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# Marketing plan for Medtentia

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## Marketing plan for Medtentia

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### Marketing plan for Medtentia

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The aim of the thesis was to support Medtentia International Ltd Oy (later called Medtentia) to find a strategic partner or buyer. Another goal was to describe the communication methods to its shareholders, consultants, employees and regulatory and competent authorities. The purpose was at first to describe the customers, the macro environment, the company and its technologies, the competitors and potential partners and after that the partnering and exit process, marketing channels and communication methods to its determined stakeholders.

The theoretical framework focuses on the market environment, different expansion options with a focus on acquisition, marketing mix and communication to the stakeholders and negotiations. The objective of the company is at some point to be able to get its technologies to the market consequently the marketing mix is included in the plan. Also described are the brand image, identity and personal selling methods within theoretical framework as they are seen to have an important role. Additionally, other issues were included the marketing plan which had the objective of getting a potential partner or buyer for the company.

Solutions that were created included a PEST analysis of the market, SWOT analysis of the company and its technologies, competitor analysis and potential partner analysis. These are the tools that Medtentia may use whilst following its objectives. Additionally, there was a description of the partnering and exit process and a creation of a communication action plan for the next few months. Also a marketing channel plan and communication plan were developed. The communication plan focuses on the communication methods towards its determined stakeholders, whereas the marketing channel plan is more focused on marketing aspects. Medtentia aims to focus on LinkedIn as a social media marketing channel and a website as an internet marketing channel, and for that reason, the marketing channel plan focuses on those methods. The company also wished to have a crisis communication plan, and as a result, it was also included in the marketing plan.

The results and solutions created with this plan will act as a guide for Medtentia and as a support document for its objectives as it continues partnering and exit process and its implementation of the communication to the targeted stakeholders. This marketing plan may also help to attract a potential partner or buyer to become interested in the company with a purpose of making an acquisition or becoming a partner. With this marketing plan Medtentia should make use of the information gathered there within and implement the main priorities of the marketing channel plan and follow the timetable and possible contents of updates. As part of the overall solution, more precise plan for the marketing contents of LinkedIn and the proposed webpage is needed in order to facilitate the updating and ongoing maintenance of these channels. The communication and crisis communication plan created can also be modified and complemented if necessary.

Keywords: plan, stakeholders, partnering, acquisition, marketing, communication

Johanna Oksman

### Markkinointisuunnitelma Medtentiale

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Opinnäytetyön tavoitteena oli tukea Medtentiaa löytämään strategisen kumppanin tai ostajan. Lisäksi tavoitteena oli kuvata viestintämenetelmät yrityksen osakkeenomistajille, konsulteille, työntekijöille ja sääntely- ja toimivaltaisille viranomaisille. Tarkoituksena oli ensin kuvata Medtentian asiakkaat, makroympäristö, yritys ja sen teknologiat, kilpailijat ja potentiaaliset kumppanit ja sen jälkeen partnerointi- ja myyntiprosessi, markkinointikanavat ja viestintämenetelmät yrityksen määrittämille sidosryhmille.

Teoreettinen viitekehys keskittyy markkinaympäristöön, erilaisiin yrityksen toiminnan laajentamismahdollisuuksiin painottuen yrityksen myyntiin, markkinointimixiin ja sidosryhmäviestintään ja neuvotteluihin. Markkinointimix sisältyy suunnitelmaan, koska yrityksen tavoitteena on jossain vaiheessa saada sen teknologiat markkinoille. Teoreettinen viitekehys kuvaa myös yrityksen identiteettiä ja mielikuvaa sekä henkilökohtaista myyntiä, koska ne nähdään tärkeässä roolissa muiden markkinointisuunnitelmassa kuvattujen asioiden lisäksi, kun tavoitteena on saada Medtentiale mahdollinen kumppani tai ostaja.

Ratkaisuina markkinointisuunnitelmaan on toteutettu PEEST-analyysi markkinoista, SWOT-analyysi yrityksestä ja sen teknologioista, kilpailija-analyysi sekä analyysi mahdollisista kumppaneista. Näitä analyyseja Medtentia voi hyödyntää sen tavoitteen toteutumisessa. Lisäksi markkinointisuunnitelma kuvaa partnerointi- ja myyntiprosessin, viestintätoimintasuunnitelman tuleville kuukausille, markkinointikanavas suunnitelman ja viestintäsuunnitelman, jossa kuvataan viestintää yrityksen määrittämille sidosryhmille. Medtentia keskittyy LinkedIniin sosiaalisen median markkinointikanavana ja verkkosivuihin internet-markkinoinnin kanavana, jonka vuoksi markkinointikanavas suunnitelma keskittyy myös kyseisiin kanavoihin. Yritys toivoi myös kriisisuunnitelman toteuttamista yritykselle, jonka vuoksi se on toteutettu tämän markkinointisuunnitelman yhteyteen.

Tämän suunnitelman tulokset ja ratkaisut antavat pohjan Medtentian tavoitteille ja toimivat yrityksen tavoitteiden tukena, kun se jatkaa partnerointi ja myyntiprosessiaan sekä viestinnän edelleen kehittämistä määritellyille sidosryhmille. Markkinointisuunnitelma saattaa myös houkutella potentiaalisen kumppanin tai ostajan kiinnostumaan yrityksestä mahdollisena kumppanina. Medtentian kannattaa hyödyntää tähän suunnitelmaan kerättyjä tietoja ja toteuttaa keskeiset painopisteet markkinointikanavas suunnitelmasta sekä seurata aikataulun toteutumista ja kanavien sisältöjen päivityksiä. Jatkosuunnitelmana yrityksen kannattaisi tehdä markkinointikanavilleen tarkempi suunnitelma, jotta päivitykset ja jatkuva kanavien ylläpito olisi varmempaa. Viestintäsuunnitelmaa ja kriisisuunnitelmaa yritys voi jatkossa muokata ja täydentää, jos kokee sen tarpeelliseksi.

Asiasanat: suunnitelma, sidosryhmät, partnerointi, yrityskauppa, markkinointi, viestintä

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## 1 Introduction

The thesis was implemented with Medtentia and it consists of a marketing plan that includes a marketing and communication strategy. The thesis also pays attention to the market environment. In the marketing and communication strategy the thesis focuses on the external and internal communication of Medtentia. The external communication describes the marketing and selling methods toward potential partners and buyers of the company. The internal communication focuses on the communication methods with shareholders, regulatory and competent authorities, consultants and employees of the company.

The aim of the thesis was to support Medtentia in its efforts to attract a potential partner or buyer to a transaction discussion through the implementation of appropriate and strategic external communication and marketing methods. In order to attract a potential partner or buyer the thesis also proposes appropriate candidates. It also presents a plan that aligns the methods with types of potential partners or buyers. The ideal goal is to get identified or non-identified partners to approach Medtentia through the methods proposed in this thesis. The thesis also pays attention to the development of Medtentia's website to attract potential partners or buyers to become interested in the company. LinkedIn is also considered as one marketing channel and the thesis describes, how the company could benefit from use of this particular professional network. In addition to the aforementioned goals, it also presents the internal communication methods to be used toward the shareholders, consultants, employees and regulatory and competent authorities of the company. These all are sections of the communication and marketing strategy that the thesis focuses on.

The thesis consists of a theoretical and a practical section. The theoretical section describes the marketing plan and marketing and communication strategy. The practical section describes the situation analyses, the external communication and marketing methods that may be used to find the potential partner or buyer to the company, and the internal communication methods toward the shareholders, regulatory and competent authorities, consultants and employees of Medtentia. Both sections are meant to present a consistent overview of the marketing plan.

## 2 Company overview

Medtentia is an international medical technology company that specializes to unique catheter based and surgical solutions products in interventional and surgical mitral valve treatment. It is also a product development company, and therefore, it does not have any revenue. The expense budget in 2016 is over 3 million euro. The company is venture capital financed. The customers of the company are the universities and public and private hospitals that specialize

in cardiovascular interventions. (Keränen 2016.) Its mission is to develop solutions for mitral valve disease that are simpler and faster to use and less traumatic for the patients. Medtentia also has a mission to utilize new and less invasive treatment methods without compromising clinical efficiency and extending treatments to patients who currently can't get help due to concomitant heart diseases or advantaged age. (Medtentia 2015; Company Overview 2013.)

Medtentia was founded in 2009. Originally, it was founded in Sweden in 2002 and called Medtentia AB. At first the company focused generally on heart valves but in 2004 the focus to specialize only to mitral valves was a strategic choice. During the same year, a fully-owned Finnish subsidiary, Medtentia Ltd Oy was established to execute biomaterial development work. (Medtentia 2015; Project Plan 2010; Keränen 2016.) The preclinical and early clinical development is and has been a large part of the product development and these steps have been mostly carried out in Helsinki University and Helsinki University Hospital, Århus University Hospital and at IMM Research in Paris (Keränen 2016).

Medtentia AB had personnel of 8 employees until 2009 when its activities were bought from Sweden to Finland for financial reasons and the new company was founded and renamed (Keränen 2016). At the same time, the old Finnish subsidiary, Medtentia Ltd Oy was liquidated. Medtentia's current location is in Southern Finland, Espoo. The CEO of the company is Olli Keränen, who was involved in the foundation of the company. (Medtentia 2015; Project Plan 2010; Keränen 2016.) Currently, there are 16 people with different specialties engaged and the business is based on the development of solutions for mitral valve repair based on its proprietary helix ring concept (Keränen 2016).

The helix ring concept is a surgical solution that means the positioning of the helix ring below the loops and above the other loops of the mitral annulus in a beating heart. The method uses rotation of 360° from posterior commissura to get it to the intended position. It enables a less complicated and clinically effectual method that has the potential to lower the invasiveness, operation time and morbidity associated with the current mitral valve operations. The other solution is a catheter based mitral repair concept that is based on the patented helix ring technology. In that solution the helix ring is brought from the groin via venous system, through atrial septum to the left atrium. The implantation takes place in the same way as in the helix ring concept by rotating the helical ring to the intended position. In both solutions the annulus is sutured to the ring after the implantation. These helix-based solutions are purposed to prevent mitral valve regurgitation and expected to provide substantial advantages over the existing methods in treatment of mitral valve disorders. (Medtentia 2015.)

There are few competitors focusing on the same area as Medtentia. According to the CEO, Olli Keränen (2016), the competitors of Medtentia are Edwards Lifesciences, Medtronic, St. Jude,

Sorin Group and 10 other start-up companies or entrepreneurs. They are the biggest competitors in surgical mitral valve treatment or replacement. In catheter based solutions, the most substantive competitors are Edwards Lifesciences, Medtronic and Abbott, the latter of which has the only catheter-based method providing palliative mitral valve repair that is FDA approved on the market.

### 3 Business markets

Business markets include all the organizations that purchase goods and services used in the production of other products or services that are sold, rented or supplied forward (Kotler, Keller, Brady, Goodman & Hansen 2012, 294). Organizations include businesses, governments and institutions (Hutt & Speh 2007, 4). They are often networked organisations working in a complicated environment (Kotler et al. 2012, 18-19). Business companies purchase industrial goods to form or ease the production process or use as components for other products when government agencies and private institutions purchase industrial goods to preserve and deliver services to their own market (Hutt & Speh 2007, 4). For Medtencia's technologies and the purposes of this document, the primary markets are surgeons, cardiologists, cardiac therapy centers and healthcare systems.

The focus is on recognising that the lines between consumer and business markets are not clear. Pharmaceutical companies have focused on business markets such as doctors and hospitals. They have also noticed the need to unite the approach with extensive campaigns to develop consumer awareness and demand for new medicines and treatments. These companies operate from consumer side and the industrial side concurrently to produce sales in the middle. (Kotler et al. 2012, 18-19.)

Business market has lots of similar challenges compared to consumer market. The characteristics that separate business markets from consumer markets are usually fewer and larger buyers and close supplier-customer relationships caused by smaller customer base. Additionally, the differentiating factors are an importance and power of the larger customers, professional purchasing usually done by trained purchasing agents and multiple buying influences consisting committees such as technical experts and senior management. Several sales calls to close an average industrial sale and specific kinds of demands and direct purchasing are also differentiating characteristics. (Kotler et al. 2012, 294 - 297.) Business buyers often purchase directly from manufacturer instead of intermediaries especially technically complicated or expensive items (Kotler et al. 2012, 297). Other dissimilarities are that demand in business markets is not impacted as much in the short run by price changes and demand in business markets varies quickly (Kotler & Armstrong 2012, 191).

The three different kinds of demands associated with business markets are derived demand, inelastic demand and fluctuating demand. Derived demand means the demand derived from the demand for consumer goods. Inelastic demand is not much affected by price changes and is the total demand for several business goods and services. (Kotler et al. 2012, 296 - 297.) Fluctuating demand means that the demand for business goods and services may be more unstable than the demand for consumer goods and services (Kotler et al. 2012, 297; Hutt & Speh 2007, 12). This means that a certain percentage increase in consumer demand may cause a larger percentage increase in the demand for plant and equipment necessary to produce the additional output (Kotler et al. 2012, 297).

### 3.1 Describing marketing

According to Kotler and Armstrong (2012, 26) “marketing is managing profitable customer relationships. The aim is to create value for customers and to capture value from customers in return.” This means that the key is to satisfy the customer’s needs and build strong customer relationships in order to get value from the customers in return (Kotler & Armstrong 2012, 29). This is important because without demand for products or services the company can’t make a profit (Kotler et al. 2012, 5).

Kotler et al. (2012, 8) have stated in their book, *Marketing Management*, that professor Christian Gronroos of the Hanken Swedish School of Economics in Finland proposed a wider definition for marketing. The idea is that the organisational functions and processes are not as important as the customer focus and the major issue is to keep the focus on customers and gear it towards making promises through value propositions and permitting the realization of individual expectations. The individual expectations are created by such promises and meet such expectations through support to customers’ value-generating processes, thereby upholding value creation in the company’s customers’ and stakeholders’ processes. This definition covers customer value, relationship marketing, services marketing and a promise concept. (Kotler et al. 2012, 8.)

Westwood (2013, 4) states that marketing is figuring out the needs of the customer in order to meet his or her requirements associated with the product in order to make a profit for the company. It involves the abilities of the company, the requirements of the customer and the marketing environment. (Westwood 2013, 4-5).

### 3.2 Marketing planning and marketing process

Marketing planning means describing the methods of applying marketing resources to reach marketing goals. The segmentation of the market, the identification of the market position, the prediction of the market size and the contemplation of viable market share within each market segment are parts of the marketing planning process. That process includes:

- executing marketing research in the company and outside the company
- monitoring the company's strengths and weaknesses
- making assumptions
- predicting
- setting marketing goals
- creating marketing strategies
- defining programmes
- setting budgets
- monitoring the results and reviewing the goals, strategies or programmes.

(Westwood 2013, 7-8.)

The advantages of the planning process are a better use of company resources to describe marketing opportunities, possible a better chance for more developed team spirit and company identity and helping the company to achieve its corporate goals. Planning is a repetitive process and is updated when necessary. (Westwood 2013, 8.)

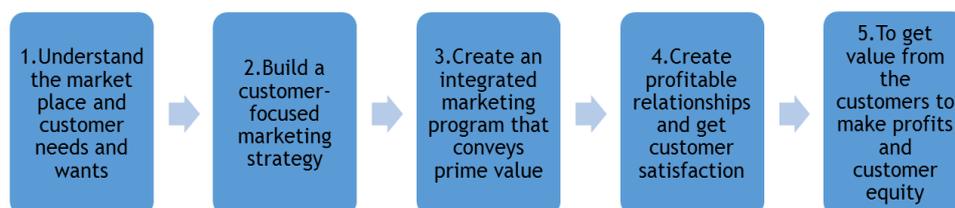


Illustration 1: Marketing process (Kotler & Armstrong 2012, 29)

According to Kotler and Armstrong (2012, 26) getting value from customers is important and they have created a process (Illustration 1) for marketing planning which aims to the final

goal: capturing value from customers. The process is following: understand the marketplace and customer needs and wants, develop customer-driven marketing strategies, create an integrated marketing program that conveys superior value, develop profitable relationships and get customer satisfaction and get value from the customers to make profits and customer equity. In the first four steps the company develops its understanding toward customers, creates customer value and builds strong customer relationships. In the final step the goal is to get value from customers but in the form of sales, profits and long-term customer equity. All five steps construct a marketing process. (Kotler & Armstrong 2012, 29.) In one sentence the marketing process can be described as defining, developing and delivering value (Hutt & Speh 2007, 9).

A marketing plan is close to marketing planning. Marketing planning is often a long-term plan including activities in the coming six months, year or multiple years. The marketing plan can also include sales planning. It is usually a short-term plan focusing only on the coming few months. (Agndal & Axesson 2012, 70.)

#### 4 Market environment

In order to meet the customer needs the company must be ready to change products, introduce new products or enter new markets. In order to know what is the right direction the company has to have information about its customers and their needs and the market place. It also has also pay attention to the changing market environment, which includes the issues mentioned before. For that reason, the market environment needs to be monitored continually. (Westwood 2013, 5.)

##### 4.1 Market research

To get information of the market environment the company has to do market research. It involves describing the market, solving how the market changes, determining the actions to be taken by the company and assessing the results of the actions. The data collected to market research consists of primary and secondary data. Primary data is gathered up from primary sources, which means the data collected straight in the marketplace. The data can be collected by the company or by a consultant or market research company with a field research. The data not gathered directly from fieldwork is secondary data. Practically, it is the data that already exists. (Westwood 2013, 14 - 15.) Secondary data provides a valuable and usually inexpensive start to gathering market information. Internet is one option to gather information. It offers easy-to-locate information of almost any source for business marketing applications. (Hutt & Speh 2007, 141.)

When researching the market, the company needs to consider the following issues:

- the size of the market and how it is segmented
- the main customers and suppliers and what are the main products sold
- the type of the market that the company is entering (new market, a mature market or saturated market)
- the relation to the market as a whole and the relation to other companies
- the channels of distribution
- the methods that are used with communication and the types of sales promotion
- any tax or duty considerations
- the patent situation
- new areas of the market that are growing, new products under development and any new legislation or new regulations

(Westwood 2013, 16 - 17).

To improve strategic decision made by realizing the consumer environment, assessing and tracking competitors' actions and getting warnings of opportunities and threats is possible with a systematic collection and analysis of publicly available information about consumers, competitors and developments in the marketplace. This is called a competitive challenge. (Kotler & Armstrong 2012, 125.)

## 4.2 Macro environment and micro environment

The actors and forces outside marketing that impact marketing management's skills to create and maintain felicitous relationships with target customers are part of the company's marketing environment. Those actors and forces can be divided into a micro environment and a macro environment. The micro environment consists of the company, suppliers, marketing intermediaries, customer markets, competitors and publics. Those factors influence either negatively or positively the company's ability to build value for and relationships with its customers. The macro environment is a larger environment of factors that impact the micro environment. Those forces are demographic, economic, natural, technological, political and cultural forces. (Kotler & Armstrong 2012, 90.) They provide opportunities or threats to the company (Kotler & Armstrong 2012, 94).

### 4.2.1 Micro environment

In micro environment, building relationships demands the participation of several company departments: suppliers, marketing intermediaries, competitors, different publics and customers. Together these factors form the company's value delivery network. (Kotler & Armstrong 2012, 90.)

Suppliers are an important in the company's overall customer value delivery network because they deliver the resources needed by the company to produce its goods and services. Marketing managers will monitor supply availability and costs because supply delays, labour strikes and other events can harm sales in the short run and affect customer satisfaction negatively in the long run. The company's sales volume may increase prices, if the supply costs rise. It is not unusual to treat the company's suppliers as partners in creating and applying customer value. (Kotler & Armstrong 2012, 91.) The role of marketing intermediaries is to help the company sell, distribute and promote its products to final buyers. Resellers, physical distribution companies, marketing services agencies and financial intermediaries belong to that group. (Kotler & Armstrong 2012, 92.)

In order to succeed in the market, the company needs to achieve greater customer value and satisfaction than its competitors. It is recommendable for a marketer to position the company's product against a competitor's product in the minds of customers. The company has to create its own competitive marketing strategy and take into consideration its own size and industry position compared to those of its competitors. (Kotler & Armstrong 2012, 92.) In order to create and capture value, the company also needs understand the customers' needs, resources, policies and buying procedures (Kotler et al. 2012, 293).

A public is any group that has a real or potential preoccupation or effect on the company's ability to reach its goals. The publics can be divided into financial publics, media publics, government publics, citizen-action publics, local publics, general publics and internal publics. (Kotler & Armstrong 2012, 93.)

The customers can be classified into five categories: consumer markets that consists of individuals and households that purchase goods and services for personal consumption, business markets that buy goods and services for further processing or use in their production processes, reseller markets that purchase goods and services to resell at a profit, government markets that buy goods and services to produce public services or transfer the goods and services to others who need them and international markets that consists of the buyers in other countries (Kotler & Armstrong 2012, 93). Business market customers can be divided into commercial enterprises called businesses, institutions such as universities and government (Hutt & Speh 2007, 6).

#### 4.2.2 Macro environment

In the following paragraphs the different environments are presented as Kotler and Armstrong (2012, 90) have classified them. The environments are demographic, economic, natural, technological, political and cultural environment (Kotler & Armstrong 2012, 90). Nevertheless, the

demographic and social environment are possible to classify into same category with the cultural environment. Legal environment can also be categorized with the category of political environment and physical with the category of ecological environment. In that case the classification is as follows: political and legal, economic, ecological and physical, social, cultural and demographic and technological environment. Those environments form PEEST analysis and it is recommendable to pay attention to the interactions of the forces because they will result in new opportunities and threats. (Kotler et al. 2012, 174.)

Issue	Effect on business
Demographic	
Economic	
Natural	
Technological	
Political	
Cultural	

Table 1: Model of PEEST analysis (Shaw, A. 2011)

Demographic environment encompasses the size, density, location, age, gender, race and other statistics of human population. The changes in the statistics of human population impact the markets. For that reason, the marketers observe demographic trends and development in their markets. They make observations about changes in age, family structures, changes in geographic population, educational characteristics and population diversity. (Kotler & Armstrong 2012, 94.)

The economic environment involves economic factors that impact customer purchasing behaviour and spending. Those factors can influence dramatically consumer behaviour in buying and spending process. For that reason, the marketers are keeping attention to the trends and consumer buying behaviour and spending. (Kotler & Armstrong 2012, 101.) The economic environment consists of growth strategy, economic system, industry, agriculture, infrastructure, financial and fiscal sector, removal of regional imbalances, price and distribution controls, economic reforms, population and per capita and national income (Rao 2010, 57).

