Case Study: Disect Systems

Proof of Market Study

Disect Systems utilised the Technology Strategy Board 'Proof of Market' grant to gauge the commercial opportunity for its pioneering software that displays X-ray CT scans in 3D and enables clinicians around the world to simultaneously interact with the images.

Milner conducted detailed secondary research into the size of the software viewer market. This was used as a foundation on which to build a five year forecast model of unit sales and following a detailed assessment of competitor pricing, a market value was also calculated.

This culminated in a detailed market report that summarised the findings of the market model and provided a set of recommendations on product and service pricing, sectors to target and international expansion.

About Disect Systems

Disect Systems Ltd is a UK-based developer of scanner imaging software specifically designed to run on conventional computing platforms rather than expensive bespoke solutions.

Since the first CT scanner was invented in 1972, there has been a steady growth in software viewers. The Disect product is the culmination of intensive R&D over several years during which the company has engaged closely with specialist as well as non-specialist user groups to develop a solution that meets the needs of all users. Those relationships are integral to the company's ongoing R&D program to ensure that the software keeps pace with advancements in the field and continues to deliver state-of-art solutions.

Disect Systems' Requirement

Disect Systems wanted a detailed and rigorous assessment of the competitive landscape for its medical imaging software which is designed for use with radiology files (X-Ray and CT Scans) and MRI files.

The leadership team needed a model of the CT image viewer market to quantify the size of its market opportunity and to understand where the growth would come from over the next five years across five geographical regions.

The software had applications across a number of sectors spanning Medical, Micro/Nano CT, Security, Educational and Non-CT, and so Disect Systems needed a quantified understanding of where consumer demand would come from within each target geography so that the company could prioritise its marketing and sales activity.

Finally, Disect Systems wanted a thorough understanding of its competitors' functionality and pricing so that it could position itself correctly in the market.

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Milner's Solution

Secondary research

In order to get a deep understanding of the number of potential customers across five different sectors (and 25 sub segments), detailed desk-based market research was undertaken. This was coupled with an analysis of demographic and economic measures from over 190 countries to create a detailed understanding of the target customer base. In addition to this, 7 competing software solutions were examined; price and functionality was compared to understand the full value proposition of each.

Modelling

A detailed Excel model was built that explored two years' worth of historic market sales data of the CT Image Viewer market. This was used as a foundation to forecast future market sales utilising market penetration levels to apply Diffusion of Innovation theory.

There were four revenue sources; new licence sales, churned licence sales, maintenance and training. Each was modelled independently and market value was calculated by multiplying unit sales by market selling prices. Utilising this, Disect Systems' market share of each sector, of unit sales and of market value was calculated. Finally, triangulation checks were implemented in order to validate the model findings.

Proof of Market report

Milner wrote an in-depth report that analysed the findings of the market model, explaining the market size and growth rate across geographic regions, sectors, product and service areas along with an explanation of market and revenue drivers and how these will vary over time. Conclusions were drawn based on the findings of the report and recommendations were made about how Disect could develop a winning strategy to gain traction in the market.

Disect Systems' Benefits

1. Information unavailable elsewhere

As a nascent market, no data on the size of the CT Image Viewer market opportunity was available for Disect Systems to buy elsewhere. Milner's in-depth engagement with staff and expertise in modelling enabled it to explore the opportunity beyond the present day and construct a robust forecast model that gave the best possible estimate of market size.

2. Tailored to Disect Systems' requirements

Disect Systems benefited from a bespoke model that contained the exact mix of competitors, price points and sectors that make this truly relevant internally. As a result, Disect Systems came away with a market study 100% customised to the business requirements, whilst placing little demand on the management team's time.

3. Trusted analysis critical for investment

The independence and objectivity of Milner's findings was a key requirement in carrying out the Technology Strategy Board funded research and critical in establishing investor confidence in the future product.

4. Access to experts

Having access to experts who had built a wide variety of market forecast models for other companies coupled with Milner's deep understanding of many complex techniques (including Diffusion of Innovation theory), allowed Disect Systems to deepen its understanding about how consumers would adopt new technologies.

5. Actionable recommendations

Four top-level recommendations were made for how Disect Systems could grow its business and win market share. The global forecast model enabled Disect Systems to quantify and compare the size of potential customer segments for its technology over time, which enabled informed strategic decisions to be made.

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