



## CASE STUDY: MEDICAL DIAGNOSTICS EQUIPMENT AND REAGENTS

Improving quality, speed, and efficiency of business development negotiations

### SUMMARY

<b>Client:</b>	Roche Professional Diagnostics, a division of Roche Holding AG, \$60 billion global pharmaceuticals and diagnostics company, and the leading provider of clinical diagnostics equipment, technology, and reagents.
<b>Geography:</b>	EMEA (Europe, Middle East and Africa); North America; Asia-Pacific; Latin America and Japan.
<b>Challenge:</b>	Improving the profitability, consistency, and efficiency of critical complex business development negotiations.
<b>Results:</b>	Millions in reduced legal and contracting expenses, as well as measured increases in deal negotiation efficiency (deals per negotiator) and quality.

### THE SITUATION: A STRATEGIC GOAL

Roche Professional Diagnostics depends on a steady flow of profitable technology partnership and sales distribution agreements to maintain its market leadership, and achieve its revenue and profit goals. The ability of its business development professionals to source and negotiate agreements efficiently inside the company and with third parties is critical to the successful deployment of its innovative solutions on a global scale.

### THE BUSINESS CHALLENGE

Roche Professional Diagnostics operates in a competitive “in vitro” diagnostics marketplace characterized by rapid technological change, aggressive competition, and shifting regulatory requirements. In this challenging environment it must bring to market—quickly and profitably—a continual flow of leading-edge diagnostic technology, equipment, and reagent chemical products. Negotiating complex, multi-party agreements with technology owners, internal stakeholders, and country-based distribution partners is critical to meeting this challenge.

*“Our use of BayGroup International methodology has saved us millions...and increased both the consistency and effectiveness of our external and internal negotiations. We see higher quality in our technology partnership agreements. By means of better internal alignment during the negotiation process, we have also become better at using the approach to avoid sub-optimal deals, which has helped us avoid enormous costs, pain, and wasted effort.”*

— Christoph Pedain, Senior Vice President, Business Development, Roche Professional Diagnostics

## HOW WE HELPED

BayGroup International’s negotiation and execution methodologies were deployed to the Roche Professional Diagnostics business development team. Those methodologies were further reinforced by management’s use of deal review checklists using key planning concepts to guide the negotiations process to successful resolution.

The initiative focused on providing more efficient and effective approaches for:

- Executing effective negotiations with third party partners who supply technology and products to Roche;
- Arriving at optimal agreements on co-marketing, mergers/acquisitions, sustainability, and other critical aspects of business development partnerships;
- Gaining internal alignment among a wide variety of Roche stakeholders in areas such as packaging, quality, manufacturing, and distribution (these complex negotiations can involve up to 50 different stakeholders);
- Improving results of negotiations with distribution channels around the world.

## THE RESULTS

Results from the Roche Professional Diagnostics initiative have been achieved in these areas:

- Direct costs savings. For example, better negotiation of one critical negotiation avoided millions in legal costs.
- Business development deal volume and productivity. Because the company now uses a proven approach to evaluate, manage, and conduct complex negotiations, the ratio of business development agreements per business development manager has increased.
- Increased consistency. The Roche team is now clearer about when to “walk away” from suboptimal deals, freeing up more time to focus on better opportunities.
- Sustainable, more collaborative agreements. Improved negotiation skills have produced stronger, more sustainable business agreements that address the underlying needs of all parties.
- Improved alignment and implementation quality. Because internal negotiations inside the matrixed Roche organization are now more effective, problems are resolved quicker, partnerships achieve desired results more often, and legal problems are avoided.

## PROVEN EXPERIENCE: MEDICAL DEVICE AND DIAGNOSTICS INDUSTRY

BayGroup International is a global performance improvement firm that helps corporate leaders achieve critical profit improvement, cost containment, and team effectiveness goals quickly, with high impact. For more than three decades the firm has partnered with many of the world’s leading medical device and diagnostic equipment companies—as well as leaders in many other global industries—to increase sales volume and enhance profitability by deploying a proven methodology for improving negotiation and sales execution results.