The natural environment is important because it contains all the natural resources that are necessary resources for marketers or they are influenced by marketing functions. Air and water pollution, global warming and other environmental concerns can also affect the market.

The company can develop strategies and modes to improve environment sustainability. It can develop more environmentally liable products for the demands of customers. (Kotler & Armstrong 2012, 102-103.) Natural environmental factors impact the company's strategic decisions: location of the factory, expansion and diversification, transport, storage and types of products and services demanded based on physical and biological conditions (Rao 2010, 60).

Technological environment can offer great chances for marketers. It is possible to create new markets and opportunities with new technologies. The technological environment needs to be monitored, because it changes fast. (Kotler & Armstrong 2012, 104.) The company may monitor following aspects: how rapidly innovations are spreading or developing and how technology is impacting customers, suppliers, distributors, marketing and processes. Additionally, the company may monitor how technology is generating industry-wide standards and government regulations, when and what kind of competitive technologies are entering market and how much the industry and significant competitors are investing in research and development (Wood 2004, 52).

Laws, government agencies and pressure groups that affect or restrict different companies and individuals in a society are part of the political environment. Regulations are changing all the time. For that reason, it is hard for the marketer to keep up with modifications and their interpretations. (Kotler & Armstrong 2012, 105.) The company has to consider following factors in political environment: changes in tax laws, regulations and deregulations, changes in patent laws, environmental protection laws, export-import regulations and political conditions (Rao 2010, 58). Laws, regulations and governmental actions may impact product purity, labelling, pricing, distribution, promotion, competitive behaviour and customer selection (Wood 2004, 49).

All institutions and other factors that impact a society's basic values, sentiments, choices and behaviours can be classified into the cultural environment. The society affects the individuals' basic beliefs and values. The knowledge of cultural characteristics may impact marketing decision making. (Kotler & Armstrong 2012, 110.)

#### 4.3 Situation analysis

Situation analysis is a process that assists the company to analyse the information collected about the market research and the historical data gathered from the company and its products. By compiling a situation analysis, the company should pay attention to:

- reviews of the economic and business climate
- considerations about company's position in the strategic markets and key sales areas

- the definitions of the strength and weaknesses of the company, its organization, its performance and its key products
- comparisons with its competitors
- Identifications of opportunities and threats.

(Westwood 2013, 29.)

The SWOT analysis is the key model used in the situation analysis. It includes strengths and weaknesses that refer to the company and opportunities and threats that are normally the external factors and which the company cannot impact. In order to implement the SWOT analysis, the company needs to realize and analyse its strengths and weaknesses and describe threats to its business and opportunities in the market. The goal is to make use of the SWOT analysis in order to exploit strengths, prostrate weaknesses, comprehend opportunities and prepare the company against threats. (Westwood 2013, 30.) The company can use the SWOT analysis for analysing the company, its sales organisation, a product, a sales area, a market segment and a competitor (Westwood 2013, 31).

STRENGTHS	WEAKNESSES
OPPORTUNITIES	THREATS

Table 2: SWOT analysis template (Westwood 2013, 30)

The SWOT analysis is a basic initial tool that should be used with prudence (Kotler et al. 2012, 115). Kotler et al. (2012, 115) noted that the SWOT analysis tends to oversimplify and illuminate critical issues, problems and themes. It is mostly a description of circumstances. The company could take an advantage of the opportunities that the company has set based on the strengths of the company. It can also take an advantage of the SWOT analysis in order to discover or improve new strengths. (Kotler et al. 2012, 115.)

When preparing a situation analysis, the company needs to consider its product not only from its own perspective but also from the competitors' and customers' perspective. It is recommendable to observe following issues relating to potential customers, competitors and the company:

- the customers and their location, the market leaders and their own competitors

- the fulfilling of customers' requirements in product perspective, the need for product development or completely new products, the potentiality of a new product and the position of the company in the market
- the main competitors, the size of the main competitors in comparison to the company, their location and their location in the market sector, the types of products they sell or manufacture, the pricing technology that the competitors have compared to the company, their sales or distribution channels and the new products that they recently have introduced.

(Westwood 2013, 17-18.)

The company has external market research data but also remarkable internal data that should be utilized in the marketing plan. It is recommendable to take as a part of the marketing plan the analysed and separated sales or order data that represent the key market segments of the company. In addition, that data shows how it sells its products. (Westwood 2013, 21.)

## 5 Going global

Marketing goal is defining which products the company wants to sell on which markets (Westwood 2013, 35). The aims should be specific, measurable, achievable, realistic and time-bound. The company should express the objectives in terms of values or market shares and vague terms such as increase. Every aim needs also a timescale for the achievement. (Westwood 2013, 36.)

Marketing goals can be divided into following: selling existing products on the existing markets or on the new markets or selling new products on the existing markets or on the new markets (Westwood 2013, 36). The least risky way is to sell the present product on the company's existing market and the highest risk is to sell new product on the new market (Westwood 2013, 57 - 58). Nevertheless, when entering a particular country, the company needs to determine the most effective mode of entry (Kotler et al. 2012, 69).

When deciding the type of foreign business partner needed it is also recommendable to plan the mode of entry and describe partner qualifications. The following qualities are important, when looking for a partner company:

- financially resourceful
- competent management and qualified technical and sales staff
- willingness and skill to invest in and grow the business
- a strong industry knowledge
- know-how to increase the company's access to distribution channels and end-users
- well-known in the marketplace and well-connected with local government

- a good reputation and the skill to accomplish strategies and be committed and loyal. (Pearl 2011, 76.)

When entering the market, the company should also explore and describe the effects of partner capabilities, access to distribution channels and intensity of the competitive environment. In addition, the company should investigate human and financial resources, execution timetable, and risk tolerance versus risk aversion of the management team and other stakeholders and reputation. The partner capabilities are important to explore and define because the competencies and resources of foreign partners will decide how fast the company can enter the target market and gain sales. It is also recommendable to explore the access to distribution channels, which means discovering the skill to establish prime channel intermediaries and distribution infrastructure in order to boost sales potential. (Pearl 2011, 77 - 78.)

The different kinds of entry modes are indirect exporting, direct exporting, licencing, joint ventures and direct investment (Kotler et al. 2012, 69). The different kinds of entry modes are described in the following sections. Those entry modes are important when figuring out the different kinds of expansion options.

Indirect exporting means working through independent intermediaries which include less investment, because the company does not have to build an export department, an overseas sales force or a set of international contacts. It also involves less risk because international intermediaries have the expertise and services to the relationship. Direct investment is the case when the company prefers to handle its own exports. This involves greater investment and risk but also a greater potential return. (Kotler et al. 2012, 70.)

Licensing is a process where the licensor releases a license to a foreign company to use a manufacturing process, trademark, patent, trade secret or other term of value for a fee or royalty. The entry involves a little risk for the licensor because the licensee gains production know-how or a well-known product or brand name. Licencing arrangement can be implemented by selling management contracts to the foreign company in order to manage the business for a fee, contract manufacturing or franchising. Contract manufacturing means the process where the company hires local manufacturers to produce the product. When the company offers a complete brand concept and operating concept it means franchising. In return the franchisee invests and pays specific fees to the franchisor. (Kotler et al. 2012, 70.)

Joint ventures mean sharing the ownership and control the reach more technological and geographic markets. The other goal is to diversify risk and investments. The negative sides of this are possible disagreements over investment, marketing or other policies between the partners. The value of partnership can expand beyond increased sales or accession to distribution.

In a best situation, the partners also share brand values to help maintain brand consistence across markets. (Kotler et al. 2012, 70.)

Direct investment means a situation where a foreign company purchases part or full interest in a local company or create its own manufacturing or service facilities. The advantages in the market large enough are the securement of cost economies through inexpensive labour or raw materials, government incentives and freight savings. Additionally, the advantage is the strengthening of the company's image in the host country by creating jobs and the deeper relationships with government, customers, local suppliers and distributors which enables the company to better adapt its products or services to the local environment. The retain of full control over the company's investment which enables a development of manufacturing and marketing policies that are in guidance with the company's long-term goals are also the advantages in the market large enough. In addition, the backup of the access to the market in case the host country demands that locally bought goods have domestic contents are an advantage. The most critical disadvantages are an endangering of the investment to risks such as blocked or devaluated currencies, worsening markets or expropriation. (Kotler et al. 2012, 71.)

The company also needs to consider how many countries to enter and how fast to expand (Kotler et al. 2012, 71). It also has to evaluate the potential markets to enter. The company could observe the differences among countries and adopt predictable marketing actions that put them at disadvantage. (Kotler et al. 2012, 72.)

Mergers and acquisitions are relatively safe and economical strategy among other expansion choices. Some domestic businesses may prefer mergers and acquisitions abroad as the only tangible option for growing market share in slumped economy. (Pearl 2011, 147.) The company may also want enter a foreign market rapidly and retain maximum control when a direct investment through an acquisition could be an effective option (Onkvisit & Shaw 2009, 310).

The other reasons to choose mergers and acquisitions can be following:

- to gain a new technology, new brands or complementary products
- to obtain access to experienced management or workforce
- to utilize control over the supply chain
- to receive economies of scale
- to develop distribution channels
- to eliminate a competitor

(Pearl 2011, 146 - 147).

Long-term success of mergers and acquisitions depends on powerful leadership, a capability to think to the future through due diligence, cultural perception and a well-planned post-merger integration process (Pearl 2011, 146).

When aiming to global mergers and acquisitions, it is recommendable to explore the company's level of functioning, how the workforce of the business is placed and organized, whether the marketing initiatives and contacts are firmly entrenched and the customer base and revenue stream set up (Pearl 2011, 147).

Before starting the due diligence process, the company needs to consider whether the company integrates into the existing company. It is also recommendable to decide whether the company is going to operate independently or as a department. The integration has to be made smooth and seamless. The company should consider how it can be implemented. The company should also decide the ways of dealing duplicate departments, systems and vendors from the acquiring company's perspective. It is also recommendable to ask how the new business will be operated the day after the deal was settled, will this organization structure generate loyalty, will the employees and managers stay, what will be the local reaction to the proposed changes and what is the new competitive landscape. In order to get answers to this questions, the company should collect information of consumer demand, consumer profiles, competition, pricing, packaging, foreign regulations, shipping and distribution from the right sources. (Pearl 2011, 149.)

However, when aiming to acquisition the company should set the company valuation (Yrityksen arvonmääritys 2016a; Yrityksen arvonmääritys 2016b). The value determines how much the party can for example in connection with the sale gain money and is influenced by several different factors (Yrityksen arvonmääritys 2016b).

## 5.1 Company valuation

The company's value is generally considered to be the present value of future profits in the acquisition. In that case the company's future profits are discounted to the present value. The prediction of the profits includes naturally several assumptions. Nevertheless, predicting future profits is usually the most significant factor that impacts the value of the company in the acquisition. Predicting the future is based on multiple factors such as the company's own estimates and forecasts, for example about future sales and financial performance. (Yrityksen arvonmääritys 2016a.)

A number of different calculation models, such as company's net asset value, return value and comparison with the trade values have been developed in order to facilitate the determination of the value. The basic and most obvious measure for determining the value of the company is a comparison of the transaction value. The company's value is determined by comparing it with other corresponding acquisitions and paid transaction prices in the market. On the other hand, this might be challenging because corporate purchase information is not always publicly available. As a result, this model is not usable option. (Yrityksen arvonmääritys 2016b.) The value of small and medium-sized enterprises is defined by the company's return value and the net asset value that is the company's property's debt-free value (Suomen yrittäjät 2014).

The starting point with trade negotiations is quite clear when the return value of a functioning company exceeds the net asset value. In conclusion the buyer is willing to buy a future profits and receives the company's assets with the trade. However, if the net asset value exceeds the return value the situation is more complicated. In this kind of situation, the company's value is too high and therefore does not necessarily lead to the acquisition. (Suomen yrittäjät 2014.)

There are multiple factors, such as tax penalties, liability issues, the needs of the parties, the parties' negotiation ability and professional knowledge that have an impact on the purchase price in addition, the information about the financial statements in the acquisition. However, the basis for valuation is always the value calculated on the basis of financial reporting and valuation methods. The correct value is assumed to be the value which enables the implementation of the acquisition. (Yrityksen arvonmääritys 2016a.)

#### 5.1.1 Return value

The return value is based on the fact of how much the company will generate in the coming years with the new owner. In order to get the return value the company needs to create a realistic profit forecast where future returns are added together for example from the five following years. The company's value measured by the return value is the resulting sum. (Suomen yrittäjät 2014.)

The company, industry and other issues determine the period of time in which the profits are calculated together and what level they are. The tax office calculates the return value on the basis of previously realized years. The value needs to be determined based on the future because that matters to the buyer most in the acquisition. (Suomen yrittäjät 2014.)

Mainly the company whose value is calculated by summing the profits of less than two years, is an inexpensive company. The company whose profits are calculated from over six years is expensive. The reason for that is the other funding partners such as banks involved. They also enable the acquisitions. (Suomen yrittäjät 2014.)

Nevertheless, the last three financial years' prepared income statements' results that are drawn up in accordance with the accounting law are usually used to define the rate of return. When calculating the value of the net profit all coincidental items, such as group contributions, transfers of financial statements and the entrepreneur's deferred salary should be removed. Finally, the average is calculated from the results of calculation used. (Yrityksen arvonmäärittäminen 2016b.)

### 5.1.2 Net asset value

A simpler and easier value determination method compared to the return value is the net asset value. The net asset value is often a company's minimum price and the purpose of the net asset value is to define the amount of the debt-free assets of the company. In order to get the company's net asset value, the company can calculate it by subtracting all liabilities from the balance sheet or adding the reserves to the company's equity capital. (Suomen yrittäjät 2014.)

The negative side of net asset value is that it does not take into account any expected future profits in a calculation and therefore it presents too low value of the functioning and profitable company (Yrityksen arvonmäärittäminen 2016a). Because the net asset value defines the company's current value of the property the net asset value is not often used as a sales price since the buyer purchases besides the company property also the business (Yrityksen arvonmäärittäminen 2016b).

## 5.2 Marketing strategies

Marketing strategies are the methods that will assist the company to reach its marketing objectives (Westwood 2013, 11; Kotler & Armstrong 2012, 78). They disclose the functions associated with marketing mix and is prepared before the action plan (Westwood 2013, 11). The marketing mix consists of product, price, promotion and place (Westwood 2013, 11; Wood 2004, 6; Kotler & Armstrong 2012, 75 - 76; Agndal & Axesson 2012, 136). They are the elements the company will implement to impact the demand for its product (Kotler & Armstrong 2012, 75). It needs to solve how to deliver value that meet customers' needs (Wood 2004, 18). If the customer needs are divergent the marketing mix elements needs to be planned to each target group (Kotler et al. 2012, 74).

The company also needs to take an account the value proposition when it is defining the strategies because it shows the direction by itemizing how the organization suggest to deliver superior value to customers. It means the program of products, services, ideas and solutions that the company offers to develop performance goals of the customer organization and is important because it determines the employees to focus on customer demands and explains the reasons for the company to position its products in the minds of customers. When the company creates products that provide customized outcomes for specific customers it has a possibility to emerge the value proposition. The focus is on customers and their problems and the goal is to create solutions to solve the problems. (Hutt & Speh 2007, 10.)

Business-to-business companies may choose among following forms of differentiation in creating value proposition: low total cost, product innovation and leadership, complete customer solutions and lock-in. Low total cost means offering attractive prices to customers besides superior and consistent quality, ease of purchase and responsive service. Product innovation and leadership means producing products that expand existing performance boundaries through new features and functions. When the company provides customized products and services to customers' requirements it means that the company is following the value proposition through complete customer solutions. The company may also choose lock-in form which means that customers purchase a widely used proprietary product from the company and incur high switching expenses. (Hutt & Speh 2007, 183 - 184.)

### 5.2.1 Product

Product is a combination of the goods and services the company offers to target market (Kotler & Armstrong 2012, 75). The goods are tangible when services are intangible. The brand is another intangible element and significant aspect of the product offering. (Wood 2004, 18.) It is an important aspect because it provides identity and competitive differentiation to stimulate the customer interest (Wood 2004, 158).

The company has to consider how customers will perceive the product offering, how its benefits will meet customers' needs and how it should be marketed when planning the product strategy (Wood 2004, 18). First, it has to take an account tangible elements such as features, design, packaging, labelling and performance. Secondly, the company has to pay attention to intangible elements such as benefits, brand, quality perceptions and related services. The third aspect it has to consider are process elements such as new product development, product life cycle and ecological and ethical concerns (Wood 2004, 19).

Features and benefits are significant issues of the product because the customers' purchasing decisions are based on the product's features. The features contribute to functionality and

benefits that bring the need-satisfaction outcome for the customers (Wood 2004, 154 - 155). The company can offer clear benefits such as lower costs and higher quality compared to competitor's products in order to make the product successful (Hutt & Speh 2007, 260).

The customers' perceptions and buying choices are either directly or indirectly affected at some level by design (Wood 2004, 156). The design is the mix of features that have an impact on the product looks, feels and functions in customer's perspective (Kotler et al. 2012, 583). The product performance comes from the product design and for that reason it is recommendable to implement the design with the organization's marketing, financial and societal objectives and fit it to other marketing mix decisions (Wood 2004, 156).

Packaging is meant to protect tangible goods, make their use or storage more appropriate for customers and is ecologically protective (Wood 2004, 157). The label could be an unsophisticated tag in the item or a carefully designed graphic that is a part of the package carrying the brand name or a comprehensive deal of information (Kotler et al. 2012, 401). Labels' positive side can be a differentiation of the product from competing items. When labelling the product, it is recommendable to consider applicable laws and regulations. (Wood 2004, 157.)

Quality means how well it satisfies the needs of the customers. For that reason, the high-quality products usually satisfy customer needs better than poor-quality products. (Wood 2004, 153.) The product quality and customer value have become important as a result of increasing global competition and rising customer expectations. Several international companies demand that suppliers as a precondition for negotiations meet quality standards set out the Geneva-based International Standards Organization (ISO). The supplier has to thoroughly document its quality-assurance program for the requirement of the certification. (Hutt & Speh 2007, 221.)

Product life-cycle means the product's movement through the market from introduction to growth, maturity and eventual decline. The company may take an advantage of the predicted ups and downs in the cycle by analysing a product life cycle's situation and using marketing strategy to manage it. (Wood 2004, 149.) It is also possible to develop new products for targeted customer segments. In that case some development decisions have to be made. Those decisions can be put in an appendix or separate document and outline the major decisions in the marketing plan. (Wood 2004, 151.)

A brand is a name, symbol, logo, design or image or combination of these which purpose is to identify a specific product or service and distinguish it from competitors. A successful brand delivers relevant, special and constant added value that agree with the buyer's needs most closely. It also creates significant images in the minds of the customer. (Kotler et al. 2012,

467 - 468.) When planning the brand strategy, the company needs to identify the brand and position the brand for differentiation. It is also desirable to consider how the product attributes support the brand, how it can expand the brand awareness and how it can develop the brand image. In addition, the company should consider how it can encourage brand preference and loyalty and some other issues associated with the relationship with the brand and customers and customers' feelings about the brand. (Wood 2004, 164 - 165.)

The most effective approach to the competitive advantage is to be a lower-cost producer of a higher quality product. This kind of approach gives to the customer more value for the money and creates prime value by meeting buyer expectations on product features. When the company matches competitors on its product's key features and defeats them on cost it has a possibility to have success in the market. (Pearl 2011, 91.) Nevertheless, the challenge is to communicate the product's benefit in a way that customers recognize the differentiation compared with competing products and realize the value in relation to the price (Wood 2014, 204).

#### 5.2.2 Price

Price is the amount of money customers need to pay to get the product (Kotler & Armstrong 2012, 76). It also produces revenue (Kotler et al. 2012, 649). It is recommendable to price the product based on goals with marketing and overall corporate aims (Hutt & Speh 2007, 371). The company also needs to consider how price should be used to reflect the positioning of the product, brand and organisation, what costs have to be taken into account when calculating revenues and profitability and how will competitive pressure impact pricing (Wood 2004, 21).

The company needs to also consider cost, supply, exchange rate, tariffs and culture in the case of international marketing (Onkvisit & Shaw 2009, 577). In some industries government regulations can have an impact on pricing by allowing or blocking the certain products' sale. Another factors affecting on pricing by mandating product standards, tests or labelling are legal and regulatory actions. Value-added tax or sales taxes are included prices of products in specific countries. The value-added tax or sales taxes may be different in each nation. The price that customers pay for the product also includes raised import tariffs. (Wood 2004, 208.)

An important issue before pricing the product is to define the true value of the product or products to the customers (Kotler et al. 2012, 652). It is recommendable to set the price lower than the perceived value or in a way that it perfectly reflects the perceived value in order to not preventing customers to make a purchase (Onkvisit & Shaw 2009, 576).

When pricing a product, the company can use skimming or penetration approach. Skimming means high initial price and penetration means low initial price. (Hutt & Speh 2007, 379; Westwood 2013, 58.) The market-penetration pricing is usually used when the company aims to maximum market share and market-skimming pricing is usually used when it desires to have maximum market skimming (Kotler et al. 2012, 657 - 658).

A skimming policy is efficient for a new product because it offers an opportunity to profitably achieve market segments that are not sensitive to the high initial price (Hutt & Speh 2007, 379). Therefore, market skimming could be useful when there is adequate number of buyers who have a high current demand. It could also be beneficial when the unit costs of producing a small volume are not too high that they invalidate the benefit of charging what the traffic will bear and the high price conveys the image of a superior product. (Kotler et al. 2012, 658.) The demand can transform to more price elastic, when the product matures, competitors enter the market and organizational buyers become familiar to evaluating and buying the product. The effective solution then could be reducing the price to reach more price sensitive segments and to enable the recovering of high developmental costs more quickly. (Hutt & Speh 2007, 379.)

When the company believes that setting the lowest price assuming the market is price sensitive will maximise their market share, the approach means market-penetration pricing (Kotler et al. 2012, 658). A penetration approach could be preferable when there is high price elasticity of demand, strong threat of forthcoming competition and a chance to measurably reduce in production costs as volume extends. The strategic advantage over competitors is reachable with a quick gain of substantial market share and experience. (Hutt & Speh 2007, 380.) The market-penetration pricing could also be used to fall distribution costs with accumulated production experience and prevent veritable and potential competition (Kotler et al. 2012, 685).

