood of an LCC option.

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#### **CASE 6** **Generator and tubes strategies**

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Hendy Consulting conducted a review of the merchant generator and tubes market places, enabling the client to take up a much more sophisticated make/buy position for its offerings, focusing internal R&D on the best cutting-edge solutions, while sourcing simpler products from competitors or merchants.