

BUSINESS & FINANCIAL MODELING

Glucose monitoring forecast for a worldwide diabetes care company

Client: A global medical device company in the diabetes care sector

Objective: A diabetes care company sought help building a worldwide blood glucose test strip forecast and gaining stakeholder agreement around the projections. The company had several existing forecasts to leverage for the effort. Internal staff members had developed forecasts for the US, Canada, and several European countries. In addition, the company's investors had hired Boston Consulting Group (BCG) to develop forecasts for seven countries. Results from the BCG work varied significantly from internal projections and the company's management team sought further work to develop a single rolled up new interactive forecast that all stakeholders could use, understand, and endorse.



Deliverables and results: The client benefited from the following approach, deliverables, and results.

- Material review – For all existing models, model methodologies and input assumptions were assessed.
- New interactive forecast – There were some meaningful differences between the model methodology and input data used in the new versus pre-existing forecasts. In addition, the new forecast included: sensitivity analysis, sanity checking benchmark calculations, and result dashboards. These testing features helped stakeholders appreciate and focus on assumptions that had the greatest impact on bottom line results.
- Forecast companion packet – An extensive forecast companion packet was developed. The packet helped build consensus around model methodology and inputs as it laid out all information, analysis, and assumptions used in the new model. Topic areas included: people with diabetes statistics, therapy types, glucose sensor technologies, glucose testing requirements, sales channels, and sensor pricing.
- Stakeholder engagement meetings – To ensure stakeholder buy-in and consensus, work was shared and feedback was solicited through regular telephone calls and an in-person forecasting summit.

The client was extremely pleased with the work that was done and initiated a second consulting engagement. Here, forecast work was expanded to include projections for disruptive new technologies in the sector including flash and continuous glucose sensors. Ultimately, all forecast work was well received by the company's CEO and board members.