The company may also have some other goals such as maximum current profit, to be a product-quality leader or having partial cost recovery. There are specific pricing strategies for those as well. (Kotler et al. 2012, 657 - 659.) When the goal is to maximum the current profit, the company estimates the demand and costs associated with various prices. In addition, the company makes a decision which price produces maximum current profit, rate of return or cash flow on investment. In order to follow this strategy, the company has to know its demand and cost functions. The company may have a goal to be a product-quality leader in the market. This is possible when it succeeds to mix quality, luxury and premium prices with an extremely loyal customer base. Non-profit and public organisations may have an objective for partial cost recovery which means that it has to rely on public grants and private gifts to cover its remaining costs (Kotler et al. 2012, 658). In order to get more profit using a price as

a strategic tool is more beneficial than letting costs or the market decide the pricing of the company (Kotler et al. 2012, 659).

### 5.2.3 Promotion

The activities that communicate the value of the product and attract target customers to buy is promotion (Kotler & Armstrong 2012, 76). The promotion strategy may be also called as integrated marketing communication strategy (Wood 2004, 22). There are specific promotion tools available to implement it: advertising, personal selling, publicity and sales promotion. These elements are called as promotion mix. (Onkvisit & Shaw 2009, 511.) When planning the strategy, it is preferable to pay attention to external elements such as targeted customers' needs and buying behaviour and legal and regulatory considerations. Secondly, it is recommendable to consider internal elements such as available resources and content and delivery coordination. Thirdly, the company should pay attention to the choice of tools and message and media elements such as message content. Fourthly, the company should consider the reach and the frequency, media costs and characteristics and the pre-test and the post-test (Wood 2004, 23).

Personal selling may be implemented either as a face-to-face conversation or over the telephone (Onkvisit & Shaw 2009, 515). Internet sales by using text, voice or webcam communication is also personal selling. In most retail, telemarketing and internet setting personal selling may be less expensive. (Wood 2004, 235.) Personal selling may be appropriate tool when there is industrial purchasing or large-volume purchases characterized by a large amount of money being involved. It may also be appropriate tool when the market is concentrated or when the salesperson has to create a measure of trust in the customer for the purchase (Onkvisit & Shaw 2009, 512 - 513). Generally personal selling is an effective option with high-unit-value and rarely purchased products that usually needs to be demonstrated, are custom-made or fitted to a customer's need or include trade-ins (Onkvisit & Shaw 2009, 513).

Advertising differs from personal selling by relying on non-personal means of contact and a sales presentation. It is also a one-way communication process that enables the control of the message more efficiently but is less convincing compared to personal selling because advertisements are prepared in advance and the message has to be kept simple to attract a large number of people. (Onkvisit & Shaw 2009, 513.) It can be a cost-effective channel to inform and remind large numbers of customers or channel members about the brand or product (Wood 2004, 233). Some channels to advertise are television, radio, newspaper or magazine, posters and billboards and internet (Wood 2004, 234).

The non-personal stimulation of demand that is not paid by a sponsor which has published news to the media means publicity. It differs from advertising by having less control over the usage of the message by the media in the perspective of the company. (Onkvisit & Shaw 2009, 520.) The negative aspect is that the company cannot know for sure that the information it wanted to convey will capture the intended audience's attention in the preferred form or at the preferred time or will it catch the intended audience at all (Wood 2004, 236). The positive aspect is that it is assumed to be free because media is not paid for the presentation of the message to the public. In practical terms a publicity campaigns are not cost-free because someone has to be set to build up publicity. In addition, there are multiple direct and indirect costs. (Onkvisit & Shaw 2009, 520.)

Nevertheless, the cost for publicity is minor compared to the benefit. The low cost is one benefit besides that the material presented is recognized having more credibility and tended to admit it as news information rather than as advertising. This tool is especially applicable to use in countries where buying commercial time or advertising space is more challenging. It is also applicable to use when the company advertises heavily because the advertising may attract the media used previously to reciprocate by publishing the company's news releases. Publicity is also useful tool in cases when the editorial content may have an impact on the purchase decision. The methods that may be used to gain publicity are contribution of prizes, sponsorship of civic activities, release of news about the company's product, plant, personnel and announcements of the company's promotional campaigns. (Onkvisit & Shaw 2009, 520.)

Any other promotional activity that is not included to advertising, personal selling or publicity is called sales promotion. Sales promotion may be mixed to promotion. Promotion can be seen as an element that involves all the four promotion mix elements. (Onkvisit & Shaw 2009, 523.) Sales promotion can be used with the pull strategy in order to induce customers to request a specific product from channel members and with the push strategy in order to use sales promotions to encourage channel members to stock and sell the product (Wood 2004, 235).

Some techniques that can be used with sales promotion are coupons, contest, price-offs, demonstrations, premiums, samples, money refund offers and trading stamps. The company can use a combination of these techniques in the same campaign. The function of the sales promotion is to replenish other promotional elements: advertising, personal selling and publicity. (Onkvisit & Shaw 2009, 525.) Sales promotion is efficient after the product is introduced to a market or with existing products that have a high competitive advantage and are standardized particularly when they are not of high unit value and have high turnover. Because there are restrictions and legal requirements, the company should consult local lawyers

and authorities before launching a promotional campaign. The company should know the particular laws of each country. (Onkvisit & Shaw 2009, 526.)

#### 5.2.4 Place

The company activities that make the product available to the target customers, means placing the product (Kotler & Armstrong 2012, 76). The company may plan a channel and logistics strategy to implement. Determining whether market indirectly through wholesalers, distributors or agents that sell business to buyers or deal directly with some or all of the business customers are the key questions before placing the product (Wood 2004, 19).

When planning the channel and logistics strategy, the company needs to consider both channel elements such as value chain flows and responsibilities, customer preferences and expectations, channel length, market coverage and channel members. It also needs to consider the benefits of product offering, push or pull strategy and ecological effect. In addition, the company has to pay attention to logistical elements such as inventory, storage, transportation, order processing and fulfilment and other physical, financial informational flows (Wood 2004, 20). The value chain, also meaning the supply chain include interrelated, value-added functions undertaken by the marketer with suppliers, wholesalers, retailers and other participants to source suppliers and deliver a product that satisfies customers' needs (Wood 2004, 173). Push strategy means pushing the product through the outbound connections of the value chain by intermediaries to customers (Wood 2004, 183 - 184). Pull strategy means requesting the product from channel members until intermediaries agree to convey it (Wood 2004, 184).

#### 5.3 Action plans and marketing programmes

Marketing implementation is turning the marketing plans into marketing actions to reach strategic marketing goals (Kotler & Armstrong 2012, 78). When the strategy and implementation are appropriate the company has a great possibility to meet its goals (Hutt & Speh 2007, 456). Implementation process pays focus on following: who, where, when and how (Kotler & Armstrong 2012, 78). This means that the company is determining the persons to carry out a specific task in a specific way. At the same time, it is defining the programmes. (Westwood 2013, 11.)

The implementation includes marketing control which means the evaluation of the results of marketing strategies and plans and implementing corrective action to confirm that the goals are achieved. Sometimes the corrective actions may demand changing the action program or the objectives. (Kotler & Armstrong 2012, 80.) The company may compare the results with

standards daily, weekly, monthly and quarterly or even an hour basis if there is need to maintain superior control over marketing (Wood 2004, 26).

## 6 Communication strategy

Communication strategy consists of choices, definitions and methods which will be the activities of the company. By applying and implementing them, the company communicates with the stakeholders and the environment. The purpose of the communication strategy is to get the communication to support the entire organization's strategy. (Juholin 2009, 99.)

Communication is a substantial part of the business. It can help the company to strengthen its relationships to its stakeholders, strengthen the image of the company, add more reliability to the functions of the company and help the company through possible challenges and crises. (Korhonen & Rajala 2011, 33.)

Those companies that understand the meaning of the strategic communication and take an advantage of it success in their business activities. Some companies do not notice the importance of the communication until the company faces a challenging situation that demands the communication in order to solve the problem. That kind of companies only report the messages forward and are passive with their communication. (Korhonen & Rajala 2011, 34.) For that reason, it is important to notice possible problems of the communication in time. Being aware of the challenges, the resources can be focused to solve them. (Korhonen & Rajala 2011, 35.)

The person or persons who are implementing the communication in the company need to understand the business of the organization in order to execute effective and high-quality communication. This is important because if the content producer does not understand the operating environment he or she cannot recognize issues that needs to be communicated. (Korhonen & Rajala 2011, 47.) Additionally, the content producers have to take with the planning and decision making process. The most ideal situation is when the management of the communication participates to the decision making process. That helps the content producers to be up to date and prepare themselves to communicate the issues of the organization in advance. (Korhonen & Rajala 2011, 48.)

### 6.1 Stakeholder communication

When the company communicates with its stakeholders, it is recommendable to consider what the stakeholders' relationship for the company is and why they need or want infor-

mation about the company or want to interact with the company (Juholin 2009, 204). In addition, the company needs to consider what to communicate, so that the stakeholders receive the essential or necessary information (Juholin 2009, 205). It is also recommendable to consider how to communicate. This concerns the methods and forums used in the communication with stakeholders. (Juholin 2009, 206.)

The company can communicate to its stakeholders either continuously or when necessary or even less frequently depending on the issue of communication. The issues which are communicated less frequently can be for example organizational changes, changes of personnel and their impact on co-operation relations, as well as coming major projects. (Juholin 2009, 205.) The areas of communication that are repeated annually or regularly are for example information sharing related to profit and discussions, regularly appearing publications, company or other meetings, development discussions, strategy days and wellbeing days (Juholin 2009, 110).

Issues that concern the stakeholders can also be developed rapidly as a result of the community's own operations or environmental impacts. Such circumstances are recommendable to anticipate so that stakeholders will hear information directly from the company. In addition, the communication is firstly targeted to the main or key stakeholders in these situations. (Juholin 2009, 205.)

Direct communication with stakeholders on a regular basis or occasionally is part of the company's operations. Direct customer and stakeholder communication methods include personal contacts and meetings, group events and meetings, large conferences and events, panels and open days. (Juholin 2009, 206.) When the company has to observe the costs and benefits of communication, it usually directs the personal communication to the most significant stakeholders and network communication to less important stakeholders because personal meetings require lots of traveling (Juholin 2009, 207). Indirect communication methods include network communications, newssheets and letters, reports, brochures and publications, regularly appearing stakeholder publications, advertising and direct marketing, and media publicity (Juholin 2009, 207).

#### 6.1.1 Daily communication

Daily communication is regular or everyday communication where knowledge and experience are exchanged in the workplace and with partners, in networks and in projects either in physical or in virtual environment (Juholin 2009, 111). It would be desirable to agree how to communicate and discuss on daily, weekly and monthly about issues that are important to the members of the community and the team. For example, content areas and the timing of the

discussions would be useful to define in advance. (Juholin 2009, 111.) Daily communication contents are agreed and settled inside the company (Juholin 2009, 112).

#### 6.1.2 Internal communication

Internal communication is the communication between management, supervisors and employees. Its aim is to create and develop internal relationships and the identity of the company, and through these, affect the achievement of the goals of the company (Isohookana 2007, 222). Internal communications' functions are for example purposed to retain and motivate to the objectives and impactful activities. The functions can also affect the daily going flow of the work. Their purpose can be to communicate on issues, affect the efficient use of resources and to create a positive atmosphere and community. The functions may also prevent and manage conflicts and affect the brand and corporate image and corporate identity. (Isohookana 2007, 223.)

Internal communication is an important part of the business because an efficient and greatly targeted communication increases the pleasure of the work. In addition, it commits and motivates the personnel and helps to communicate a complete image of the company outward. (Korhonen & Rajala 2011, 34 - 35.) Internal communication includes all communication, flow of information and interaction between the organization and the employees. It is recommendable to keep the internal and external communication aligned with each other so that the personnel gets the latest information straight from the organization instead of external communication channels. (Korhonen & Rajala 2011, 83.)

Internal communication can be implemented by personal, electronic and the digital communication or in writing (Isohookana 2007, 226). The channels included to internal communication are for example internal newsletters, emails, CEO's briefings, the internal training sessions of the personnel, intranet and development discussions (Korhonen & Rajala 2011, 84). Channels are selected for example on the basis of communication's objective and message, target audience and schedule. It is not unusual either to use combinations of different channels in order to ensure and strengthen the delivery of the message. (Isohookana 2007, 226.)

Meetings are part of the internal communication. It would be recommendable to focus on the development of common goals and solutions in the meetings. (Isohookana 2007, 245.) Meetings can be regularly recurring, one-time meetings or associated on a special project. They can be implemented as telephone, virtually or face to face conversations. (Isohookana 2007, 246.)

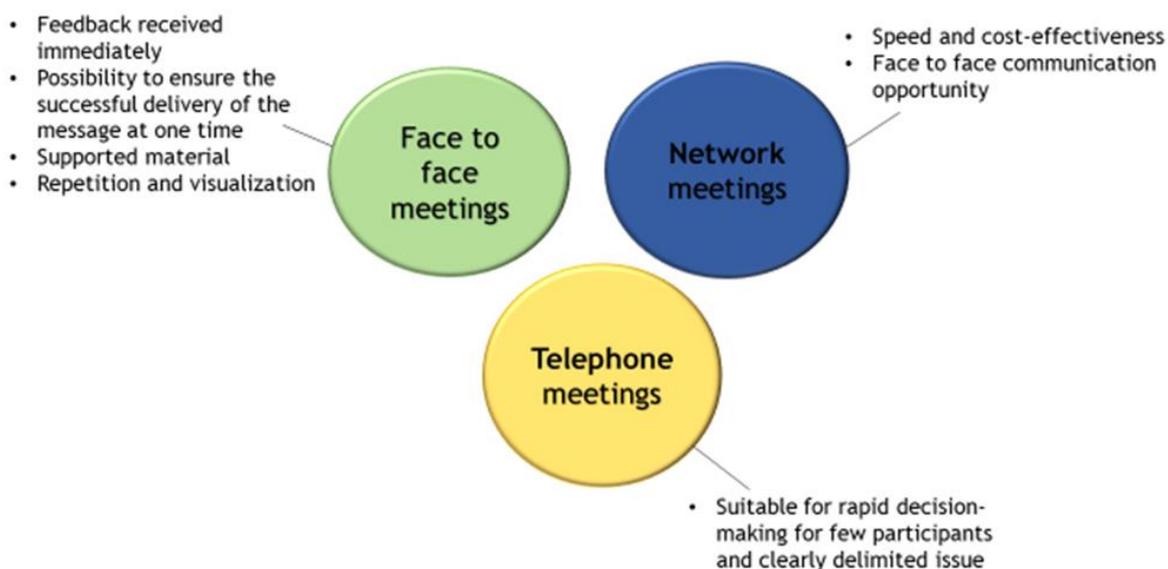


Illustration 2: Different types of meetings

The feedback is received immediately and it is possible to ensure the successful delivery of the message at once in the face to face meetings. The delivery of the message can be supported by either written or electronic material. The issues presented or handled with the face to face meetings can also be repeated and visualized. (Isohookana 2007, 247.)

The positive sides of network meetings are the speed and the cost-effectiveness. They also provide an opportunity to a face to face communication. They are the most obvious to situations where the participants know each other and the meeting concerns for example of driving a project forward, is a follow-up meeting or other routine meeting. (Isohookana 2007, 247.) Network meetings are also useful when people have long distances from each other or when the case does not necessarily require a meeting (Isohookana 2007, 246).

Telephone meetings are efficient for a rapid decision-making in challenging situations and situations in which the participants are only a few and they know each other. They also are an effective option if they handle only one clearly delimited issue. (Isohookana 2007, 247.)

In order to have a successful meeting, the company needs to agree on common rules and make sure that the right people are involved in the meeting. In addition, the meeting has for example a clear purpose and objectives, the issues discussed in the meeting concern common issues, the meeting has a leader, everyone is prepared for a meeting and the issues to be considered in the meeting are carefully planned. It is also important to agree on the following

measures clearly in the meeting, document the issues that were discussed in a meeting and to monitor the implementation issues. (Isohookana 2007, 246.)

### 6.1.3 Financial communication

Financial communication is communication to investors and shareholders. It includes relevant and reliable information of the organization's issues. Financial communication also aids the organization to achieve results, constant improvement and growth. It combines financing, communication, marketing and security law and it is based usually on numerical information about the organization. Different kinds of financial reports such as annual report, interim report and stock exchange releases are parts of financial communication. In addition, the organization organizes shareholders' meetings, briefings and other kinds of communication to the investors using traditional communication channels. (Korhonen & Rajala 2011, 85.)

The stakeholders are interested in the financial communication. The personnel of the company are interested in the financial situation of the company, because it greatly affects the daily activities and opportunities for the action. The owners want to know about the profitability and the continuation of the business and the shareholders about the performance of the underlying shares. Also the media and news agencies are interested in the financial communication through the financial news and articles related to the economy. Society leaders, state and local government are interested in the business information as taxpayers and employers. (Isohookana 2007, 198 - 199.)

### 6.1.4 Crisis communication

When an event or process threatens tangible or intangible values, such as people, real estate, property and reputation of the company, it is perceived as a crisis. The crisis progress or develops suddenly for example in a case of a sudden accident. The crisis has always its ending point, but it always has an impact on the people undergone a crisis. The crisis may be caused for example by technology, action or the service process failure and faults caused through them. It may also be caused by human mistakes, management mistakes or errors in the estimates, unethicalness or frauds or damage caused by people. Layoffs and organizational changes or problems related to the reputation of the organization are the specific crisis affecting work communities. (Juholin 2009, 299.)

The company has an impact on the crisis at the enterprise level, the whole industry level, the individual level and at the level of publicity. At the company level the crisis threatens the financial situation of the company and weakens the resources. The crisis may also lead to negative thoughts throughout the industry associated with the company. At the individual level, as

a consequence, there may for example be the end of the employment relationship or the uncertainty and stress associated with it. At the publicity level the media may affect the company's reputation with a variety of negative publications. (Isohookana 2007, 207 - 208.)

The crisis is an unexpected situation but the company can prepare to it (Korhonen & Rajala 2011, 89). Vigilance, proactive decision-making and decentralized communication process are important starting points in crisis situations. The company should design the process and templates for various situations in advance. Also publishing rights and the construction of an alternate system for the publication accelerate the opening of the event sites and effective use. The company must also take an account of all the means of digital communication such as mobile devices, the Internet and various online communities when it is planning crisis communication. They are the most effective and the only way to convey information quickly and accurately. (Juholin 2009, 270.)

In case of the crisis, measures must be initiated immediately, responsibilities have to be concrete and visible to all and communication must be continuous to the persons involved and interested in the crisis so that they will be able to follow the development of events (Juholin 2009, 270). With an efficient communication the impacts of the crisis is possible to moderate (Korhonen & Rajala 2011, 89; Isohookana 2007, 208). It is also recommendable to communicate about the situation even though all the information related to the crisis is not available (Korhonen & Rajala 2011, 89).

The information to be communicated associated with the crisis needs to be useful, reliable and accurate. It should also to be communicated as soon as possible to all those who need the information about the crisis. (Isohookana 2007, 208.) The message to be communicated should also be constant and all the stakeholders should receive the message at the same time. This creates more reliability toward the company. (Korhonen & Rajala 2011, 89.) The best way to anticipate crises and prepare for crises is to develop the operation and quality of such that the company will not face the crisis (Juholin 2009, 302).

The company should has a prepared communication plan in case of the crisis that includes risk evaluation, risk plan to identified risks, the impact on the stakeholders, media plan and channels of communication. In addition, the crisis communication team should be appointed. (Korhonen & Rajala 2011, 89.) When preparing the crisis communication plan, it is also recommendable to build it from the organization's perspective and needs. The types and descriptions of the crisis, principles of the crisis communications, stakeholders, communications responsibilities, management and organization of the crisis in various crisis situations can also be included to the plan. In addition, the crisis management group and

methods of cooperation, communication means and directives, as well as follow-up and analysis are possible to include in the plan. (Juholin 2009, 304.)

The crisis descriptions can be for example accidents, violence, human resource issues, leadership issues, economic difficulties, industry environment changes or psychological crises. The crisis communications principles can be initiative, honesty, accountability and speed. Stakeholders include for example employees, customers, owners, partners, public authorities, professional associations, municipality and the media. The communication responsibilities may be specified for example management's, supervisors', specialists' and communications 'professionals' specific responsibilities. (Juholin 2009, 304.)

The crisis management and organizing in the crisis situation include a description of the process for the first made sighting to a situation assessment, to transmit a message, to the actions and the launch of communications, to continuation, to maintenance phase and finally the ex-post evaluation. The company has to describe the persons that form the crisis management group. Additionally, it has to describe the tasks they have in a crisis preparedness, management, evaluation and development. The active partners and activities in varied situations has to be defined as well. The communication methods and guidelines are for example replies to questions, newsletter, interview, statements, briefings for the media and other stakeholders, creation and updating of intranet and Internet sites and at the international level newsletters and network data language versions. (Juholin 2009, 304.) An example of an exceptional situation plan is described in Table 3.

Stakeholder	Content	Methods and forums	Responsible person
Personnel, communications or equivalent	Estimation of the situation, how to proceed and how to inform	Meeting, email, intranet	Customer responsables, management, publicist
Corporate communications or equivalent	Estimation of the situation, how to proceed and the responsible persons for each activity	Meeting	Account manager, management unit, publicist
The entire personnel	Summary of events and the progress	Intranet (crisis channel)	Corporate communications
The personnel of projects	View of the situation	Direct contacts	Project and account manager
Customers	What happened, consequences and how to act	Direct contacts, internet, extranet, possible journal ad	Management unit, account manager, group management
Stock market	Stocktaking (what, where, how and what kind of consequences)	Release, internet	Corporate communications
The local residents	View of the situation and briefing	Local radio and local tv, internet, a call to the largest organizations	Communications (persons in charge of various functions)
Media (national, economic and territorial)	A cumulative reappraisal of a situation	Release, a preparation to an interview, service of reporters in the internet	Corporate communications, group management, management unit
Authorities	A reappraisal of a situation	Direct contacts	Group management, management unit

Table 3: An example of an exceptional situation plan (Juholin 2009, 309)

## 6.2 Image and identity

Image and identity have an impact on the reputation of the company. Identity means all visible elements such as the organization's name, logo, slogan, office, staff clothing and the colours and brochures of the company. In order to deliver a constant image of the organization all the identity elements need to be in harmony. The stakeholders form their opinion about the organization on the basis of the identity elements. Image is an immaterial concept that reflects the identity of company. The stakeholders form the image of the organization's identity from their point of view. For that reason the organization has several images. (Korhonen & Rajala 2011, 90 - 91.)

### 6.2.1 Themes and strategic key messages

The target image or the target profile is built on the key messages or keywords and refers to the image that the company wants its stakeholders to have. The view of the company's image is created by the recipients. Strategic basic messages or the core messages are important because they tell the outsiders why the company exists, what it seeks to achieve, of what kind of methods and what values guide its activities. Basic messages work well, for example, as a presentation in an investor meeting. (Juholin 2009, 79.)

In addition to the strategic basic messages, the company needs another kind of communication content, which can be developed through themes. A theme refers to subjects or issues that are particularly interesting or critical. If they represent the issues that are important for the existence of the company and strengthen its existence, they can be called as mission contents. Themes can be company's own or taken elsewhere. (Juholin 2009, 85.)

### 6.2.2 Visual identity

Visual identity is a significant factor in creating and strengthening the image of the company. The company can separate itself from its competitors with a unique and recognized visual appearance. The relevant factor is to get the recipients thoughts through visual appearance to the company's core issues. The most essential elements included to the visual identity are corporate and product ID, distinctive colours and typography. These elements will be presented in all communication material such as advertising, brochures, publications, on the websites, business cards and envelopes. (Juholin 2009, 86.)

The company may change or renew the visual identity in due a change in organization or in environment. The company may want to renew or change the old-fashioned identity or identity, which no longer corresponds to the current image of the company. It would be

desirable to make changes for multiple years forward and consider whether the change is necessary, because the change in the visual appearance is an expensive project and making a new identity familiar requires time. The most powerful effect of change in visual identity is in a situation where a company has changed considerably. In general, the change of visual identity begins with a basic messages followed by the change of the visual appearance. (Juholin 2009, 86.)

### 6.3 Personal selling

Business selling and buying are usually regarded as more rational and calculative compared to consumer selling and buying (Agndal & Axesson 2012, 390). Agndal and Axesson (2012) stated that the selling can be according to Anderson et al. (2009) transactional, consultative or enterprising selling. The context assays the best way to approach. Transactional selling means selling an existing product. For example, the executive training company offers a standardized marketing program and the seller contacts prospective customers and aims to generate interest in the product. Consultative selling is focused on to understand the customer's problems and needs. After contacting to the prospective customer, the consultative seller discusses with the prospective buyer how a marketing program should be concluded to assist to solve the customer's needs. As an end result there may be a customized marketing training program. Enterprise selling focuses on customer relationship. The seller inspect the benefits of combining and sharing competencies with the customer. The role of the sales person will then be key account manager. (Agndal & Axesson 2012, 350.)

Salespeople may follow a method called SPIN system to build long-term relationships. The system includes situation questions, problem questions, implication questions and need-payoff questions. The purpose of situation questions is to find out the buyer's present situation. Problem questions consider which problems, difficulties and displeasure the buyer is feeling. Implication questions ask about the outcomes of a buyer's problems, difficulties or dissatisfactions. Need-payoff questions deal with the value or usefulness of a proposed solution. (Kotler et al. 2012, 851.)

Most sales training programmes follow the following steps: prospecting and qualifying, pre-approach, presentation and demonstration, defeating objections, closing and follow-up and maintenance (Kotler et al. 2012, 851). The first step means identifying and qualifying prospects and the second step means that the salesperson has to learn about the prospect company issues such as what it needs and who is involved in the purchase decision. He or she also needs to learn about the prospect company's buyers' personal characteristics and buying styles. (Kotler et al. 2012, 851.)

The third step involves the salesperson to tell the company or market offering story to the buyer by demonstrating or presenting features, advantages, benefits and value approach. Features mean the physical characteristics of a market offering, advantages explain the advantage to the customer through a determined feature and benefits define the economic, social, technical and service benefits delivered by the offering. (Kotler et al. 2012, 851 - 852.)

The fourth step deals with objections that customers typically pose. The fifth step include closing signs from the buyer including physical actions, statements or commitments and questions. The final step ensures customer satisfaction and repeat business. After closing the salesperson is responsible for agree of any necessary details about delivery time, purchase terms or other issues that are significant to the customer. Through a scheduled follow-up call after delivery the salesperson makes sure proper installation, instruction and servicing and to prevent problems, assure the buyer of the salesperson's interest and reduce any dissension. (Kotler et al. 2012, 852.)

#### 6.4 Negotiations

A general definition for negotiations is that negotiations are a decision-making process in which two or more parties communicate to impact each other with the purpose of accomplishing their own objectives and satisfying joint interests. The interaction between the buying and selling company happens by negotiating. In addition, negotiations are important feature in daily marketing. (Agndal & Axesson 2012, 413.)

A common setting for a business negotiation is the sales meeting. When this constitutes the only direct, personal contact between the representatives of a buying and selling company, it may have an impact on the image a buyer will have a supplier. When the negotiations handles complex products, supplier representatives will negotiate several factors with customer staff. It is not unordinary either that the company's marketing function or the company's advertising agency contacts in the form of negotiation. The issues to be handled during the negotiations could be campaign features, the price, properties of raw materials and components with other suppliers. (Agndal & Axesson 2012, 413.)

When having a negotiation, the company needs to consider following issues:

- the goal of the negotiation
- the obeying of a protocol
- using an efficient communication
- evaluating a vulnerability for risk
- realizing the view of time
- recognizing a decision-making system

- deciding a satisfying form of an agreement
- identifying the power distance
- paying attention to the personal style

(Pearl 2011, 120).

When identifying the aim of the negotiation, the company needs to consider whether the goal is to find mutual satisfaction or winning situation. The following of the protocol means the consideration of dress code, number of participants, recreation, degree of formality, gift giving, meeting and greeting. In addition, the negotiation demands efficient communication. For that reason, the company has to pay attention to both verbal and nonverbal communication styles in order to determine the way the company will be perceived. (Pearl 2011, 119.)

The negotiation always carries some level of risk. For that reason, company needs to evaluate vulnerability for risk. The view of time is important to realize because in specific cultures time is valuable resource that must be used cleverly. That means that punctuality and the agenda are significant aspects of negotiations. (Pearl 2011, 119.) The company also needs to recognize that decision-making systems involve the awareness of the fact who is in charge. Deciding a satisfying form of an agreement is recommendable issue to deal with. Written agreements seal a deal in most cultures. (Pearl 2011, 120.)

Identifying power distance refers to the approval of authority divergences between people. Cultures with low power distance assume equality among people. Such cultures are for example Germany, Austria and Great Britain. Instead, high power distance has hierarchical structures and clear authority figures. This kind of structures demand the company to know who to address and who is the person responsible for the decision making and signing the agreement. (Pearl 2011, 120.)

The company should pay attention to the personal style because the company's representative's attitude and dispositions create suppositions that may lead the negotiation process towards either a negative or positive solution. It is recommendable to decide whether the formal or informal style is better approach to communicate. For example, in North America an informal style may be more productive and in China a formal style is preferred if the relationship to the company is not strong and does not include trust. (Pearl 2011, 120.) In addition, it is noted that the principles of personal selling and negotiation are normally transaction oriented because the goal of them is to close a particular sale. Despite the fact, the company should keep in mind developing long-term supplier-customer relationships. (Kotler et al. 2012, 852.)

#### 6.4.1 Different types of negotiations

The negotiation types are different. They can be defined according to the parties' objectives which can be handled with two dimensions: the substantive outcome of the negotiation such as price, volume and quality and the parties approach to relationship developing. (Agndal & Axesson 2012, 414.)

The negotiation can be distributive. This kind of negotiation often concern one or a few areas or resources. The negotiation usually aims to distribute the total amount or volume between the parties. In distributive negotiation the buyer gets a lower price that is associated with an equal loss to the seller. The character of this kind of negotiation is probably based on the competition and bargaining and the purpose is to get allowances from the counterpart. The focus is on the other party's aims and efforts that will be accomplished at the expense of the other party. The results of distributive negotiations are often an agreement involving relatively few parameters, which are accurately described in volumes, prices and terms of delivery. (Agndal & Axesson 2012, 414.) They are common especially when the negotiation parties do not have an intention of building a long-term relationship or the intention is minor and when the buyer-supplier relationship is not significantly remarkable to either party (Agndal & Axesson 2012, 414 - 415).

The negotiation can also be integrative. With this kind of negotiation one party's gain does not similarly depend on a loss to the other party. The negotiation involves rather a long-term project or the chances of entering into deeper cooperation instead of primarily focusing on a volume or a price. The integrative negotiation also generates advances to both parties and is characterized by collaboration and efforts to create new solutions and pay attention to synergies. The agreements resulting from integrative negotiation tend to be more open in nature and probably form frameworks for coming cooperation compared to the distributive negotiation's results of agreements. These kind of negotiations are common in established relationships when the parties aim to develop a long-term collaboration and when they prefer to resolve a mutual problem. (Agndal & Axesson 2012, 415.)

The company should realize that, in real life, the negotiations may carry on characteristics from both negotiation types. A predominantly distributive negotiation may transform into an integrative negotiation if the parties decide to cooperate in deeper relationship. A mainly integrative negotiation may also transfer to more distributive negotiation if either party prefers to pay attention to volumes and price levels. (Agndal & Axesson 2012, 415.)

In addition to the most common negotiation types, distributive and integrative negotiations there are also other types of negotiations. The other types are adaptive negotiation, min-max

negotiation and non-negotiation. The adaptive negotiation means a negotiation where one or more parties are not arguing their viewpoint with a belief but being desired to adapt to the counterpart or situation. When the willingness of compromising plays a great role in the negotiation it means the min-max negotiation. In that negotiation the parties have described the most obvious, realistic and worst possible outcome. The parties' aim is to reach a compromise that is approved by all the parties involved. The non-negotiation is played when either party presents a rational solution that would have been approved by the other parties. (Agndal & Axesson 2012, 415.)

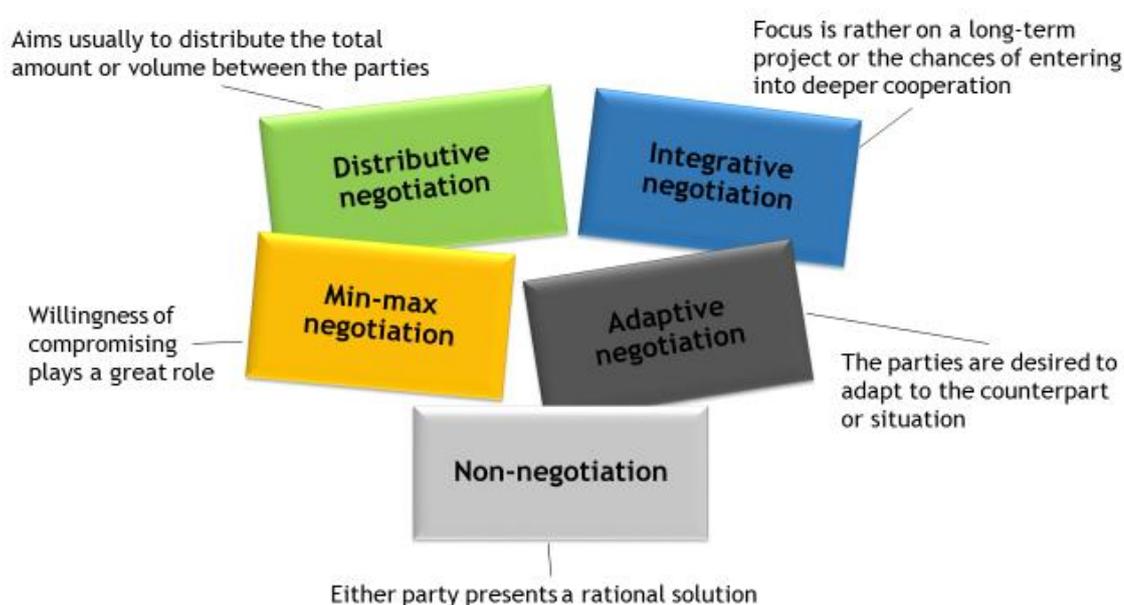


Illustration 3: Negotiation types

#### 6.4.2 Negotiation process

The negotiation is a process where information is exchanged between the negotiation parties. This happens only if the object is to accomplish certain goals. The parties typically have their own goals but also some common goals with the parties. The goal is to combine these partly opposing interests. It is not untypical either to try to impact on each other in various ways to accomplish their own and joint goals. The parties may have created a negotiation strategy and follow that throughout the negotiation process. (Agndal & Axesson 2012, 414.)

The negotiation process has implications that are either good or bad. Important is to recognize that the negotiation approach strengthens the groundwork and probability of success of any future business relationship. The negotiation strategy and expectations also appoints the tone for the business relationship in a short and a long term. The main objective is to achieve

a position of power, respect and control. This means that negotiation does not have to end necessarily to a win-win situation. Additionally, the negotiations are a chance to create relationships and learn the best way to deliver future business deals. (Pearl 2011, 109.) Negotiations are a significant part of the marketing process because they exclude information gaps and form a venue for the value creation (Agndal & Axesson 2012, 418).

The business negotiation can be seen consisting of a preparation phase, an interaction phase and a post-negotiation phase. These stages can be identified both in formal and informal negotiation. (Agndal & Axesson 2012, 416.) The phases of negotiation process are possible to link to the phases of the marketing process. Negotiations are not the first or last step in the marketing process because to reach a negotiation the company has to get the other party interested in the company. (Agndal & Axesson 2012, 417.)

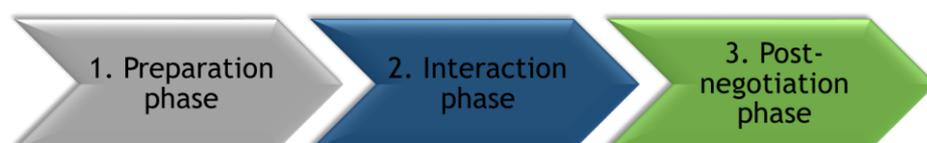


Illustration 4: Negotiation process

In formal purchase or sales negotiation the preparation phase means the practical work before the negotiation. Preparations involve evaluating and determining on which objectives the negotiation should accomplish and what kind of authority the negotiator or negotiation team will have. The aims can include quantities, price levels and the type of relationships the company needs to have with the colleague. It is also recommendable to solve the colleagues' objectives and determine how to respond to different arguments and tactics that the other party may use. (Agndal & Axesson 2012, 416.)

The interaction phase means the communication between the negotiators. They probably share ideas, arguments, demands and information in order to come to an agreement. (Agndal & Axesson 2012, 416.) The post-negotiation phase comes after the interaction phase meaning that the negotiation has been concluded and a contract or other form of agreement is written out. After this both parties review the agreement and finally approve it by signing. (Agndal & Axesson 2012, 417.)

Analysing a negotiation partner is included in the negotiation process. It would be recommendable to pay attention to the way of greeting and introducing teams. It would also be useful to pay attention to whether the parties start immediately negotiation or do they state rules for the negotiation and when they assign trust to each other. (Agndal & Axesson 2012, 418.) During a negotiation, the questions presented should be followed, such as are they efficient in the sense that they consequence to an exchange of remarkable information and do the parties ask lot of questions. It is also recommendable to observe whether the negotiation is progressing functionally and is there any summarizes what have been discussed and agreed on during the negotiation. In addition, if there are any breaks during the negotiation and for what reason they are recommendable to pay attention to. It is also recommendable to take a notice how the team's experts are taken advantage and what is expressed verbally and what non-verbally. Additionally, it is recommendable to pay attention to the outcome; did the parties get an agreement and was there someone not wanting to compromise. (Agndal & Axesson 2012, 419.)

The most important issue for the executives is not to underestimate cultural understanding in negotiation process by compensating them with the knowledge and understanding of business because culture determines widely of how negotiation will proceed. The behaviour and actions are part of the characteristics of people and people of the culture. The company also needs to be aware of the fact that some companies are represented with more than one culture being multinational companies. (Pearl 2011, 112.)

#### 6.4.3 Negotiation styles, strategy and behaviour

If the company's goal is to become an efficacious negotiator, it needs to understand its colleagues' negotiation styles and the impact of the culture to the entire negotiation process. Many challenges may occur in international business negotiations because the parties may have different values and beliefs to long-established business customs. When implementing international business negotiations, it is important to take a closer examination of how cross-cultural differences occur in perceptions and methods of the negotiation process. (Pearl 2011, 109.)

Negotiation style is associated with the issues of a person's negotiation behaviour that are quite stable across negotiation. The behaviour of the negotiator is possible to be described by monitoring a negotiation culture, a negotiation style and a negotiation strategy. The negotiation culture is something people learn over time and share by other members of the culture. It also involves sub-categories such as national culture. That means the behaviour of the negotiation that identifies negotiators from a specific country. Significant factors are language,

norms, values, customs, dress, attitudes to time, a hierarchical system and decision-making processes. (Agndal & Axesson 2012, 420.)

The negotiation strategy is a negotiation style adapted to a specific situation. The negotiation style is usually adapted to each negotiation because the negotiator meets various counterparts in diverse situations and relations with a specific counterpart develop over time. The negotiation style develops over time because individuals learn various types of negotiations and obtain more knowledge. It is not impossible to create distinct negotiation styles for dissimilar types of negotiations. (Agndal & Axesson 2012, 420.)

The factors impacting on the negotiation strategy are the familiarity of the parties socially and professionally, the outcome of previous negotiations, dependencies, aspirations regarding the outcome and anticipations concerning the counterpart's behaviour (Agndal & Axesson 2012, 420 - 421). The physical setting of the negotiation may also affect the negotiation strategy. The degree of adaption also depends on individual. This could consequence to the outcome where the party adapts the other party's behaviour in order to get far-reaching and long-term consequences. (Agndal & Axesson 2012, 421.)

Foreseeing the negotiation strategy is not easy as it depends on various factors and is comprehended when the parties interact. Some negotiators may be aware of the impact of the negotiation setting on the outcome and can benefit from that. The time and place can also be chosen to blend in the intended strategy. The company may concern the size of the negotiation team and how the parties are seated at the negotiation table. (Agndal & Axesson 2012, 421.)

There are differences in the styles of communication. For example, people in the United States prefers verbal communication and some other countries or nations nonverbal communication. English is globally recognized as the language of international communication. There are also differences in the commitments. For example, people in Japan and Middle East rely more heavily on oral commitments. The contract is useless until all the terms are written, the document signed, dated and initialled for the United States and other Western countries. Instead, in Japan and Middle East the contract is short and general. (Pearl 2011, 113.)

Time is also an universal concept. It is not the same in different regions. Some cultures are fast-paced and intense in their style of negotiation. Others, such as people from Russia may want to spend a while in the country to get to know a prospective partner and build the necessary rapport and trust before the real negotiation begins. In many countries the deals are not even discussed until the second or third time the potential business partners have met and developed a strong relationship. (Pearl 2011, 113 - 114.)

Some actions, such as sending an e-mail or standard business letter may have remarkable implications. For example, in the Middle East with an e-mail communication business people include personal sentiments to the message. Body language is also different from culture to another. Multiple countries may have same gestures but the meanings of some gestures may be different. For example, the American symbol for okay means in France zero and in Brazil vulgar. Also, when negotiating with Chinese word yes means Chinese I agree. That may mean either yes or it is just a sign of respect to communicate that the other party was heard. (Pearl 2011, 114.)

International business negotiators may also have different ideologies. In each country may occur their own ideas about private investment, profit and individual rights. Each culture has also different kinds of values, perceptions and philosophies. (Pearl 2011, 117.) Americans understand the aim of negotiations as to produce a binding contract that identifies particular rights and obligations. Japanese understand the objective of negotiation is to develop a relationship between the two parties. The written contract is a demonstration of that relationship. (Pearl 2011, 118.)

The way the parties interact depends on how a negotiation is characterized. There are suggestions and advice how to adapt the negotiation strategy to succeed negotiations. Multiple suggestions concern negotiation tactics. (Agndal & Axesson 2012, 421.) The tactics are not necessarily recommendable to use as they might hurt the relationships. It is preferable to show openness and look on the relationship as a chance to build trust. (Agndal & Axesson 2012, 423.)

In order to get the negotiation through successfully the company needs to understand of each party's culture and probably also adapt the negotiation strategy that is consistent with the other party's cultural system (Onkvisit & Shaw 2009, 514). When the negotiation is successful, it may bring about to the both parties more than a typical win-win. This kind of situation requires understanding and trust from both sides. This is ideal situation but for example in corporate America building trust is undervalued. Americans do not prefer building trust with other parties in the negotiation, because building trust takes time, resources and is a long-term commitment. Instead, Americans prefer achieving short-term aims such as better quarterly reports. (Pearl 2011, 110.) Compared to Americans the negotiation style is different in Asia, Europe, the Middle East and Latin America (Pearl 2011, 111).

## 6.5 Internet marketing - focusing on website

The Internet can be an efficient channel to provide information and stimulate customer action. Cognitive goals such as stimulating awareness and knowledge of the company, creating a

positive attitude toward the company or encourage the buyer to purchase can be implemented in the Internet. The marketing objectives remind of any type of communication strategy goals in the business marketplace. (Hutt & Speh 2007, 326.) The Internet is also a low-cost communication channel (Kotler et al. 2012, 142). The online success depends on the company's ability to make use of online marketing opportunities (Kotler et al. 2012, 143).

Some goals that the company may have for the internet marketing are: develop the company's name and brand well-known through the Internet and provide real-time information on products, services and company finances to customers and supply-chain partners. In addition, the goal can be to sell products and services, sell in a more effective way, advertise in a new medium or create strong relationships with customers. (Hutt & Speh 2007, 326 - 237.)

It is important to reach and maintain competitive advantage through the Internet. In order to reach and maintain it the company can seek to increase its operational effectiveness which means doing the same issues better than competitors. The company can also seek to increase its strategic positioning which means doing issues divergently than the competitors in order to provide extra value to customers. (Kotler et al. 2012, 144.) Medtentia can take an advantage of its webpage in order to develop the awareness toward the company and attract potential partners or buyers.

The website acts as an introduction to a company and its brand. Its homepage conveys the first impression of a company online and illustrates the website navigational structure and available information. (Tomlins 2014, 203.) The website is also a channel to communicate and engage with stakeholders (Tomlins 2014, 189). It should fulfil the company's goal and provide company information, e-commerce, news or financial information (Tomlins 2014, 193).

A well-designed website is captivating, attractive, appealing, frightening, fascinating and pleasant (Tomlins 2014, 189). The website also needs to fulfil following criteria: usability, download speed, accessibility and technical requirements for image optimisation and video clips (Tomlins 2014, 205 - 206). The company can figure out the filling of criteria by considering where the users will access to the website, user ability and disabilities, different levels of web experience and education, relevant attitudes of the audience as a result of their age range, gender ratio and culture or social grouping and profession and relationship with the organization (Tomlins 2014, 206).

The company also needs to consider whether the aims of the stakeholders have been met by describing how the website integrates with other corporate communications. It also needs to pay attention to those who control the budget and the purpose and vision for the website. The company should consider what the website's primary and secondary objectives are, who

the intended users are, and those stakeholders affected by the website and how the website will be integrated with other channels such as mobile services. (Tomlins 2014, 206 - 207.) The website's graphic design also needs to interact with a browser and HTML language. Browsers interpret the HTML code, which defines the text architecture and location of graphics and images, alongside the functionality of hypertext. (Tomlins 2014, 207.)

The website has to be maintained, reviewed and updated with relevant information in order to keep the customers interested in the company and keep the market position. The company needs to ensure that the corporate design is conveyed on the website. (Tomlins 2014, 210.) Much information can be ignored in the webpage. Therefore, decisions have to be made on the relative significance and information values of design elements, text, image and videos in the webpage. This is possible by spacing, typographic size and colour to convey pacing of the website story or urgency in selecting from an option of website alternatives. (Tomlins 2014, 213.)

Before creating the content on the websites, the company should consider the key factors applied to all website's requirements. The requirements are following:

- appropriate content scope by breadth and depth of website architecture
- specific information related to context in the pertinent language and tone
- intuitive navigation with information presented by levels of significance and essential action
- actively managed content with timely pertinent updates
- quick graphic download, minimal sound and video and readable information
- clear social media icons to attract comment and response
- essential legal and regulatory information
- unique concepts that attract people to spend time on the website and become familiar with its content
- the possibilities for future developments.

(Tomlins 2014, 195.)

## 6.6 Social media - focusing on LinkedIn

Social media is a group of internet-based applications which permit the creation and exchange of user-generated content (Kotler et al. 2012, 144). Social media channels can be divided to communities, contents, blogs and other channels. Community channels are channels where people can establish a personal profile in order to become a part of a group or a community. Content services include Pinterest, YouTube, Wikipedia, Instagram, Flickr and Slideshare. Users can upload their own content in text, image or video format to these services. These are classified to social media channels because the user can add a comment,

share or recommend the content of other users in these services. Twitter, WordPress and Blogger are blog services instead. Blogs are so-called diaries, which are publicly displayed on the internet and also in some cases, potential sources of profits. In addition, there are channels where the persons get lost due some issue. For example, people listen to music in Spotify and held a training diary in HeiaHeia. (Siniaalto 2014, 46-50.)

Facebook, Google+ and LinkedIn are community services. Of these, Facebook and Google+ are similar kind of channels of their action and purpose. The distinguishing factor is Facebook's greater amount of users compared to Google+. The number of users is possible to check for example at [www.socialbakers.com](http://www.socialbakers.com). LinkedIn is also somewhat similar to Facebook and Google+. However, the distinguishing factor is the purpose of LinkedIn which is networking with colleagues and partners instead of friends. LinkedIn is a great tool for sales and recruitment. The channel does not either demand the daily presence. The experts in their own field are recommended to join to LinkedIn because inaudibility in the service may seem suspicious. (Siniaalto 2014, 47.)

A truly productive marketing can only be obtained through advertising. The advertising is possible to accomplish in the Facebook and LinkedIn. When people share messages on social media or see other users' comments and the content what they have liked, advertising is transformed to viral marketing. In order to make this possible, the message must be distinctive and original. (Siniaalto 2014, 68.)

The choice of channels depends on the geographic location of the business, business-models and target groups. The solution to these issues is possible to solve through the company's objectives and the target group. For example, if the person wants to build an expert image and bring out the personal content and at the same time distinguish from the competition creating a blog might be a good solution. The personal content of blog is possible to continue to emphasize on Twitter actively by interacting. Slideshare is also useful channel to share different guidelines and materials. Later, to further consider new channels such as Facebook or LinkedIn can be added to the company's social media tools. If instead the goal is to increase awareness and develop customer service, it is recommendable to start with the channels where the great number of people are and where the best possible ways for fast interactions are possible to find. Facebook would then be perfect channel. (Siniaalto 2014, 51.) The focus in following paragraphs is on LinkedIn as it is preferred to be the most effective social media channel for Medtentia.

LinkedIn is created primarily for professional networking. It is not a webpage that demands a lot of constant work to be efficient. The main purpose is to set up the online identity, build the network and take advantage of it. (Elad 2014, 9.) The benefits of being a member of a

LinkedIn group are connections, visibility, knowledge, and recognition and group logos. The group members share a connection and even though the member does not have access to their extended networks for introductions he or she is considered straight connected to the group. The member can also see the full profiles of other members and they can appear in the search results. (Elad 2014, 260.)

The member has an option to increase the visibility in LinkedIn by joining particularly large and open groups. LinkedIn groups also share knowledge among the members through discussions and promotion pages of the group. Employers prefer to see the connections with professional groups because that proves that the member have interest to expand the knowledge base, stay current in the industry field and be open and eager to network with similarly minded people. The member can provide information about the logos of the groups that she or he belongs. (Elad 2014, 260.) The groups could also be a way to collaborate with potential partners or evoke their interest toward the company.

LinkedIn can be a promotional channel through its company pages' section. It ties status updates, job titles and other relevant information from the company's employees' profiles straight into the company page. A small business company can create its own company page. It should have company e-mail address in the LinkedIn profile and the creator of the company page should be a current employee, manager or owner of the company in the profile. (Elad 2014, 285.)

In order to extend the network, the company should encourage every employee to have a LinkedIn profile and to link to each other. That increases the exposure outside the company. (Elad 2014, 285.) The company should also link business websites and blogs to the LinkedIn profile and ensure that the LinkedIn profile links back to the business website and blog. Every employee should also add a link to the business website and the company blog. The company also needs to assure that the most popular keyword phrases are in the company or personal profile. As a guide the company can use sites such as Wordtracker ([www.wordtracker.com](http://www.wordtracker.com)) or Good Keywords ([www.goodkeywords.com](http://www.goodkeywords.com)) to discover the most significant keyword phrases in the field of the company. The company should also develop relationships with key business partners or media contacts by searching them on LinkedIn. (Elad 2014, 286.)

## 7 Marketing plan for Medtentia

The goal of this marketing plan was to support Medtentia to find a potential partner or buyer and attract potential partners or buyers to become interested in the company with an external communication and marketing methods. It presents a plan that aligns the methods with

types of potential partners or buyers. In addition, the goal of this marketing plan was to describe the internal communication methods to be used toward the shareholders, regulatory and competent authorities, consultants and employees of the company in order to have unified messages outwards.

## 7.1 Market environment

The data gathered from market environment is mostly secondary data gathered from the internet and articles mainly associated with mitral valve market, its potentiality and competitors. Some of the information is gathered straight from the company's CEO, Olli Keränen and other unpublished company's internal documents.

### 7.1.1 Micro environment

The company is described in company overview and in company analysis and competitors are described in competitor analysis and for that reason not identified in this section. Suppliers, marketing intermediaries and publics are important part of business activities but not identified in this section.

The customers of the company are universities and public and private hospitals specialized in cardiac interventions that are the buyers of the company's technology. They can be global buyers which mean that they belong to international market. On the other hand, the universities, private and public hospitals can also be seen as business markets.

Because the technology is developed to treat patients that have mitral regurgitation the definition is not that clear. The patients with mitral regurgitation are also customers. In addition, doctors with know-how in cardiac repair method are the customers. The needs and benefits can be seen very similarly, as we see in the customer definition (Table 4).

Customers	Need	Benefit
1. Universities and public and private hospitals specialized in cardiac interventions	To expand offering to treat previously non-treatable mitral valve regurgitation patients	To get less traumatizing and less complicated treatment methods for mitral valve regurgitation
2. The doctors with a know-how in cardiac repair method	Need for simpler, faster and less traumatizing treatment methods for mitral valve regurgitation	To get less traumatizing and less complicated treatment methods for mitral valve regurgitation
3. Patients that suffer from mitral regurgitation	Need for less traumatizing treatment methods for mitral valve regurgitation	To get less traumatizing and less complicated treatment methods for mitral valve regurgitation

Table 4: Customer definition

The customer definition is not complicated. The need for the second customer group is described as to be simpler, faster and less traumatizing treatment methods for mitral valve regurgitation. The need for the third customer group is defined to be less traumatizing treatment methods for mitral valve regurgitation based on the publicly available market research data. The benefit that each group get from Medtentia's technology are less traumatizing and less complicated treatment methods for mitral valve regurgitation. Those benefits can be identified more precisely. Universities and public and private hospitals probably want a financial advantage.

The need of the first customer group is defined a little differently compared the second and third customer groups: to expand offering to treat previously non-treatable mitral valve regurgitation patients. Medtentia's simpler, faster and less traumatizing technique based on its helix technology could provide that benefit. The operation time decreases with the Medtentia technique which is a positive result for all the customer groups defined in the customer definition. The treatment also has other positive effects or qualities, but those are defined more precisely from general perspective in the macro environment section, and from Medtentia's technology point of view, in the technology analysis.

#### 7.1.2 Macro environment

The factors that impact the company's activities through macro environment are described in PEEST analysis (Table 5). It focuses on demographic, economic, natural, technological, political and cultural environmental issues and illustrates how each factor effects on business.

ISSUE	EFFECT ON BUSINESS
<b>Demographic</b>	
<ul style="list-style-type: none"> <li>Multiple people suffering from moderate to severe mitral regurgitation</li> <li>Aging population</li> <li>increased numbers of patients who have had previous valve operations</li> </ul>	<ul style="list-style-type: none"> <li>A great opportunity for improved mitral treatment methods in the market</li> <li>A requirement of a treatment option for patients that are inoperable</li> </ul>
<b>Economic</b>	
<ul style="list-style-type: none"> <li>The insurance payments or reimbursements to support the hospitals and patients in treatment costs</li> <li>An enormous potential for mitral valves in transcatheter based technology in the market</li> </ul>	<ul style="list-style-type: none"> <li>Encourage hospitals to purchase new treatment devices from the manufacturer and possible increases the number of patients to get a treatment</li> <li>Creates great growth opportunity for the company in mitral valve market</li> </ul>
<b>Natural</b>	
<ul style="list-style-type: none"> <li>Different epidemics around the world</li> </ul>	<ul style="list-style-type: none"> <li>Possible increased level of diseases that may cause heart failure or speed up the mortality of patients already having heart failure</li> </ul>
<b>Technological</b>	
<ul style="list-style-type: none"> <li>Other products for catheter based or surgical mitral valve treatments could enter to the market</li> <li>Customer information register</li> <li>Improved technology among medical devices and aids</li> </ul>	<ul style="list-style-type: none"> <li>Increased level of competition</li> <li>The register facilitates decision making process based on data and individualized assessment of risks and benefits gets better among the future patients</li> <li>The requirement to keep up with technological development or ahead of it and investments in marketing</li> </ul>
<b>Political</b>	
<ul style="list-style-type: none"> <li>Possible changes in the directives or standards of medical devices</li> </ul>	<ul style="list-style-type: none"> <li>Demands the company and its management to follow-up and react to possible changes in the directives or standards of medical devices</li> </ul>
<b>Cultural</b>	
<ul style="list-style-type: none"> <li>The brand is not known in the market or needs development</li> <li>The lack of knowledge</li> </ul>	<ul style="list-style-type: none"> <li>Positive brand image creates positive feelings among people about the company and its products and could temp potential connections, partners or buyers</li> <li>The lack of knowledge of the new treatments makes the informed and personalized decision making harder for the clinicians and patients</li> <li>The lack of knowledge also impacts to the number of patients operated</li> </ul>

Table 5: PEEST analysis of the market

There are classified following issues into demographic environment: multiple people suffering from moderate to severe mitral regurgitation, aging population and increased number of patients who have had previous valve operations.

Mitral regurgitation is one of the most common heart diseases in older age (Carlson 2015). It is a condition that prevents the mitral valve from closing entirely and is the most common type of heart valve insufficiency in Europe and in the United States affecting millions of people worldwide (Abbott to Acquire Evalve, a Leader in Percutaneous Mitral Valve Repair 2009). It affects four million Americans (Carlson 2015). Stuart (2012, 3) stated that approximately 2 % of the population suffers from substantial mitral valve regurgitation, and in the US the corresponding prevalence is 6.8 million with mitral regurgitation and 4 million of them with moderate to severe mitral regurgitation. There are about 2.3 million patients suffering from severe mitral regurgitation both in the US and Europe. The newly diagnosed patients with the disease each year are approximately 500,000. Only about 20 % of those patients are offered treatment because many are high risk patients or treatment is delayed due to moderate symptoms. A less invasive option is the solution for these kinds of patients. (Sorin Group Invests In Cardiosolutions, A Development-Stage Company Focused On Mitral Valve Technology 2012.)

The population in the US also ages which increases the amount of valvular heart diseases. Heart valve diseases are also more common particularly in people over seventy years old. These people have also usually other comorbidities which lessens their opportunities to get surgical treatment of heart valve diseases. That has created a demand and need for more developed therapeutic strategies for a new class of medical devices including catheter-based valve replacement and repair. (Carroll, Shuren, Jensen, Hernandez, Holmes, Marinac-Dabic, Edwards, Zuckerman, Wood, Kuntz & Mack 2015, 1.) According to Keränen (2016), the market environment is similar in other parts of Western world.

The economic environmental issues in PEEST analysis are the insurance payments or reimbursements to support the hospitals and patients in treatment costs and an enormous potential for mitral valves in transcatheter based method in the market.

According to Keränen (2016), there are insurance payments and reimbursements to reimburse the hospitals and patients for treatment costs. Multiple patients covered by private or government insurance do not pay full amount of the treatment because insurers and programs such as Medicare negotiate lower charge for the patients. Instead several Americans not having insurance pay higher costs of the treatment. Sometimes, overcharging may occur because the federal government does not control prices that healthcare providers are charging. There are differences between the amounts hospitals charge. Some hospitals may also give discounts to

uninsured patients or they may have charity programs to support in patients' costs. (Sun 2015.) The support and wealth of patients may encourage them to get a treatment to their disease. The hospitals also get a financial advantage of the coming and operable patients, and for that reason the financial support is important. The possibilities to treat patients also increases.

There is an enormous potential for transcatheter mitral valve therapy in the market because it is less invasive and a nonsurgical treatment technique offering a treatment option to the patients who currently cannot receive surgical treatment for their heart valve diseases because they have coexistent diseases or the risks associated with the surgical treatment are too high (Carroll et al. 2015, 1; Ramakrishna, DeValeria, Sweeney & Mookaram 2015). Compared to surgically implanted valves, the transcatheter heart valves also have milder and more moderate regurgitation (Ramakrishna et al. 2015). Transcatheter devices, also called minimally invasive devices, also propose better patient outcomes because they avoid a sternotomy, permit procedures to be done on a beating heart and so avoid the unfavorable after effects of cardiopulmonary bypass and offer a shorter healing time and ambulation compared to surgery. (Stuart 2012, 7.)

The market of minimally invasive mitral valve treatment is predicted to grow into a multibillion dollar market. The minimally invasive therapies done with aortic valve have already proved growth and based on average sales price of around \$30,000 for transcatheter mitral valves, the US market would be \$9 billion. (Carlson 2015.) The mitral valve market is considered to offer around four times as many patients as transcatheter aortic valve implantation (TAVI) market. This means four million people in the US with moderate to severe mitral regurgitation demanding treatment and 50,000 new patients that have remarkable mitral regurgitation each year compared to 1.2 million people with aortic stenosis. (Stuart 2012, 2.)

Natural environment may also have an impact on company's activities. Possible epidemics occurring worldwide or in a specific region may impact the level of diseases by making them worse, causing heart failure or speeding up the mortality of patients already having heart failure. This may demand more resources and preparation that may on the other hand have a positive impact on business activities by raising the growth in the market if the epidemic is worldwide or otherwise wide spread.

The technological environmental issues were divided into following: other products for catheter based or for surgical mitral valve treatments could enter the market, customer information register and improved technology medical devices and aids. There are several companies interested in catheter based mitral valve regurgitation and some ongoing projects as well. These companies are presented more precisely in the competitor analysis.

The disadvantages of the new treatments are the lack of knowledge. That makes the informed and personalized decision making harder for the clinicians and patients. For solution to the problem The Transcatheter Valve Therapy Registry has been created to bridge the gaps in knowledge. The registry creates patient care goals in a timely fashion, objectively and with the right knowledge to overcome these corresponding prevalence gaps. (Carroll et al. 2015, 2.) The register operates in the following way. At first the patients have to fill a standardized questionnaire to report their health status. They have to provide this data before and after the procedure. Duke Clinical Research Institute uses the registry data to carry out the development, testing and distribution of a tool to help patients and families to make informed decisions for transcatheter aortic valve replacement and open-heart surgery. When it is possible to take an advantage of the patients that have received the devices and are in the register, the decision making process based on data and individualized assessment of risks and benefits gets better among the future patients. (Carroll et al. 2015, 4.) The register could be useful in gathering information of the catheter based mitral valve treatment as well because knowing the risks and benefits associated with the treatment helps the decision making progress.

Any other improved technology associated with medical devices and aids will impact the company's activities because usually the improvements in technology create more competition and opportunities in the market. As a solution the company needs to monitor the coming trends or technologies and develop competitive advantage by creating customer value with technologies that respond to the customers' needs and being active in marketing in order to share the information of the company and its technologies and differentiate itself from the competitors.

In political environment the company has to monitor, prepare itself and react to possible changes in the directives or standards of medical devices. This is important because any change in the directives or standards may impact the product development process and on sales permit which means getting CE-mark or FDA approval. In addition, the political environment impacts reimbursement changes.

The regulatory process for the US market of new high-risk devices has multiple components. The first component is carrying out premarket trials of medical devices. These pivotal trials are used to attain The Food and Administration (FDA) acceptance by showing the safety and effectiveness of the devices compared to existing treatments. These trials are mostly conducted in specific centers in treating only very carefully selected patients who advocate a fraction of the total population that may benefit from treatment. The patients selected carry extremely high risk or are propriety for the surgery. The safety and effectiveness of the devices will be proved industry-sponsored clinical tests in the United States and other countries. The Food and Drug Administration approves the devices and the Centres for Medicare and

Medicaid Services (CMS) decides that the devices would be covered. (Carroll et al. 2015, 2.) Medtentia is aware of the regulatory process and it has state of regulatory qualified Quality Management system fulfilling Medical Device Directive's requirements and compliment with FDA requirements.

Medtentia's brand is not known in the market and needs development because positive brand image creates positive feelings among people about the company and its technologies and may attract potential customers, partners or buyers. The lack of knowledge was considered in outline technological environment. In addition, the factors handled in that section the lack of knowledge impact the number of patients operated when the resources and knowhow in new treatment techniques are inadequate.

## 7.2 Situation analyses

Company analysis, technology analysis and competitor analysis are described in following paragraphs. As the goal of the marketing plan was to describe the process and methods to find a potential partner or buyer and attract a potential partner or buyer to become interested in the company there is also described a partner analysis using the same base that is used with the competitor analysis.

### 7.2.1 Company analysis

The SWOT analysis (Table 6) of the company describes the strengths, weaknesses, opportunities and threats of Medtentia. The strengths of the company are its potential and competitive catheter based and surgical solution technologies in interventional and surgical mitral valve treatment. These technologies are described more precisely in the technology analysis (Table 7). Keränen (2016) stated that the company also has strong intellectual property rights portfolio and skilful people with different specialties engaged. I believe that it has been a positive issue in the product development. He also highlighted that it has a strong international background and clinical experience from cardiovascular surgical and non-surgical areas. In addition, Keränen (2016) stated that there are constantly ways for improved methods of communication between Medtentia's shareholders, consultants, employees and regulatory and competent authorities.

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• A potential and competitive catheter based and surgical solution technologies in interventional and surgical mitral valve treatment</li> <li>• Treatment to all stages</li> <li>• Exceptional intellectual property rights portfolio</li> <li>• Skilful people with different specialties engaged</li> <li>• Clinical experience from cardiovascular treatment from both surgical and non-surgical areas</li> <li>• Strong international background</li> <li>• Several preclinical experiments done</li> <li>• The focus on international markets and a specification to a specific treatment option</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• The company is not expected to be well known in the market and medical community</li> <li>• The company's only marketing channel is its websites at the moment</li> <li>• Limited resources to focus on marketing</li> <li>• The company has not yet entered to the markets</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Be a leader company in catheter based and surgical solutions technologies in interventional and surgical mitral valve treatment</li> <li>• To get known in the market by focusing on potential marketing channels and connections</li> <li>• Improvement of the visual identity</li> <li>• Improvement of the communication with the regulatory and competent authorities, consultants, employees and shareholders</li> <li>• To create networks with potential customers and partners</li> <li>• To get treatment to patients who currently can't get help due to concomitant heart diseases or advantaged age</li> <li>• The need for more developed treatment option for mitral regurgitation in the market</li> <li>• The growing market for the catheter based treatment options</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• The ongoing projects with the company's competitors in catheter based solutions products in mitral valve treatment</li> <li>• The patents period of validity expires before the company gets its products on sale</li> <li>• The changes in regulations and laws</li> <li>• The risks related to the technology and clinical specialities</li> </ul>

Table 6: SWOT analysis of the company

Medtentia has extensive intellectual property rights portfolio covering the helix technology platform in surgical and transvascular valve interventions. The company has done several pre-clinical studies and it follows its own Quality Management System that is build and maintained according to the ISO standard and in compliance with Food and Drug Administration (FDA) regulations. The Quality Management System has also been successfully certified annually by

the company's notified body called TUV starting from 2004. Medtentia has done all development work and documentation in accordance its Quality Management System. (Company presentation 2015.) The compliance of the Quality Management System certifies that Medtentia has done its product development in accordance of the valid regulations. This proves that the company's activities are done professionally.

Medtentia has to observe the changing regulations and laws that impact its activities. There is a specified directive, called Medical Device Directive that associates with medical devices as Medtentia's technologies are medical devices. In addition, there are more specific standards that the company needs to follow. There may also occur risks in the technology and clinical specialities. For that reason, the company has to monitor the possible risks related to its technology and clinical work as well. By following the regulations, the company improves its possibilities to enter the market.

It is also a positive factor that the company focuses on the mitral valve market with its two technologies. This is a positive factor because the company operates according to Keränen (2016) with close to 20 active people and about 15 other persons or companies that are associated with the company's business. The focus is also wise to keep on international market as there is a great potential for improved mitral valve treatment technologies.

The company has a possibility to be a leading company in catheter based and surgical solution technologies in interventional and surgical mitral valve treatment because it has potential and competitive technologies, comprehensive intellectual property rights and treatment to all stages. With its technologies it has potential to get a treatment to patients suffering from mitral regurgitation who currently cannot get treatment due to concomitant heart diseases or advantaged age. Even though, there are other competitive projects in catheter based solution technology for mitral valve regurgitation, most of them seem to focus on catheter based mitral valve replacement instead of catheter based mitral valve repair and therefore there are not too many competitors in catheter based mitral valve repair area. The surgical technology is also important as the catheter based technology is built based on company's first innovation but the market opportunity is better for catheter based mitral valve solution technologies which make Medtentia's catheter based solution for mitral valve treatment more attractive.

Medtentia is not expected to be well known in the market and in medical community and its only marketing channel is its websites. The company has limited resources to implement marketing strategies but by focusing more marketing using potential marketing channels and methods the company could get its brand and its technologies known in the market. By focusing on creating and developing connections with right persons or representatives of specific

companies could also boost Medtentia's awareness in the market. It is important to get awareness in the market in order to get potential partners or buyers and customers to become interested in the company.

### 7.2.2 Technology analysis

Medtentia has two concepts based on mitral repair technique. The first one is a helix ring concept with a surgical solution to mitral regurgitation treatment and the second one is a catheter based concept based on the patented helix ring technology to treat mitral valve regurgitation. Open chest surgery is not needed in the catheter based solution unlike the surgical solution. Both techniques use Medtentia's patented helix ring but in the catheter based technique the helix ring is delivered via a catheter introduced from the groin via the venous vasculature and through atrial septum to the left atrium. (Medtentia 2015.)

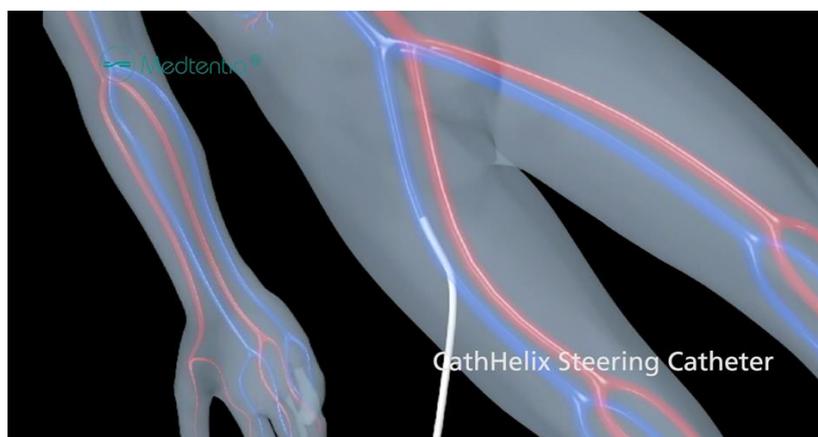


Illustration 5: CathHelix steering catheter (Media4You)

The implantation is executed in the same way in both techniques by positioning the helix ring below and above the mitral annulus and by rotating the helical ring of 360° from posterior commissura to get it to an intended position. In both solutions the annulus is also fixed to the ring after the implantation. (Keränen 2016.) Based on these techniques and especially on the catheter based technique, there are described the strengths, weaknesses, opportunities and threats of both methods in the SWOT analysis of the technology (Table 7).

The positives factors associated with the helix ring concept are a less complicated and clinically efficient technique that has the potential to lower the invasiveness, operation time and morbidity associated with current mitral valve operations. These helix-based solutions are also purposed to prevent mitral valve regurgitation and expected to provide substantial advantages over the existing methods in treatment of mitral valve disorders. (Medtentia 2015.)

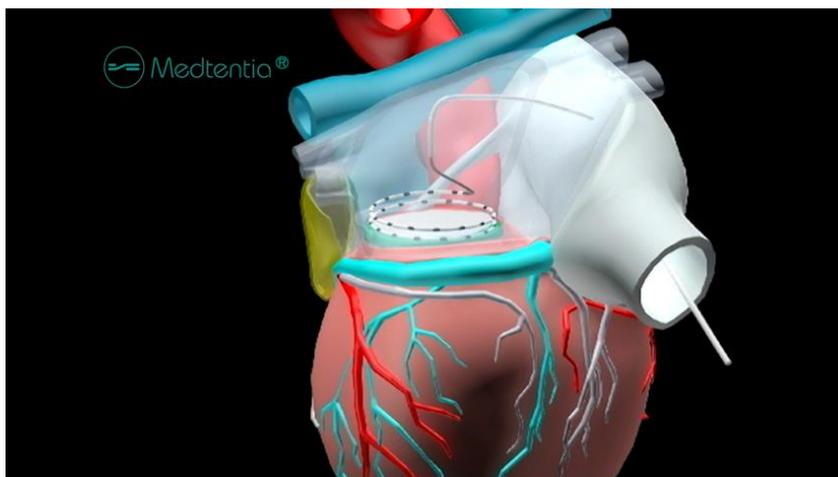


Illustration 6: CathHelix delivery (Media4You)

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• A less complicated procedure without losing clinical efficiency</li> <li>• Less suturing needed and fast implantation and fixation</li> <li>• Helix ring concept has proved to work in patients</li> <li>• Helix ring technologies do not prevent using later percutaneous valve replacement in the long-term patients with deteriorating mitral valve</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• Repair is more complicated than replacement</li> <li>• Catheter based technique demonstrates that the helix ring can be delivered in a living organ</li> <li>• Not available in the market</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Market potential estimated to be more than \$8 billion per year</li> <li>• There are only couple of technologies associated with the catheter based mitral repair technique in the market</li> <li>• Most catheter based technologies target replacement</li> <li>• Millions of people affected by mitral regurgitation</li> <li>• Only 20% of the 600,000 diagnosed patients undergo surgery each year</li> <li>• Is predicted to get better growth compared the catheter based aortic valve treatment</li> <li>• Repair preferred over replacement</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• Several projects in development phase</li> <li>• The lack of institutional expertise in the mitral repair treatment</li> </ul>

Table 7: SWOT analysis of the technology

The helix ring concept also has other positive qualities. The concept has already been proven to work in patients. Despite this, its catheter-based technology needs to be proved to work by demonstrating it through preclinical trials. The differentiating factors compared to competitors that Medtentia offers with its technology are safe, simple to use solutions for valve repair, from surgery to interventional cardiology, and applicable at any stage of the mitral disease. Medtentia's helix ring technology does not prevent the opportunity for later percutaneous valve replacement in the long-term for patients with deteriorating mitral valve leaflets. The clinical efficiency does not suffer from Medtentia's catheter based mitral valve repair technique called CathHELIX. The helix platform also offers a quick learning time, and fast implantation and fixation. Also less suturing is needed with the technique. (Company presentation 2015.)

There is also a need for improvement for surgical mitral repair. Currently, annuloplasty requires a highly experienced surgeon. The position needs to be sutured carefully and suture management is demanded before the ring is slid down to annulus level. (Company presentation 2015.)

The best clinics perform a mitral valve repair in over 90 % of operated mitral regurgitation patients. The lack of institutional expertise in mitral repair treatment impacts the number of patients who undergo repair. For that reason, on average only about 60 % of operated mitral regurgitation patients that undergo repair. About 70 % of the recurrent mitral regurgitation is due to the initial procedure and 30 % due to progressive valve disease. (Company presentation 2015.)

CathHELIX is believed to be simple and fast because it includes only four steps. The first step is the insertion of device. The second step is location of the valve commissures and defining the fastening position. The third step includes the contraction of coronary sinus and the reduction of the area of the mitral annulus. The fourth and last step demonstrates the fasteners and delivering the ring through steerable catheter and attached to reduced annulus and after that ring is secured at reduced size. All four steps are tested successfully in open-heart pre-clinical studies. (Company presentation 2015.) All the steps are also described in the four step process (Illustration 7).

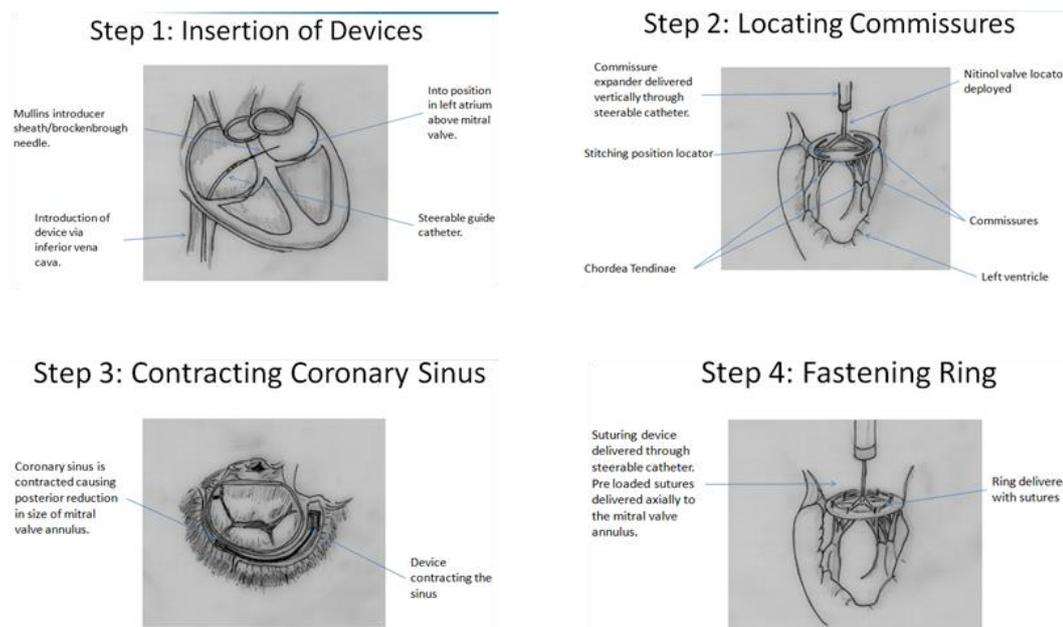


Illustration 7: Four step process (Company presentation 2015)

Medtentia's helix technology could change the mitral valve markets because the procedure does not include many steps and is believed to offer better treatment for mitral regurgitation patients. This could increase the number of surgeons and cardiologists able to learn the procedure and perform the operation professionally which is probably an important issue not only for the patients with mitral regurgitation but also from the business perspective.

The positive competitive perspective is that there are not many projects competing with Medtentia because most of them focus on replacement (Company presentation 2015). This is a positive issue for Medtentia because mitral valve repair has better long-term survival and preservation of heart function compared to mitral valve replacement proven in surgical field over the years (Keränen 2016). The mitral valve repair also has a lower risk of complications and it avoids long-term use of anticoagulation. Abbott's MitraClip is not considered as a big threat to CathHELIX because it is applicable only to a limited number of patients. At the same time there is high need for less complicated and less invasive mitral repair. (Company presentation 2015.) Especially for CathHELIX, this offers great market potential if it gets CE-mark or FDA approval before its competing technologies.

The mitral valve treatment market also has great opportunities which are positive factors for Medtentia. The market potential is estimated to be more than \$8 billion per year. There is also a need for improved mitral valve treatment options because there are about 4 million people with moderate to severe mitral regurgitation only in the US. Only 20 % of diagnosed patients with moderate to severe mitral regurgitation undergo surgery each year in the US.

(Company presentation 2015.) 20 % refers to 600,000 patients diagnosed both in the US and Europe that undergo surgery each year (Abbott to Acquire Evalve, a Leader in Percutaneous Mitral Valve Repair 2009). Mitral valve treatment market is also predicted to get better growth compared to catheter based aortic valve treatment, which has already proved success in the market (Company presentation 2015).

### 7.2.3 Competitor analysis

Competitors are divided into companies with surgical mitral valve treatment and catheter based mitral valve treatment. Mitral valve treatment is possible to accomplish either with mitral valve repair or replacement using either surgical or catheter based method. (Keränen 2016.)

Surgical mitral repair is most commonly used method treating 65-70 % of treatable patients when mitral valve replacement is used with 30-35 % of treatable patients. The biggest competitors in surgical mitral valve replacement and repair are Edwards Lifesciences, Medtronic, St. Jude and Sorin Group. In addition, with mitral valve repair technique there are about 10 other companies competing with MAR, the surgical helix ring concept, from Medtentia. (Keränen 2016.)

In catheter based mitral valve replacement the biggest competitors are Edwards Lifesciences, Medtronic and Abbott. There are no devices on sale with catheter based mitral valve replacement. Abbott has a device called MitraClip that is on the market as a catheter-based mitral valve repair. MitraClip is a palliative aid for the patient and does not treat the disease. It costs about \$20,000-\$25,000 per unit. There are several ongoing product development projects in catheter based mitral valve treatment that compete with CathHELIX. (Keränen 2016.) In addition, Abbott's MitraClip there are three other catheter based mitral valve repair technologies on the market: Carillon from Cardiac Dimensions, Cardioband from Valtech Cardio and Mitralign from Mitralign.

There are classified competitors in the market in the competitor analysis (Table 8 and Appendix 1). The chosen methods are surgical mitral valve repair and replacement, surgical chordae repair and replacement, catheter based mitral valve repair and replacement and catheter based chordae repair or replacement. These techniques offer options to mitral valve treatment which is the area Medtentia pays attention to. For that reason, these mitral valve treatment options are included in the competitor analysis.

Chordae repair or replacement technique is not a mitral repair or replacement technique but the repair or replacement operation in chordae affects leaflet coaptation and therefore the

mitral regurgitation (Keränen 2016). For that reason, chordae repair and replacement method has been included to the competitor analysis.

The companies have been divided into companies with FDA approval or CE-mark and design and development companies that have ongoing projects with some or several of the methods listed in the competitor analysis. The biggest competitors to Medtentia can be found in the column of surgical mitral valve repair treatment and catheter based mitral valve repair technique. There are already several surgical mitral valve repair technologies in the market but the amount of design and development companies is greater with the catheter based mitral valve repair than with the surgical mitral valve repair as we can see in the competitor analysis.

Methods	Surgical mitral repair	Surgical mitral replacement	Surgical chordae repair or replacement	Catheter based mitral repair	Catheter based mitral replacement	Catheter based chordae repair or replacement
Companies with FDA/CE	Valtech Cardio, Micardia, Medtronic, St. Jude, Edwards Lifesciences, Sorin Group, Labcor	Medtronic, St. Jude, Cryolife/On-X, Edwards Lifesciences, Sorin Group, Labcor	Gore Medical, CryoLife/On-X	Abbott Vascular, Valtech Cardio, Cardiac Dimensions, Mitralign		NeoChord
Design and development companies	Medtentia, Sorin Group, Valtech Cardio	Micro Interventional Devices, Sorin Group		Medtentia, Guided Delivery Systems, Cardiosolutions, TransCardiac Therapeutics, Valcare Medical	Valtech Cardio, Edwards Lifesciences, CardiAQ/Edwards Lifesciences, Neovasc, Tendyne/Abbott Vascular, Medtronic/Twelve, TransCardiac Therapeutics, Cephea Valve Technologies, Mvalve Technologies, Highlife Medical	Valtech Cardio, Harpoon Medical

Table 8: Competitor analysis

The competitor analysis shows that there are ongoing projects with catheter based technology but most of them are emphasized to catheter based mitral valve replacement which is not expected to be a big threat for CathHELIX as catheter based mitral valve repair is considered more favourable and successful option. Guided Delivery Systems, Cardiosolutions, Trans-

Cardiac Therapeutics and Valcare Medical have projects with catheter based mitral valve repair. Valtech Cardio has already got CE-mark approval for its device, Cardioband and Abbott has MitraClip, the first catheter based mitral valve repair method in the market. Cardiac Dimensions has got CE-mark to its catheter based mitral valve repair device called Carillon and is therefore an applicant competitor as well. Mitralign is the fourth company that has got CE-mark for its Mitralign. Because Medtentia has a catheter based mitral valve repair device on design and development phase it is recommendable to pay attention to other product development devices in the same category. In following sections are more precise descriptions of the competitors.

Valtech Cardio is a privately held company which headquarters is on Or Yehuda, Israel. It is an innovator in the development of devices for mitral and tricuspid valve repair and replacement. Valtech's product called Cardioband is a reconstruction implant with a transfemoral and transeptal delivery system. It has sutureless connection of the implant to the mitral annulus. The fastening is executed using anchors. Mitral regurgitation is purposed to eliminate with reshaping of the mitral annulus. The device received CE-mark approval after clinical trial results proved the device is a safe and efficient intervention option for patients with functional mitral regurgitation. (Stephens 2016.) The announcement of CE-mark approval of Cardioband happened in September 2015 (Valtech's Cardioband® Receives CE Mark Approval for Mitral Valve Repair 2015).

Valtech announced on February 9<sup>th</sup> 2016 that Cardioband has received an approval for the reimbursement in 70 leading hospitals in Germany. This means that it got access to breakthrough mitral valve therapy in Germany. (Stephens 2016.) Heartware planned to acquire the company in September 2015 (HeartWare International Enters Into Definitive Agreement To Acquire Valtech Cardio, Ltd. 2015). Nevertheless, it terminated the proposed acquisition in January 2016. The termination of acquisition happened according to Doug Godshall, President and Chief Executive Officer of HeartWare, because the company finds itself in a different set of circumstances than when it first entered into the agreement. HeartWare is specialized to miniaturized implantable heart pumps or ventricular assist devices to treat patients suffering from advanced heart failure. (HeartWare International And Valtech Cardio, Ltd. Announce Termination Of Proposed Acquisition 2016.)

Cardiac Dimensions is a Kirkland, Washington, the United States based company that develops interventional tools for the treatment of heart failure and the related condition of mitral valve regurgitation. Its product called Carillon Mitral Contour System is a non-surgical and catheter based device developed to treat functional mitral valve regurgitation. (Cardiac Dimensions, Inc. 2015.) The device got CE-mark approval in September 2011 (Cardiac Dimensions® Receives CE Mark Approval For Enhanced CARILLON® Mitral Contour System® 2011).

Abbott is focused on health solutions and products to improve people's health. Its products cover people of all ages from nutrition and diagnostics through medical care and pharmaceutical therapy. Abbott's corporate headquarters locates in Illinois in the United States. (Abbott 2015.) Abbott Vascular is a division of Abbott and a global leader in cardiac and vascular care. It has devices among coronary artery disease, peripheral vascular disease, carotid artery disease and structural heart disease. The headquarters locates in California, United States. (Abbott Laboratories 2016.) Abbott has over 1500 products in its product portfolio and it has commercial presence in 88 countries. It focuses on following therapeutic areas: gastroenterology, women's health, cardio-metabolic, pain or central nervous system, respiratory anti-infectives and influenza vaccine. It has over 22,000 customers in about 100 countries. (Annual Report 2014, 16 - 31.)

Abbott's MitraClip enables a therapeutic option when another option does not exist (MitraClip Transcatheter Mitral Valve Repair 2016). It got FDA approval in October 2013 and was the first approved transcatheter mitral repair device (Fornell 2014). The CE-mark approval happened in 2008. Originally the device is developed by a company called Evalve. Abbott made an acquisition agreement of \$410 million with the company in September 2009. (Abbott to Acquire Evalve, a Leader in Percutaneous Mitral Valve Repair 2009.) The acquisition was completed in November 2009 (Abbott Completes Acquisition of Evalve, Inc. 2009).

Mitraclip is fastened by clipping the leaflets of the mitral valve together to reduce regurgitation (Abbott to Acquire Evalve, a Leader in Percutaneous Mitral Valve Repair 2009). It cannot replace a worn-out or heavily stenosed valve (Fornell 2014). Nevertheless, over 25,000 patients worldwide have been treated with MitraClip. The results achieved with MitraClip in prohibitive-risk patients with degenerative regurgitation are the reduction in mitral regurgitation, enhancement in patient symptoms, positive safety profile and reduction in hospitalizations for heart failure. (MitraClip Transcatheter Mitral Valve Repair 2016.) MitraClip is not a big threat for CathHELIX because its mechanism is different and because it is meant to be an option to the patients who do not have any other treatment options for their mitral valve regurgitation.

Mitralign Inc. is a valve repair company located near Boston, Massachusetts in the United States. It claims to own the only direct transcatheter annuloplasty system developed to treat functional mitral regurgitation and tricuspid regurgitation. It has developed a device called Mitralign that is a percutaneous annuloplasty system for functional mitral regurgitation. It is purposed to treat patients with high risk for traditional surgery. (About Mitralign 2015.) Mitralign got CE-mark approval in February 2016 (Perriello 2016).

Guided Delivery Systems is California, the United States based company specializing in percutaneous cardiac procedures for mitral valve regurgitation with its product called Accucinch System. Its target are the unserved patients with potentially life threatening and life impairing heart valve conditions. Accucinch is on clinical trials and not available for sale. (Guided Delivery Systems 2011.) Guided Delivery Systems is not active in updating its websites which makes the information gathering of the company more difficult.

Cardiosolutions is West Bridgewater, Massachusetts in the United States based an early stage company specialized in the development of the Mitra-Spacer. It is a percutaneous implant for treating mitral regurgitation. (Sorin Group invests In Cardiosolutions, A Development-Stage Company Focused On Mitral Valve Technology 2012.) The device is under development (Cardiosolutions, Inc. 2014). The company also has a device called the Dexterity Steerable Introducer System which is purposed to be used for the advancement and delivery of catheters into the heart. Mitra-Spacer and Dexterity Steerable Introducer System are developed to address the unmet clinical need for a minimally invasive solution for patients diagnosed with moderate to severe mitral regurgitation who currently cannot get treatment. Sorin Group made \$8 million investment of the company in July 2012. Sorin Group also has an option to acquire the company under the terms of the agreement in the future. (Sorin Group invests In Cardiosolutions, A Development-Stage Company Focused On Mitral Valve Technology 2012.)

TransCardiac Therapeutics is based in Atlanta, Georgia in the United States (TransCardiac Therapeutics, LLC 2007a). It has products in four categories: access platforms, delivery systems, repair systems and replacement systems. TransCardiac's MitraFlex is a mitral valve repair system designed for direct thoroscopic approach through the apex of a beating heart. In addition, it is developing minimally invasive technologies to replace heart valves including the aortic valve and the mitral valve. (TransCardiac Therapeutics, LLC 2007b.) The interesting issue is that the website of TransCardiac have been last updated in 2007. Therefore, the information gathered is narrow and not necessarily updated.

Valcare Medical creates implants and devices for transcatheter treatment of human valve diseases. Its "D" shaped ring technology consists of an annuloplasty ring that is delivered via a catheter into the mitral annulus in a minimally invasive procedure. (Valcare Medical 2015a.) The company locates in Israel (Valcare Medical 2015b).

Edwards Lifesciences that is a leading company in the science of heart valves and hemodynamic monitoring have corporate headquarters in Irvine and California in the United States. It supplies products and technologies to clinicians about 100 countries around the world. (Edwards Life Sciences Corporation 2015.) Its patients are people who may need a heart valve replacement or repair procedure (Patient Information 2015). Edward Lifesciences has devices

among surgical mitral valve repair and replacement. In addition, it has ongoing project with catheter based mitral valve replacement with FORTIS valve and TMV from CardiAQ, the company Edwards acquired in 2015. (Rivas 2015.) Its surgical mitral valve repair products are called Carpentier-Edwards Physio II Ring and Carpentier-Edwards Physio Ring (Valve Repair 2015). Surgical mitral valve replacement products of Edwards Lifesciences are called Magna Mitral Ease Valve, Perimount Theon Valve and Perimount Plus Valve (Heart Valves 2015).

CardiAQ Valve Technologies is a privately held company that develops transcatheter mitral valve replacement techniques. Its headquarters locates in Irvine in California in the United States. CardiAQ\*s transcatheter mitral valve (TMV) implant can be delivered through several delivery systems. Its anchoring technique utilizes and engages the patient’s native mitral valve anatomy avoiding open-heart surgery. (Edwards Lifesciences Enters Into Agreement To Acquire CardiAQ 2015.)

Medtronic is a global company providing healthcare solutions to improve people’s lives through medical technologies, services and solutions. It impacts more than 155 countries worldwide with more than 260 locations. (Medtronic 2016a.) Medtronic’s operational headquarters is located in Minneapolis, the United States and its principal executive office locates in Dublin, Ireland (Medtronic 2016b). It has applied implantable structural devices, such as valves, into its core technologies (Core Technologies 2014). In Finland Medtronic has operated since 1968 and in 1999 Medtronic Finland Oy was established. It markets cardiovascular products that are associated with the treatment of heart and vascular disease and some other products from specific areas of business in Finland. (Medtronic Suomessa 2013.)

St. Jude Medical focuses on transforming the treatment of cardiac and neurological epidemic diseases through breakthrough technologies. Its global headquarters is located in Minnesota, the United States. Its specialities are heart failure, arrhythmias, vascular disease, chronic pain, neurological diseases and structural heart. St. Jude has catheter based and surgical treatment solutions for structural heart disease. (St. Jude Medical 2016a.) The company sells its products in over 100 countries. The United States is its largest market. (Hoover’s Inc. 2016g.) In Finland the products of St. Jude have been sold since 1960 and it has operated in Finland since 1994. Cardiovascular products include to the product selection of the company in Finland, as well. (St. Jude Medical 2016b.) St. Jude have products in surgical mitral valve repair and replacement which make it as a competitor to Medtentia’s MAR device.

Sorin Group, also called LivaNova, has corporate headquarters in Milan, Italy (Sorin Group 2016a). It informs that its products improve health and quality of life of more than one million patients in 100 countries each year. Its core therapeutic areas are cardiac surgery and

cardiac rhythm management. (Sorin Group 2016b.) Sorin Group has mechanical valves and anuloplasty rings for surgical mitral valve repair and replacement (Sorin Group 2016c). That position Sorin as a competitor of Medtencia among surgical mitral valve repair treatment.

Labcor is specialized in the manufacturing of biological prosthesis. It locates in Belo Horizonte, Brazil. The company develops cardiovascular and vascular implantable devices. Labcor has achieved over 150,000 implants of its heart valves worldwide. (Labcor Laboratórios Ltda 2016.) It has devices among surgical mitral heart valve repair and replacement which place it as Medtencia's competitor in that area.

#### 7.2.4 Analysis of potential partners

Because the goal of Medtencia is to find a potential partner or buyer to its activities there is created an analysis of potential partners (Appendix 2) using and editing the base of the competitor analysis (Table 8 and Appendix 1). The only difference between these two analyses is that the potential partner analysis has a wider description. When monitoring the competitors, the focus was on the techniques that are associated with the mitral valve treatment. In the potential partner analysis, there is also a focus on transcatheter aortic valve implantation and percutaneous coronary intervention, which is also a nonsurgical technique besides the techniques affecting mitral valve regurgitation. Those techniques are also associated with heart failure and therefore included in the potential partner analysis.

The potential partner analysis shows that St. Jude, Edwards Lifesciences, Medtronic and Boston Scientific have transcatheter aortic valve implantation technologies that are already on the market. TransCardiac Therapeutics has ongoing projects with the technique. The companies that have percutaneous coronary intervention technologies on the market are Terumo, Abbott Vascular, Biotronic and Boston Scientific. The analysis is an aid to find the most attractive potential partners and specify more precise requirements that affect the potential partner's decision making.

The acquisitions, investments and revenue or sales are represented in the financial analysis of some of the potential partners (Table 9). The focus is on most recent acquisitions and investments of some of the potential partners in the analysis. Revenue or sales are from 2015 and 2014. The analysis shows that Medtronic and Abbott are the strongest companies financially with about \$20 billion in sales and the least financially strong companies are Cryolife with \$146 million in revenue and Biotronik with \$682 million in sales.

Most companies of the analysis made acquisitions in 2015. The companies that did not make any acquisitions were Biotronik, Boston Scientific, Gore Medical and Terumo. The companies

were mostly interested in to acquire companies that produce or develop mitral valve treatment technologies. St Jude's acquisition of Thoratec is an exception because Thoratec does not have any technologies involved to mitral valve treatment. The investments made to companies having technologies involved in mitral valve treatment were MValve Technologies by Boston Scientific, Cephea Valve Technologies by Abbott Vascular, Harpoon Medical by Edwards Lifesciences and ValveXchange by Cryolife.

Company	Revenue/Sales	Investments	Investment value	Acquisitions	Acquisition Value
Boston Scientific	\$7477 M	MValve Technologies Oct 2015	\$200 M	-	-
Medtronic	\$20261 M	AEGEA Medical May 2015	\$36 M/Series C	Twelve Aug 2015, closed Oct 2015	\$458 M
Biotronik	\$682 M	-	-	-	-
St. Jude	\$5541 M	Spinal Modulation Jun 2013	\$45 M/Series E	Thoratec Jul 2015, closed Aug 2015	\$3300 M
Abbott Vascular	\$20247 M	Cephea Valve Technologies Jul 2015	Undisclosed sum	Tendyne Jul 2015, closed Sep 2015	\$250 M
Edwards Lifesciences	\$2490 M	Harpoon Medical 2015	over \$6 M	CardiAQ Jul 2015, closed Aug 2015	\$400 M
Gore Medical	\$3000 M	-	-	-	-
Cryolife	\$146 M	ValveXchange Jul 2011	\$3.5M/Venture	On-X Dec 2015, closed Jan 2016	\$130 M
Terumo	\$4091 M	Quirem Medical Sep 2015	-	-	-

Table 9: The financial analysis of some of the potential partners

In following chapters are provided some information about some of the potential partners based on the financial analysis (Table 9).

Gore Medical is a privately held company that provides technology solutions for medical devices that treat aneurysms to GORE-TEX fabrics. Its main focus areas are electronics, fabrics, industrial and medical products. It has over 10,000 employees, called associates with manufacturing facilities in the United States, the United Kingdom, Germany, China and Japan. Its annual sales are more than \$3 billion. (W. L. Gore & Associates, Inc. 2016.)

Cryolife is a medical device and tissue processing company specialized in cardiac and vascular surgery (CryoLife Completes Acquisition of On-X Life Technologies Holdings, Inc. 2016). Its corporate headquarters locates in Atlanta, Georgia. It has over 500 employees and sales representation in over 75 countries. (A Brief History & Profile 2016.) Cryolife announced in December 2015 that it has entered into a definitive agreement to acquire On-X Life Technologies with \$130M (CryoLife Announces Definitive Agreement to Acquire On-X Life Technologies Holdings, Inc. 2015). Cryolife completed its acquisition of On-X Life Technologies Holdings, Inc. in January 2016 (CryoLife Completes Acquisition of On-X Life Technologies Holdings, Inc. 2016). CryoLife announced in July 2011 a \$3.5 million equity investment in ValveXchange Inc. which is a private medical device company (CryoLife Makes Equity Investment in ValveXchange® Inc. 2011). The revenue of Cryolife was \$145.9 million in 2015 (Corporate Update Q4 2015).

On-X Life Technologies manufactures artificial heart valve replacement and repair products (On-X Life Technologies Inc. 2013). It is privately held mechanical heart valve company based in Austin, Texas, United States (CryoLife Completes Acquisition of On-X Life Technologies Holdings, Inc. 2016). Its FDA approved aortic and mitral prosthetic valves have been implanted in about 200,000 patients worldwide (On-X Life Technologies Inc. 2013).

Terumo Medical Corporation is based in Tokyo, Japan (Terumo Medical Corporation 2015). It is strong in such areas as hollow-fibre technology, blood-management systems, and endovascular therapy (Terumo Medical Corporation 2009). Terumo focuses on cardiac and vascular specialties, hospital products, and home health care (Terumo Cardiovascular Systems Corporation 2015). It develops, manufactures and distributes medical devices including syringes, hypodermic needles, catheters, winged infusion and blood collection products to hospitals and physicians and state-of-the-art products for cardiothoracic surgery, interventional procedures and transfusion medicine (Terumo Medical Corporation 2015).

Terumo has over 19,000 associates in 82 sales offices and 24 production facilities. It provides medical devices and services for the patients and medical settings in over 160 countries. (Terumo Cardiovascular Systems Corporation 2015.) Terumo generates more than \$3 billion in global sales and \$280 million in annual sales. Its products and devices are produced in Japan and in Elkton, Maryland. (Terumo Medical Corporation 2009.) According to the information gathered from Hoover's Inc. (Hoover's Inc. 2016d) the sales were \$4091.29 million. The sales from cardiac and vascular company were about \$2 billion which is 47 % of the business. Cardiac and Vascular company net sales by geographic area were following: Europe 28,6 %, America 32,8 %, Japan 21,1 %, Asia and others 17,5 %. (Annual report 2015, 17 - 19.) Terumo has made an equity investment in Quirem Medical in September 2015. Quirem Medical develops

QuiremSpheres, next generation microspheres for the radioembolization treatment of liver cancer. (Terumo Invests in Quirem Medical, Focusing on Interventional Oncology Field 2015.)

Biotronik is one of the world's leading manufacturers of cardio- and endovascular medical devices represented in over 100 countries. Its headquarters locates in Berlin, Germany. (Biotronik 2016a.) The company's key innovations and three core areas of business are cardiac rhythm management, electrophysiology and vascular intervention (Biotronik 2016b). The sales of Biotronik were \$681.81 million (Hoover's Inc. 2016c).

Boston Scientific has 13,000 products made in factories worldwide. The products include biopsy, forceps, catheters, coronary and urethral stents, defibrillators, needles and pacemakers. (Hoover's Inc. 2016b.) Boston Scientific's products treat or diagnose heart, digestive, pulmonary, vascular, urological, women's health and chronic pain conditions (Boston Scientific 2016a). It markets its product in over 100 countries (Hoover's Inc. 2016b). The company has about 23,000 employees around the world including sales forces in 40 countries (Boston Scientific 2016b). Its corporate headquarters locates in Marlborough, United States (Boston Scientific 2016c). Boston Scientific has a signed manufacturing agreement with Sorin for Lotus Valve that it acquired in its \$225 million buyout of Sadra Medical in 2010. Under the terms of the deal Boston Scientific owes up to \$225 million if the valve meets certain regulatory and revenue milestones through 2016. (Garde 2013.) The sales of Boston Scientific were \$7477 million (Hoover's Inc. 2016a).

Boston Scientific announced in October 2015 that it has closed on an additional round of financing with MValve Technologies, a developer of a percutaneous mitral valve replacement system (Boston Scientific Announces Additional Investment And Right To Acquire MValve Technologies 2015). The financing was worth \$200 million (Enriquez 2015b). MValve Technologies is a privately held corporation that is dedicated to the development of novel and minimally invasive technologies for transcatheter valve replacement. It operates from Herezeliya, Israel and San Diego. (Boston Scientific Announces Additional Investment And Right To Acquire MValve Technologies 2015.)

The mitral valve replacement system of MValve Technologies is designed to work with the Boston Scientific LOTUS Valve, enabling mitral regurgitation treatment solution. Boston Scientific has provided to MValve with funding since 2012 and has an exclusive option to acquire the company. The Lotus is aortic valve replacement technology consisting of a pre-loaded, stent-mounted tissue valve prosthesis and catheter delivery system for guidance and percutaneous placement of the valve. The Lotus Valve System is an investigational device and not available for sale in the United States but is CE-marked in the Europe. (Boston Scientific Announces Additional Investment And Right To Acquire MValve Technologies 2015.)

Medtronic's possibilities in the transcatheter mitral valve space will be improved according to Sean Salmon, senior vice president and president from coronary and structural heart from Medtronic as an effect of the Twelve Inc.'s acquisition that was expected to close in October 2015. The agreement of the acquisition was signed in August 2015 and Medtronic agreed to pay up to \$458 million for Twelve. Twelve is a privately-held medical device company based in California, the United States, focused on transcatheter mitral valve replacement technique. Its device is under development but purposed to treat patients with mitral valve regurgitation that cannot or are risky for restorative surgical treatment. (Medtronic to Acquire Twelve, Inc., Developer of Transcatheter Mitral Valve Replacement Device 2015.) Medtronic completed the acquisition of Twelve in October 2015 (Medtronic plc 2015). The sales of Medtronic were \$20261 million (Hoover's Inc. 2016e). The net sales of cardiac and vascular group were in the fiscal year 2015 of \$9361 million (Annual Report SEC 10-K Filing for Fiscal Year 2015). Medtronic has lots of investments and its last investments happened in May 2015 to AEGEA Medical with \$36 million in series C. In May 2012 it also invested to Mitralign for \$35 million in series D. (CrunchBase 2016a.)

Edwards Lifesciences announced in July 2015 that it has agreed to acquire a privately held company and a developer of a transcatheter mitral valve replacement system called CardiAQ Valve Technologies, Inc. with \$400 million (Edwards Lifesciences Enters Into Agreement To Acquire CardiAQ 2015). Edwards Lifesciences announced that it has closed its acquisition of CardiAQ Valve Technologies in August 2015 (Edwards Lifesciences Corporation Completes Acquisition Of CardiAQ 2015). In addition, Edwards has an exclusive option to acquire Baltimore's Harpoon Medical. It made an investment of more than \$6 million to the company in 2015. Harpoon is aiming to get regulatory approval in Europe and the United States of its device used in surgeries to repair the mitral valve. (Dance 2015.) The Harpoon aims to eliminate mitral valve regurgitation by attaching artificial chordae tendinae partly to prolapsed valve leaflets (Kaufman 2015). The revenue of Edwards Lifesciences was \$2490 million in 2015 (Fundamentals 2015).

St. Jude Medical announced in August 2015 that it has completed the previously announced acquisition of Thoratec Corporation, a worldwide leader in mechanical circulatory support technology for the treatment of advanced heart failure with about \$3.3 billion (St. Jude Medical Completes Acquisition of Thoratec 2015). The sales of St. Jude were \$5541 million (Hoover's Inc. 2016f). At first the announcement of the acquisition happened in July 2015, when Thoratec and St. Jude Medical entered into a definitive agreement by which St. Jude Medical will acquire Thoratec. Thoratec is headquartered in Pleasanton, California, the United States and focused on therapies to address advantaged-stage heart failure. Its products include the HeartMate II and HeartMate 3 Left Ventricular Assist Systems and Thoratec Ventricular Assist Device. More than 20,000 Thoratec's devices have implanted in patients suffering from heart

failure. (Thoratec Shareholders Approve St. Jude Medical's Acquisition Of Thoratec 2015.) St. Jude's last investment was in June 2013 in Spinal Modulation with \$45 million, series E (CrunchBase 2016b).

Abbott made a \$250 million buyout offer to Tendyne on July 2015. Both companies have replacement valves but they differ from one another. (Carlson 2015.) Abbott acquired Tendyne in September 2015. Tendyne is a clinical stage medical device company focusing on the development of minimally invasive techniques for the mitral regurgitation treatment. (Tendyne Holdings, Inc. 2014a.) It has an ongoing project with a transcatheter mitral valve replacement prosthesis as a treatment solution for mitral regurgitation (Tendyne Holdings, Inc. 2014b). Abbott has also provided an undisclosed amount of capital for Cephea Valve Technologies and gained the option to purchase the California based company (Enriquez 2015a; Perriello 2015). Tendyne's and Cephea's devices are mitral heart valve replacements that are placed into the heart from the femoral vein via a catheter (Enriquez 2015a). Abbott has sales in more than 150 countries. It gets almost half of its sales from adult nutrition. In 2014 the company's total sales were \$20247 million and its sales in vascular devices were \$2980 million. (Annual Report 2014, 16 - 35.)

Despite the fact that Medtentia is monitoring the potential partners, it is also open to other companies interested in the acquisition or partnering with the company. Keränen (2016) stated that the most ideal outcome of the marketing plan would be if a potential partner contacts Medtentia in a purpose of partnership or acquisition of the company.

### 7.3 Marketing and communication strategy

As the goal of Medtentia is to find a best possible partner or buyer with this marketing plan the company needs to pay attention to its marketing channels. At the moment company has its own website as a marketing channel but it needs development. The company has also joined in LinkedIn because it is an effective channel to share information about the company and create contacts. The website is also a great channel to share information about the company. Medtentia should link these channels to each other in order to strengthen its visibility and discoverability on the Internet. Of course, the company also needs to pay attention to the search engine discoverability which is a key factor when the company aims to reach targets that are not aware of the company's existence. The marketing and communication strategy does not focus on the improvement of the company's website and LinkedIn as the company aims to get the improvement ideas and actions through external communication company.

An essential part of the marketing is also the visual identity that the external communication company is already developing and therefore the marketing plan does not focus on to that. Nevertheless, the aim of Medtentia is to develop and renew its visual identity in order to improve the identity and image of the company. The logo (Appendix 6) and colours will be changed and the core messages of the company will become visible. If possible the company also will develop a slogan, and the criteria for the slogan are the uniqueness and appropriateness to the identity of the company. All these changes have an impact on the marketing channels and materials, and for that reason, the visual appearance of the webpage is also going to be updated.

Marketing channels act as the information sharing and attention gathering channels of the company and are part of the creation of company's image and identity. Through these, the company aims to attract potential partners or buyers to become interested in and contact with the company with the aim of collaboration or acquisition.

Besides these marketing channels Medtentia will contact and negotiate with the potential partners or buyers. In order to get the negotiation process to succeed, the company should have a negotiation plan focused on a goal of acquisition or partnering. To achieve this end, the company has to have all information necessary for the due diligence process and negotiations and be able to present and sell the company to the other party.

Another goal of Medtentia is to find new and improved communication methods to its shareholders, employees, competent and regulatory authorities and consultants. At the moment the company does not have regular weekly meetings and it is in contact with its shareholders and consultants via telephone, Skype and email. The regular meetings the company has are board meetings and annual meetings. On the basis of these, a communication plan was created that separates the communication methods, contact density and responsible persons for each stakeholder. A substantial part of the communication objective is also the company's preparation for a possible crisis. For that reason, a crisis communication plan was also created.

All the main goals and other goals of an action plan for communication in next few months is described in Table 10. The action plan also describes the desirable impact of each measure and goal, the date and responsible person or persons. The date describes the time frame when the measure has to be implemented. It has to be completed at the end of the determined month.

The strategic goals of the communication	Measures	The desirable impact	Date	Responsible person
1. Visual identity	To define the core messages and reform the logo and colours and materials used in visual identity	To get potential partner or buyer interested in the company and get the right people aware of the company and its technologies	1/2016-4/2016	The board, external communication company and CEO
2. LinkedIn	To develop the company page, add updates and other publications	To get potential partner or buyer interested in the company and get the right people aware of the company and its technologies	3/2016-5/2016	The board, external communication company and CEO
3. Website	To add the personal descriptions of the board members and renew the visual appearance	To get potential partner or buyer interested in the company and get the right people aware of the company and its technologies	3/2016-5/2016	The external communication company and CEO
5. Negotiations	Negotiations related to acquisition and partnering and preparation of needed material	A satisfying deal that has lead to the partnering or acquisition	2/2016-8/2016	The board and CEO
4. Personal selling	In connection with negotiation to get the party interested in the acquisition or partnering and preparation of how to sell and describe the company's technology to the potential partner	To get potential partner or buyer interested in the company and its technology that leads into a satisfied deal	2/2016-8/2016	The board and CEO
6. Communication between the company and determined stakeholders	To define regular and unregular communication activities and other essential issues related to them in a written form	More fluent and updated communication between the company and its shareholders, employees, consultants and competent and regulatory authorities	1/2016-5/2016	CEO and involved parties in the communication

Table 10: Action plan of communication for the next few months

### 7.3.1 Partnering and exit process

After the company has chosen the best possible partners or buyers, it needs to prepare a presentation material for each partner from their strategic point of view. The company will find out more information about the companies and after that prepare value propositions for each company. The issues that are important in the preparation of value propositions are the needs and wants of the potential partners in order to present the issues associated with the company and its technology that will bring the most value for each potential partner. The company should also present the potential and features of its technologies that will bring more value to the potential partner or buyer.

The strengths of the company have already described in the company analysis in previous chapters, and therefore, they are not described in this chapter. However, Medtentia has an extensive intellectual property rights portfolio covering the helix technology platform in surgical and transvascular valve interventions which is probably recommendable to bring up in each value propositions. In addition, it would be appropriate for the company to prepare a proposed valuation because that would be of interests to the potential partner or buyer in a negotiation associated with acquisition or partnering.

From the sales perspective the company will pursue sale of the proprietary helix technology, surgical MAR technology, transcatheter CathHELIX technology, intellectual property and, finally consider out licensing Medtentia technology. For that reason, Medtentia has to prepare a sales material associated with this as well.

After the preparation of the aforementioned material, the company aims to contact the identified partners and present Medtentia as a partnering opportunity. This will ideally lead to a negotiation where is recommended to do the presentation from the perspective of the value proposition. During the anticipated negotiation, the company also has to convince the responsible persons of the possible partnering or acquiring party which components of a transaction would be an essential part of the process and a precondition for the desired deal.

### 7.3.2 Features and benefits of the technology

Since the technology has an important role in the partnering and exit process, the features and benefits are described in the illustration (Illustration 8) based on the technology analysis. The illustration describes the features and benefits of Helix concept. Nevertheless, the catheter based technique is also believed to be fast to implant, less complicated and clinically efficient. It is also believed to be applicable at any stage of the mitral disease and expected to

provide substantial advantages over the existing methods in the treatment of mitral valve disorders. In addition, it has the potential to lower the invasiveness, operation time and morbidity associated with current mitral valve operations.

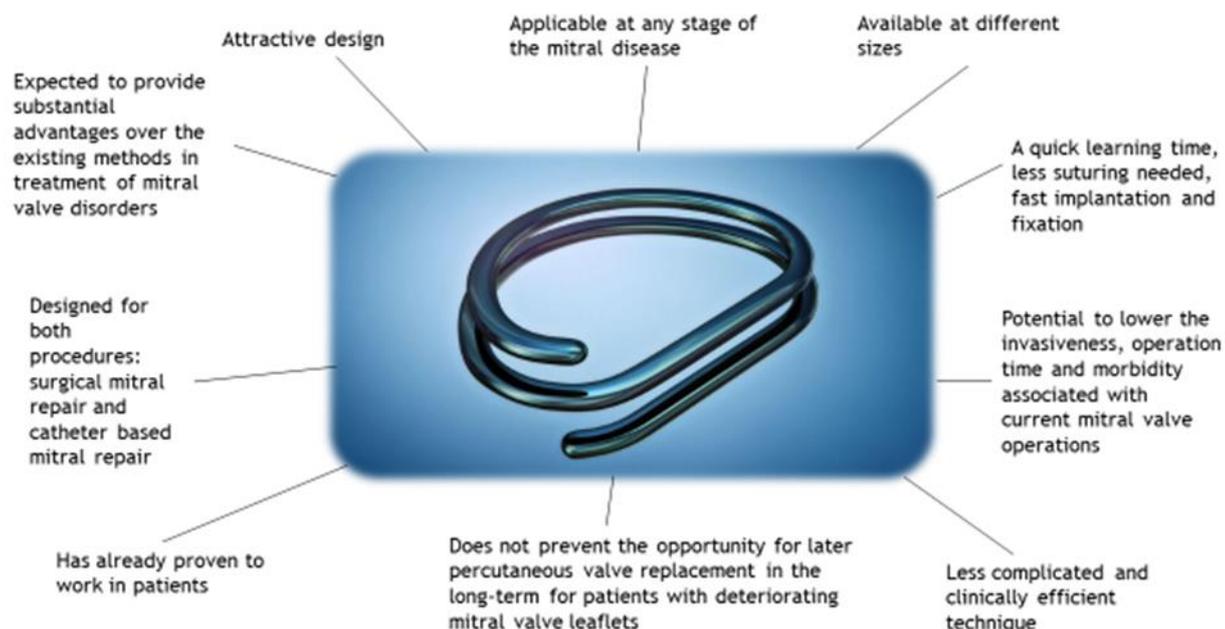


Illustration 8: The features and benefits of Helix concept

### 7.3.3 Marketing and communication channels

A marketing channel plan (Appendix 3) was created with a focus on LinkedIn and Medtencia's website. The plan describes the contents, goals, priority measures, date for the priority measures, date of updates or publications, budget and the responsible person or persons that are the CEO and external communication company. Through LinkedIn and the website, the company may get more visibility and attract potential partners or buyers which make both these tools important as marketing and communication channels.

The website needs to be updated and renewed to appear modern, clear and attractive in order to get positive visibility and attract potential partners or buyers to become interested in the company. Because the logo and colours of the company will be updated, the visual appearance of the website will also be in harmony with the new logo and colours. It is also appropriate to refresh the information about the company and its technologies and pay more attention to the clear, modern and comprehensive visual appearance in the webpage while viewing the website either on computer or mobile.

Interesting and appropriate videos, presentations, researches and reports that are in harmony with the identity and image of the company should be shared on LinkedIn. Medtentia may for example upload its PowerPoint presentation to Slideshare and share it from there to LinkedIn. Medtentia may also share its own opinions or expertise, for example associated with published articles or reports. The company may, for example, share some kind of article on its LinkedIn page and simultaneously add its opinion about the article. Links about interesting articles, press releases, news, blogs, pictures and graphs are also possible to share on LinkedIn. The company should remember that when sharing some material that is not the company's own material, it is always appropriate to refer to the original source.

Medtentia can also take an advantage of LinkedIn groups. Through the groups, the company can stay informed and keep in touch with people that share the similar interests. Medtentia can either create its own LinkedIn group or join some group or groups that focus on its area of interest or expertise. Through these groups the company has the possibility to add value to the discussions. As an influence, Medtentia has a chance to expand its visibility and possible attractiveness. In addition, the company should encourage the employees and other stakeholders to link to each other on LinkedIn because that increases the exposure outside the company. Employees and other stakeholders should also add a link to the business website.

Medtentia should link LinkedIn and webpage to each other. This encourages for example the visitors of LinkedIn page to click the webpage link of the page and explore the contents and visual appearance of the website and the other way around. This is one priority measure that was included to the plan for both channels.

Since the priority measures have separated for each channel, the priority measures of LinkedIn are presented first. As the implementation of LinkedIn page is at early stage, basic issues such as company and technology descriptions should be included to the page clearly, properly and attractively. Medtentia also needs to assure that the most popular keyword phrases are in the company profile. As a guide the company can use Wordtracker ([www.wordtracker.com](http://www.wordtracker.com)) or Good Keywords ([www.goodkeywords.com](http://www.goodkeywords.com)). Medtentia can also search partners on LinkedIn. As soon as Medtentia has received the new logo from the external communication company, it should be added to the channel as well. These measures are planned to be implemented by the end of April 2016. After this the focus is on other contents described in the plan.

The priority measures of webpage to be implemented by the end of May 2016 are full updates and links to the company's LinkedIn profile which was presented in earlier paragraphs. The full update concerns the whole visual appearance of the webpage and is described in the contents of the plan.

Medtentia aims to publish updates and publications on the LinkedIn and webpage at least once a month. The updates are planned to publish simultaneously and following the same content. I suggest that LinkedIn would support the content on the website by modifying it to such that it blends in LinkedIn. Also, various contents described earlier and publications would be recommendable to share on LinkedIn. With regular updates and publications Medtentia will likely keep visitors more interested in the company and its updates and publications than with irregular updates and publications.

#### 7.3.4 Communication to the determined stakeholders

Communication plan (Table 11) describes the issues to be communicated mainly to the employees, consultants and shareholders. In addition, the plan also includes the issues to be communicated to the board and competent and regulatory authorities. The table describes the contact density, communication method or methods and responsible persons or parties for each issue in the plan.

As conclusion, meetings, issues related to product development, publications and information related to financial situation and discussions are most regularly communicated issues. The board was included in the plan as it is authorized to be involved in decision-making and so has the right to have information about the issues associated with the company and be a responsible party in addition to the CEO of the company.

Face to face meetings are the most effective option to communicate for different reasons described already in the chapter of internal communication. If face to face meetings are not possible to implement and the issue to be discussed, informed or presented concerns factors such as follow-up, routine issues or driving a project forward then network meeting is appropriate option as well. In addition, Medtentia has consultants, shareholders and board members outside Finland, which might make face to face meetings difficult to implement if they are not settled in time. The company already prefers to use Skype as a network communication channel and that is one reason why Skype is included in the communication plan. Another reason is that it seems to be the most effective network communication option as it is free and there is also face to face conversation, document sharing and writing options.

Issues to be communicated	To whom to communicate	Contact density	Communication method or methods	Responsible persons or parties
Meetings	Employees	Weekly	Face to face	CEO
	Consultants	Weekly	Skype, telephone, face to face	CEO
	Board	Monthly	Telephone, Skype, face to face	CEO
	Shareholders	2-4 time times/year	Shareholder meetings, information letter	Board
Product development	Comp. and reg. authorities	Regularly	Face to face	CEO
	Board	Monthly	Telephone, Skype, face to face	CEO
	Employees	1-2 times/month	Face to face	CEO
	Consultants	1-2 times/month	Skype, face to face	CEO
	Shareholders	2-4 time times/year	Shareholder meetings, information letter	Board
Information sharing related to financial situation and discussions	Shareholders	Regularly	Shareholder meetings, information letter	Board
	Consultants	When necessary	Skype, face to face	CEO
	Employees	When necessary	Face to face	CEO
	Board	When necessary	Skype, face to face	CEO
Organizational changes	Employees	When necessary	Face to face	CEO
	Consultants	When necessary	Skype, face to face	CEO
	Shareholders	When necessary	Shareholder meetings, information letter	Board
Changes of personnel	Employees	When necessary	Face to face	CEO
	Consultants	When necessary	Face to face, Skype	CEO
Development discussions	Employees	Annually	Face to face	CEO
	Consultants	Annually	Face to face	CEO
Publications	Employees	Regularly	Face to face, LinkedIn, webpage	CEO
	Consultants	Regularly	LinkedIn, webpage, face to face	CEO
	Shareholders	Regularly	LinkedIn, webpage	Board
Financial reports	Shareholders	Regularly	Shareholder meetings, information letter	Board
	Employees	When necessary	Face to face	CEO
	Consultants	When necessary	Face to face	CEO
Environmental impacts	Employees	When necessary	Face to face	CEO
	Consultants	When necessary	Skype, face to face	CEO
	Shareholders	When necessary	Shareholder meetings, information letter	Board
Internal impacts	Employees	When necessary	Face to face	CEO
	Consultants	When necessary	Skype, face to face	CEO
Crisis	Employees	When necessary	Mobile, face to face	CEO
	Board	When necessary	Mobile, email, face to face	Chairman of the board, CEO
	Shareholders	When necessary	Shareholder meetings, information letter	Board
	Consultants	When necessary	Mobile, face to face	CEO
	Comp. and reg. authorities	When necessary	Mobile, email, fax	CEO

Table 11: Communication plan

Sometimes Medtentia may aim to make a rapid decision but the issue needs to be discussed. Then telephone meeting could be a solution. Nevertheless, this meeting type is not appropriate for too many participants and the issue handled needs to be clearly delimited. Clearly delimited issue may prevent confusions and possible keeps the duration of the discussion at a satisfied level.

Besides meetings, Medtentia needs to deliver and receive information listed to communication plan as face to face, through network, via telephone and email. Also LinkedIn and webpage are exploited for the publications. To shareholders, the company sends the financial report by post as they are probably most willing to hear about the financial situation of the company. For employees and consultants, the issues associated with financial report are communicated by face to face.

In a crisis situation, the responsible person or party needs to communicate the situation as soon as possible to the company's employees, consultants, shareholders, board and competent and regulatory authorities. A group message through mobile could be an efficient tool when the message has to be delivered fast. Of course if the determined stakeholders are present in the event of a crisis, communicating face to face is preferable option. The most important issue is to choose the communication method that suits for the situation.

#### 7.3.5 Crisis communication plan

Crisis communication plan (Appendix 4 and Appendix 5) describes the possible types of crises, description of the crisis and the situation of the crisis, crisis evaluation, crisis communication principles, the impact of the crisis, communication responsible and the follow-up of the crisis. The plan was implemented in such a way that Medtentia may be able to take an advantage of it in its crisis communications. The plan took into account for example possible crisis situations in the weakening of the patient's health or even possible death due to malpractice or product defect. Other types such as violence and internal and external types of crises are more general types but important factors that have been included to the Medtentia's crisis communication plan.

As a general conclusion, in the event of a crisis, at first the situation must be assessed by means describing what has happened, when, where and who were involved in the situation. After that it would be useful to evaluate the seriousness of the situation and possible risks. In addition, it would be recommendable to contact to the responsible person or persons of the crisis. The company should also share an accurate and truthful information to the determined stakeholders about the situation as soon as informing is possible. For example, in case of major emergencies, it is recommendable to report to the authorities.

After the crisis communication, it is recommendable to describe the persons or parties affected by the crisis and possible impacts and consequences. In case of events or incidents, Medtentia will perform an investigation and initiate measures related to the event or incident. The follow-up of the crisis should include the possibility to get support and help if the person or persons involved in the crisis or the responsible person or persons of the crisis feel it necessary. The company will also take an action of prevention the emergence of similar situations, if possible, by preparing a risk assessment and manage corrective actions.

## 8 Overview and conclusion

At first a customer analysis of the company's customers was created. The real customers of the company are of course the patients that need a treatment option for their mitral valve regurgitation. Universities, public and private hospitals are the first target as they will be the buyers of the company's technology or technologies. Also, doctors with know-how in cardiac repair method are included to the analysis as they will recommend the treatment option to the patients. After that, the PEEST analysis of the market was created to provide a view of the market potential.

After the PEEST analysis, a comprehensive SWOT analysis of both the company and its technologies are described. Medtentia may take an advantage of these analyses when it is preparing value propositions for the potential partners or buyers and consider how to overcome possible threats and change weaknesses into strengths. A lot of strengths and possibilities are collectively represented in the company and technology analysis which may be seen as the company's competitive advantage. After these analyses the focus is on competitors and potential partners.

The marketing plan offers Medtentia a comprehensive view of the competitors in the field. The focus was on the competitors found based on publicly available information and that have technologies or that are developing technologies in the field of mitral valve repair or mitral valve replacement or that are associated with that field. As a conclusion most of the companies are focusing on catheter based mitral valve treatment instead of surgical mitral valve treatment, which is not a surprise as catheter based technology is seen more attractive compared to surgical mitral valve treatment. Because Medtentia focuses on catheter based mitral valve repair with its CathHelix technology that is developed based on its surgical helix concept the biggest competitors will be found in that section. There are four companies in that area that have CE-mark: Abbott Vascular, Valtech Cardio, Cardiac Dimensions and Mitralign. Abbott has also received FDA approval. Four competing companies that are in design and development base with their catheter based mitral valve repair technologies are Guided Delivery Systems, Cardiosolutions, TransCardiac Therapeutics and Valcare Medical. Of course there

may be more competing companies but those were found based on publicly available information.

A potential partner analysis was created in order to guide Medtentia to find the most attractive partners in the field of heart disease treatment. Even though the analysis was created, Medtentia does not exclude the possibility that some other potential partner, not included in the analysis, contacts the company with an interest of partnering or acquisition. Actually this would be an ideal situation for Medtentia.

After the description of analyses, a partnering and exit process, features and benefits of the Helix concept and communication and marketing strategy for Medtentia are described. An action plan of the communication includes the strategic goals of communication for next few months. As the goal of Medtentia is to find a potential partner or buyer, marketing is also important. Marketing channels that the plan focuses on are LinkedIn and webpage of the company as they are preferred to be the most useful channels for the company. Visual identity has also included to this plan but the focus is more on LinkedIn and webpage. The purpose of the marketing channel plan is to give ideas how to take an advantage of the channels and to get the company to implement the main priorities described in the plan on time. Following the timetable and possible contents of updates is advised. As a solution a more precise plan for the marketing contents of LinkedIn and webpage is essential to implement in order to facilitate the updating and ongoing maintenance of the channels. Also the tools to measure both channels are recommendable to include to the more precise plan.

In addition to the marketing channel plan, a communication plan for Medtentia was created. The company may exploit the communication plan when it is implementing its communication to the consultants, employees, regulatory and competent authorities and shareholders. There are no accurate dates included to the plan as the idea was to describe how to communicate to the determined stakeholders. The plan was created on the basis of already existing methods and the ideas gained through the theoretical section that dealt with communication. Through the communication plan Medtentia could also develop more precise plan which includes accurate dates for the implementation of the communication and more precise contents what to communicate to each determined stakeholder.

Final result of this marketing plan was a crisis communication plan which describes the instructions for the company how to act in a situation of a crisis. The plan focuses on possible events or incidents such as accidents and external crises such as economic crises and internal crises such as human resource crises. It also describes the communication responsibilities and the follow-up of crisis. Through this marketing plan Medtentia may continue its partnering and exit process and execution of its communication and marketing.

## 9 Evaluation

I believe I have succeeded to gather relevant information of the market, company and its technologies, competitors and potential partners and ideas and a template for marketing that Medtentia should exploit in its partnering and exit process. I also think that the communication plan and the crisis communication plan are appropriate tools in the communication. The plans are also customizable and possible to supplement if necessary.

I started with the marketing plan in January 2015 and my goal was to finish it at the end of March 2015. I succeeded narrowly with my goal by carrying it out all the way to the deadline. Since this thesis is a bachelor's thesis, I created overall ideas to the marketing and communication strategy instead of a detailed plan where I would have considered more the methods to be used toward the potential partners or buyers. Medtentia was pleased with the plan as it is presented and was involved in the implementing process as a divisor of the aims, aspirations and feedback.

In conclusion, I learned a lot about mitral valve treatment and its market potential. I also learned about the competitors and potential partners, when I was executing my research. I also got opportunity to improve my English skills through the thesis. In addition, I succeeded in writing a comprehensive marketing plan in cooperation with Medtentia and learned, in-depth, about relevant business issues from the theoretical section. I believe that through this marketing plan Medtentia has a possibility to find a potential partner or buyer. In addition, I believe that it can attract a potential partner or buyer to become interested in the company. The company has also an option to continue the development of communication methods to its determined stakeholders.

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Appendix 1: Competitor analysis

Methods	Surgical mitral repair	Surgical mitral replacement	Surgical chordae repair or replacement	Catheter based mitral repair	Catheter based mitral replacement	Catheter based chordae repair or replacement
<b>Companies with FDA/CE</b>	Valtech Cardio, Micardia, Medtronic, St. Jude, Edwards Lifesciences, Sorin Group, Labcor	Medtronic, St. Jude, Cryolife/On-X, Edwards Lifesciences, Sorin Group, Labcor	Gore Medical, CryoLife/On-X	Abbott Vascular, Valtech Cardio, Cardiac Dimensions, Mitralign		NeoChord
<b>Design and development companies</b>	Medtentia, Sorin Group, Valtech Cardio	Micro Interventional Devices, Sorin Group		Medtentia, Guided Delivery Systems, Cardiosolutions, TransCardiac Therapeutics, Valcare Medical	Valtech Cardio, Edwards Lifesciences, CardiAQ/Edwards Lifesciences, Neovasc, Tendyne/Abbott Vascular, Medtronic/Twelve, TransCardiac Therapeutics, Cephea Valve Technologies, Mvalve Technologies, Highlife Medical	Valtech Cardio, Harpoon Medical

Appendix 2: Potential partner analysis

Methods	Surgical mitral repair	Surgical mitral replacement	Surgical chordae repair or replacement	Catheter based mitral repair	Catheter based mitral replacement	Catheter based chordae repair or replacement	Transcatheter aortic valve implantation	Percutaneous coronary intervention
Companies with FDA/CE	Valtech Cardio, Micardia, Medtronic, St. Jude, Edwards Lifesciences, Sorin Group, Labcor	Medtronic, St. Jude, Cryolife/On-X, Edwards Lifesciences, Sorin Group, Labcor	Gore Medical, CryoLife/On-X	Abbott Vascular, Valtech Cardio, Cardiac Dimensions, Mitralign		NeoChord	St. Jude, Edwards Lifesciences, Medtronic, Boston Scientific	Boston Scientific, Terumo, Abbott Vascular, Biotronic
Design and development companies	Medtentia, Sorin Group, Valtech Cardio	Micro Interventional Devices, Sorin Group		Medtentia, Guided Delivery Systems, Cardiosolutions, TransCardiac Therapeutics, Valcare Medical	Valtech Cardio, Edwards Lifesciences, CardiAQ/Edwards Lifesciences, Neovasc, Tendyne/Abbott Vascular, Medtronic/Twelve, TransCardiac Therapeutics, Cephea Valve Technologies, Mvalve Technologies, Highlife Medical	Valtech Cardio, Harpoon Medical	TransCardiac Therapeutics	

Appendix 3: Marketing channel plan

Channel	Goal	Contents	Priority measures	Date for the priority measures	Updates and publications	Responsible person or persons	Budget
LinkedIn	To get more visibility and tempt potential partners or buyers through regular updates and publications and by extending the network	To share videos, presentations, researches, reports, opinions, expertise, links about interesting articles, press releases, news, blogs, pictures and graphs, possible create a group or join into group	Basic issues such as company and technology descriptions clearly, properly and attractively to the channel, logo and name of the company and link to the website	3/2016-4/2016	At least once a month	External communication company and CEO	Free but XXX amount to external communication company
Webpage	Updating and renewing the website to modern, clear, tempting and comprehensive in order to tempt potential partners or buyers	Refreshing the information about the company and technologies, add information about the investigations and their outcomes or other news associated to the company and its field, personal descriptions about the board members, pictures and videos about the technologies	Full reform and link to the company's LinkedIn profile	3/2016-5/2016	At least once a month	External communication company and CEO	XXX amount to external communication company

Appendix 4: Crisis communication plan for events and incidents

Types of crises	Description of the crisis	Description of the situation	Crisis evaluation	Crisis communication principles	The impact of the crisis	Communication responsibilities	The follow-up of the crisis	
Events/Incidents: Accidents	<b>Examples:</b> <u>Adverse event:</u> A harmful influence to the patient's condition or health caused by malpractice or a defect associated to the product <u>Serious adverse event:</u> The death of the patient caused by malpractice or a defect associated to the product	What happened, when, where and why? Who were involved?	Evaluating the seriousness of the event and possible risks and consequences	Contact the responsible person or persons of crisis and describe the situation. Report to the authorities according to the medical device regulations	Describing the persons or parties affected by the crisis and possible impacts and consequences	CEO or regulatory responsible or the crisis responsible person or persons	The possibility to get support and help	
		What happened, when, where and why? Who were involved? What product or system was involved?	Evaluation of the situations when the seriousness of the crisis is high: death, also if the person is injured, in case of serious malpractice	Contact the responsible person or persons of crisis and describe the situation. Report to the authorities according to the medical device regulations	Investigations of possible defect of the product to decide of possible recall	CoB, CEO or regulatory responsible or the crisis responsible person or persons	Prevention the emergence of similar situations, possible recal of the product/s	
	Violence	Destruction of property of the company	What, when and where?	Serious infringement of property or other crime situations	In major emergencies such as incidents, homicide, life-threatening and crime situation contact to police	Investigation, repair the damages and perform risk assesment	CoB, CEO or department responsible	Risk assesment to how to prevent
		Targeted violence to the employees, patients or other stakeholders of the company	What, when and where?		Report to police and if necessary inform media	Investigation and risk analyses	CEO	Risk assesment to how to prevent risk to the personnel

Appendix 5: Crisis communication plan for internal and external crises

Types of crises	Description of the crisis	Description of the situation	Crisis evaluation	Crisis communication principles	The impact of the crisis	Communication responsibilities	The follow-up of the crisis
Internal: Human resource crises Leadership crises Psychological crises	<b>Examples:</b> Limited resources The absence or difficulties in management Burnout, depression	Why and since when?	Evaluating the seriousness of	1. Contact to the responsible person or	Describing the persons or parties affected by the crisis and possible impacts and consequences	CEO or the crisis responsible person or persons	The possibility to get support and help
		Who were chargeable?	the crisis and possible risks	persons of crisis and describe the situation			
					2. Sharing an accurate and truthful information		
External: Economic crises	Lack of financing			about the situation (Personal issues are an exception)		Board, CEO	Owners decision how to improve financing situation
Industry crises	Inadequate maintenance or increase of the economic situation					Board, CEO	Improve maintenance activities

Appendix 6: The present logo and the new logo

Present logo:



New logo:

