

# Life Sciences & Analytical Instruments Industry Trends Research

Strategies | Insights | Metrics

2021 EDITION

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# Alexander Group Overview

## Overview



Revenue growth management consulting services to the world's leading marketing, sales and services organizations

- Fact-Based
- Contemporary Expertise
- Client-Focused
- Results-Oriented

## Revenue Growth Services



### Management Consulting

Assess • Design • Implement



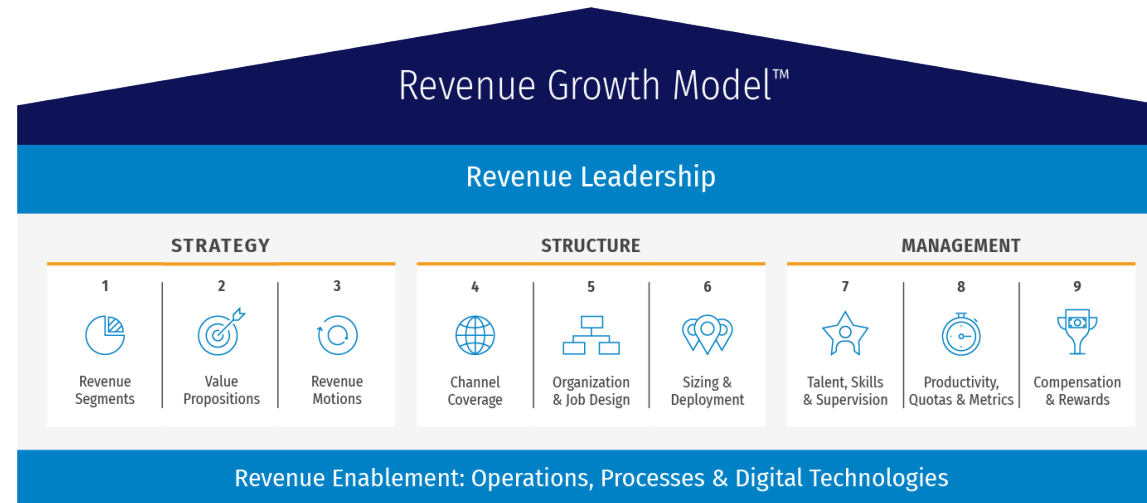
### Research

Benchmarks • Trends • Insights



### Community

Learn • Network



## Key Industries



Distribution



Healthcare



Health Insurance



Life Sciences



Manufacturing



Media



Private Equity



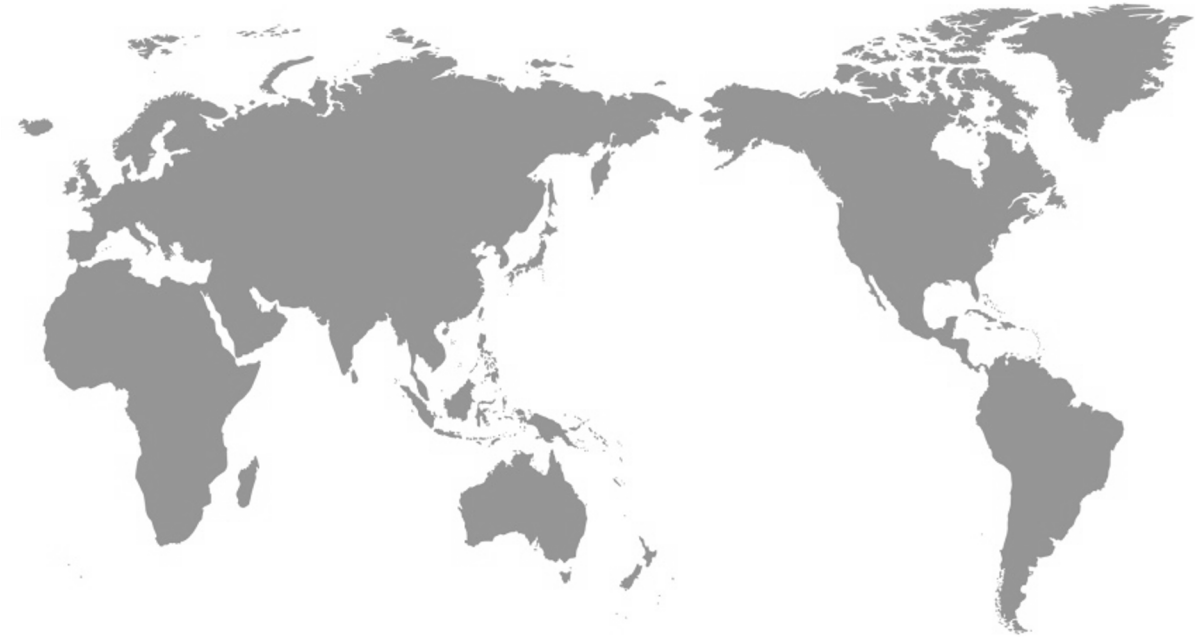
Technology

# Life Sciences & Analytical Instruments Practice Overview

## Example AGI Clients, Research, and Community Participants

- Abcam
- Agilent
- Becton Dickinson
- Bio-Techne
- Bruker
- Cytiva
- Eppendorf
- Fluidigm
- Harvard Bioscience
- Illumina
- Lonza
- Maravai
- Millipore Sigma
- Pacific Biosciences
- Perkin Elmer
- Qiagen
- Restek
- Sartorius
- Sciex
- Shimadzu
- SP Scientific
- Terumo
- Thermo Fisher Scientific
- Waters

## Global Project Experience, Research, and Community Engagement



# Study Inputs

## By the Numbers



**40+**

### Participants

Including BU / Division Levels & GEOs



**50+**

### Interviews

with Sales VPs, CSOs, CROs, CMOs and Strategy Leaders



**40+**

### Sales Metrics

Reported



### REVENUE & COST

- Expense/Revenue %
- Revenue/Seller
- Revenue Growth Rate
- Sales Expense/Seller
- Compensation Cost of Sales
- % of Revenue by Product Type (Capital, Consumable, Software, Service)
- Full Sales Investment Profile\*
- % Revenue from New Products\*



### ROLES & COVERAGE

- Span of control
- Field to Inside Ratio
- Support Roles
- Service Roles
- Seller Turnover %
- % Reps at/Above Quota
- Revenue Operations Structures\*
- Sales Time Benchmarking\*
- Sales Readiness Scoring\*



### SALES COMPENSATION

- Base Pay
- Variable Pay
- Total Compensation
- Pay Mix
- Measures & Mechanics\*
- Pay Practices\*

### DIGITAL FOCUS METRICS

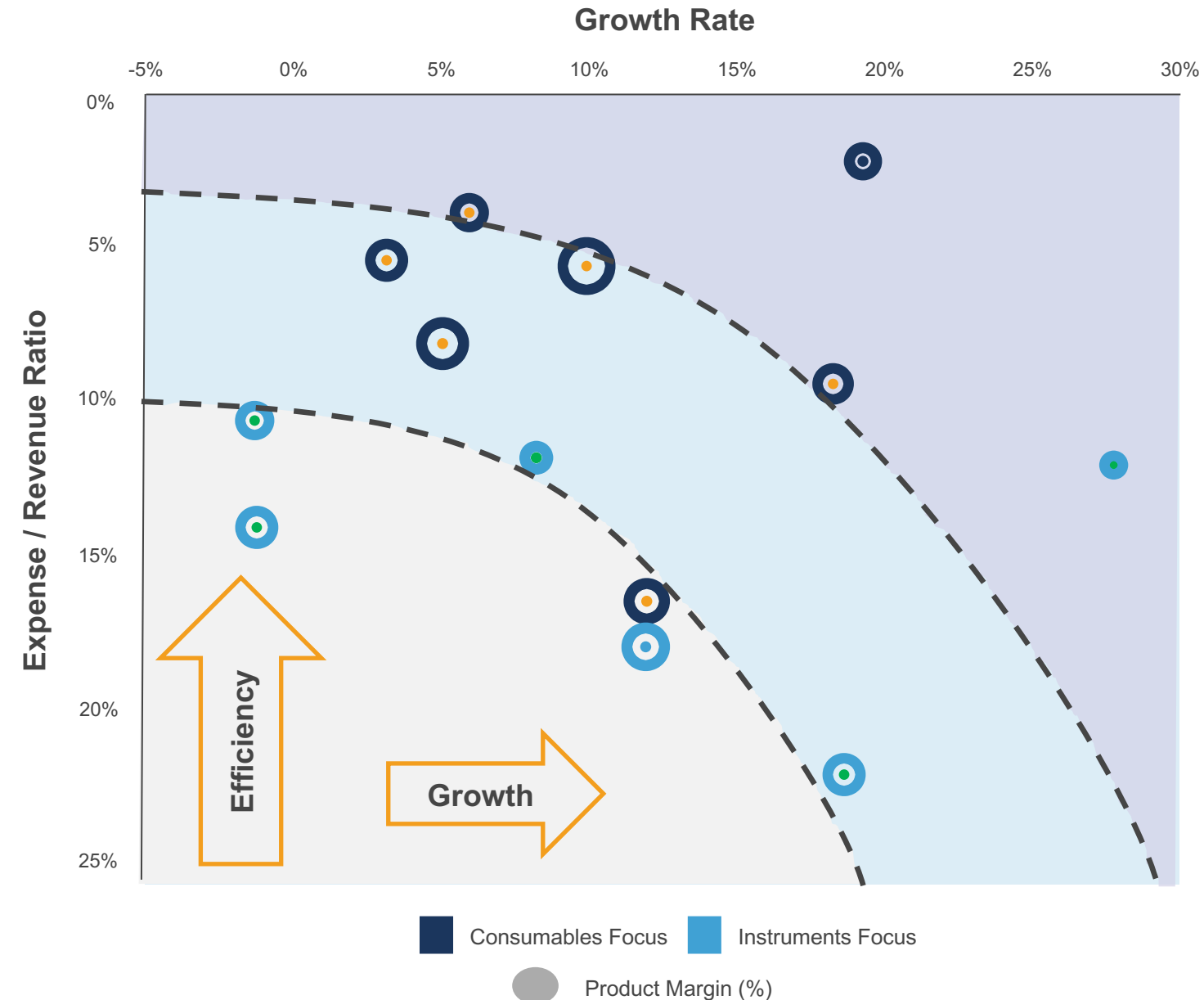
- Digital Investment and Technology Tools Benchmarking\*
- Emerging Digital Sales & Marketing Roles & Coverage Models\*
- Compensation for New Roles\*

\*Additional Alexander Group benchmark offerings available

# Features of High Growth Industry Players

	Low Growth NA Average	High Growth NA Average	AGI Observations
YoY Revenue Growth Rate (%)	5%	14%	2.8x Growth Rate
Revenue per Seller	\$4.96MM	\$6.66MM	34% Higher Productivity
Expense to Revenue (%)	11.2%	8.0%	29% Lower Cost of Sales
% of Revenue from Instruments	40%	25%	Greater Consumable Mix
% of Revenue from Consumables	35%	65%	

# High Performers Define The Performance Frontier



## The Path to Sustainable Profitable Growth

1 **FOCUS ON GROWTH MARKETS**

2 **ACQUIRE NEW CUSTOMERS**

3 **DEVELOP SCALABLE MODELS (INSIDE & DIGITAL)**

4 **CUSTOMER LIFETIME VALUE**

Growth

Efficiency

# The Path To Sustainable Profitable Growth



## FOCUS ON GROWTH MARKETS

Place educated “bets” on adjacent markets to diversify and **capture differentiated growth**

**93%** see taking share in high growth markets as key priority



## DEVELOP SCALABLE MODELS

Leverage inside sales and digital to **improve efficiency**

**100%** are investing in digital strategy

## ACQUIRE NEW CUSTOMERS

Invest in the demand growth engine (marketing & lead gen) to **catalyze growth**

**83%** identify “attracting new customers” as a top priority



## DRIVE CUSTOMER LIFETIME VALUE

Account Management and investments in post sales to **expand and retain existing customers**

**74%** are prioritizing customer engagement & satisfaction



## ENABLE THE REVENUE ENGINE

Expand Commercial Operations to support sales, marketing, and service  
Infuse outside talent to help scale Commercial Operations

**0%** are reducing operations headcount

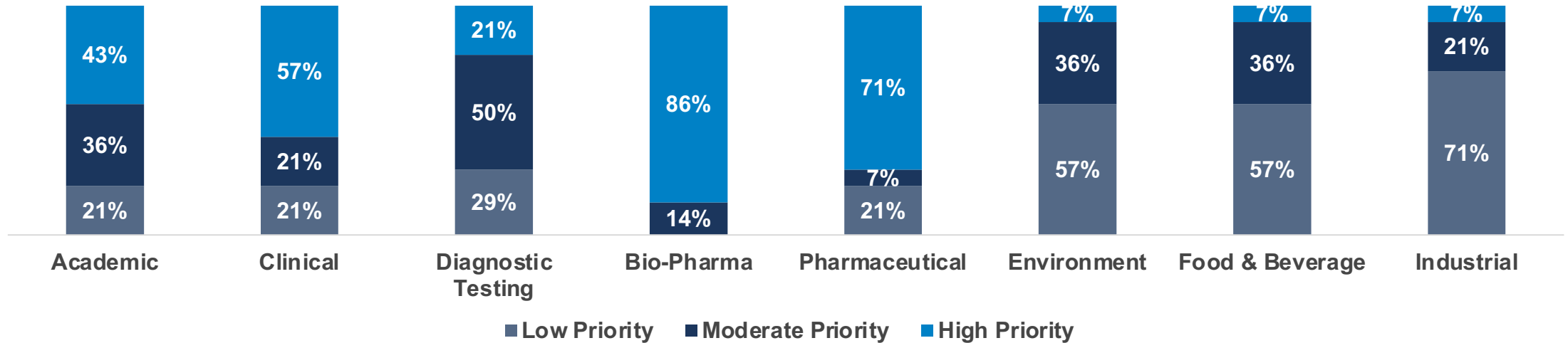
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## Focus On Growth Markets



# Focus Stretched Across Core & Adjacent Applied Markets

## LEADERSHIP PRIORITIES



## LEADING PRACTICES



Map buyer journeys, value drivers, decision making processes, and document workflows by end market



As in-roads are made, gain scale from Application Specialist by infusing marketing and training content with their market knowledge



Over-invest in Segment Specialists and Product oriented sellers when tapping growth markets



Formalize commitment and accountability to growth markets by standing-up “business units”

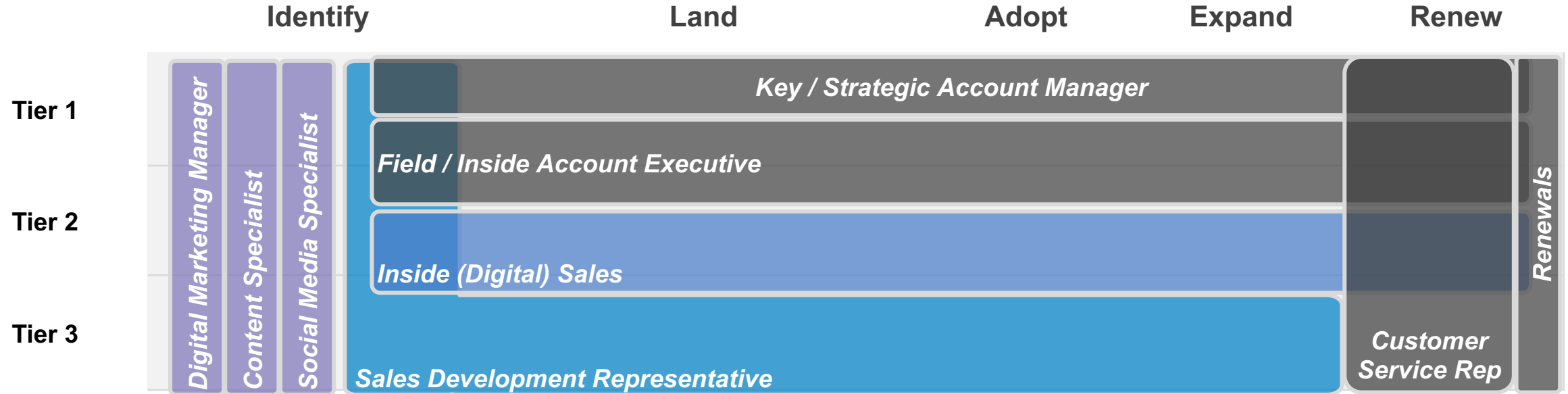
# Go-to-Customer Investments Differ by Market Type

	Overall Market NA Average	Research <sup>1</sup> Market NA Average	Applied <sup>2</sup> Market NA Average
Revenue per Seller (\$MM)	\$5.8MM	\$6.3MM	\$5.6MM
Sales Expense / Total Revenue (%)	8.8%	8.5%	8.9%
Seller per Product Specialist	6.0	7.1	3.7
Sellers per Field Application Scientist	3.0	1.7	4.0
Field Reps per Inside Reps	7.0	9.1	6.6

**2**

## **Acquire New Customers**

# Commercial Leaders Are Modernizing Marketing Motions



**Those With Above Average Investment in Demand Stimulation See...**

**2%** higher Revenue per Seller

**67%** more Revenue from New Customers

**20%** higher YoY Revenue Growth

# Marketing Investment Levels Differ by Revenue Model

<i>North America Averages</i>		Instruments	Consumables
Marketing Expense / Revenue		9.0%	3.0%
Field Marketing Expense / Revenue		1.5%	0.4%
Sellers per Product Specialist		11.4	4.5
Sellers per Field Application Scientists		1.7	3.7
Field Reps per Inside Reps		9.6	6.0
% of Revenue from New Customers		11%	3%
Revenue Growth Rate		9.4%	9.7%

**3**

## **Develop Scalable Models**

# 100% of Participants Are Investing In Digital Capabilities

% of  
participants  
identifying  
as a priority:

42%

## Data Science

1

Feed the commercial team with predictive “plays” supported by account insights

**#1 investments are data scientists & analysts**

*“We’re starting to leverage AI & predictive analytics for lead based scoring”*

71%

## Demand Stimulation

2

Marketing managers run plays developed from data science insights

**69% of customers expect personalized content**

*“#1 investment is build & adoption of the marketing tech stack”*

57%

## E-Commerce

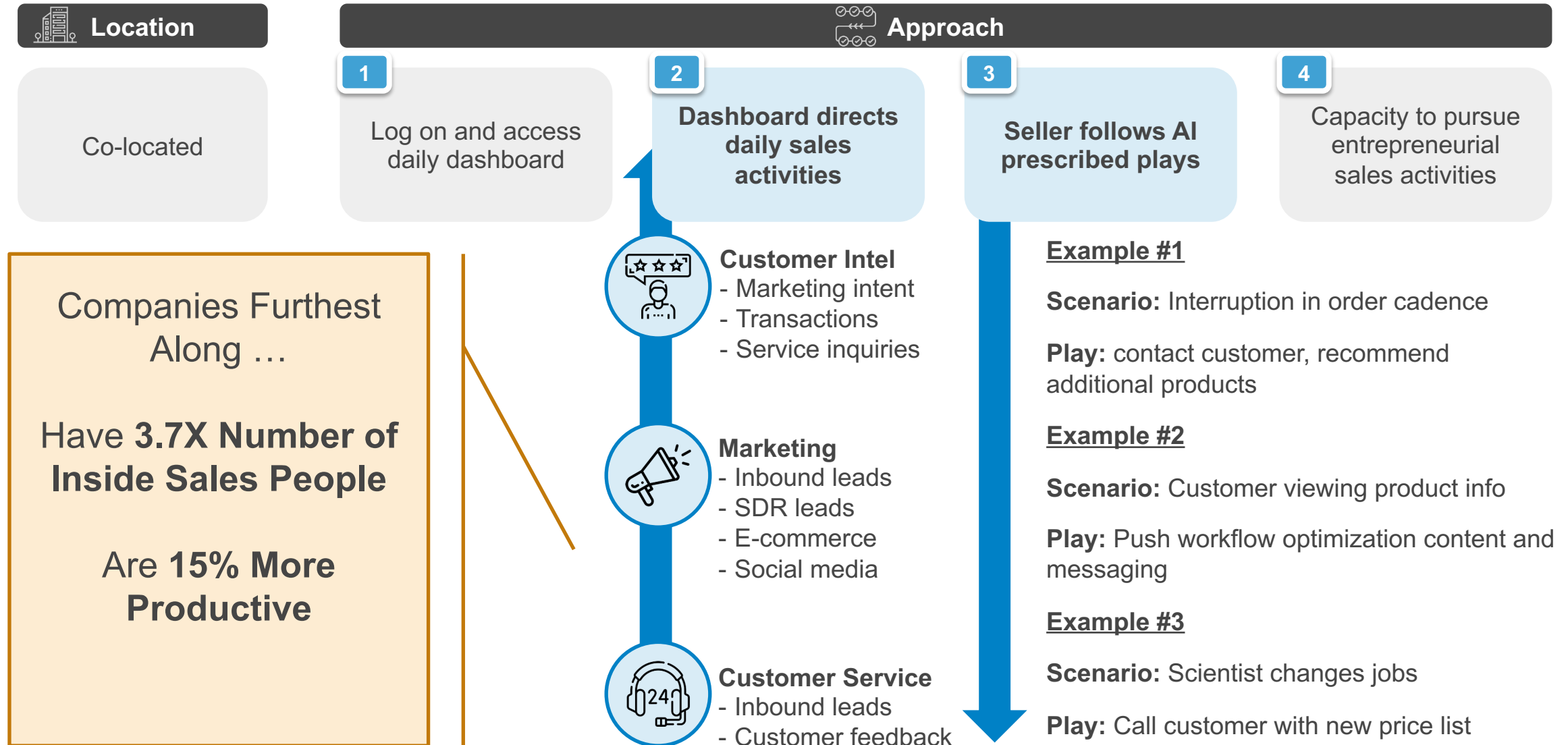
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Increasing “touchless” E-commerce channels and “online only” products

**46% are increasing self-service**

*“Driving product sales to the web so people can focus on the service business”*

# Digitally-Enabled Inside Sales Is The New Standard



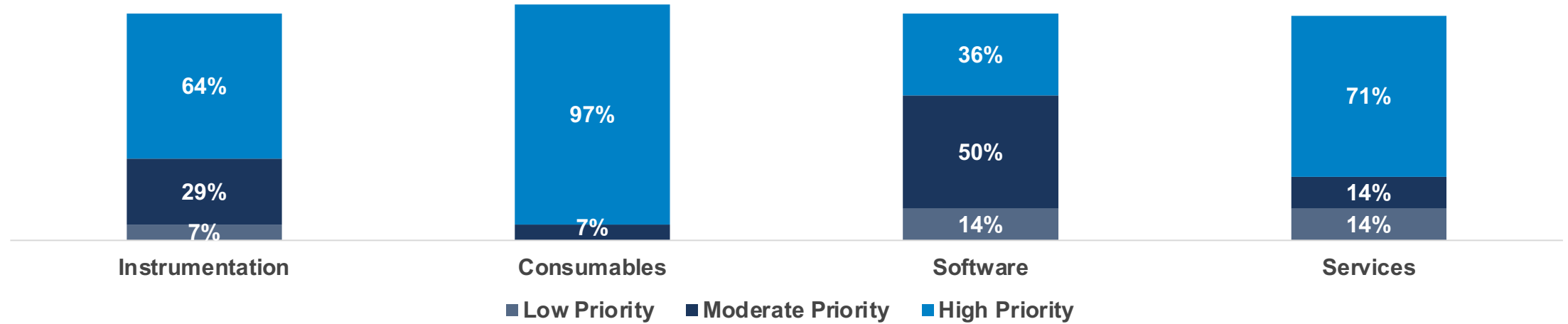


**4**

## **Drive Customer Lifetime Value**

# Leaders Adopting Customer Lifetime Value (CLV) Mantra

## LEADERSHIP PRIORITIES



## LEADING PRACTICES



Sellers (even instrument-oriented teams) focus on capturing share of wallet and staying engaged between buying cycles

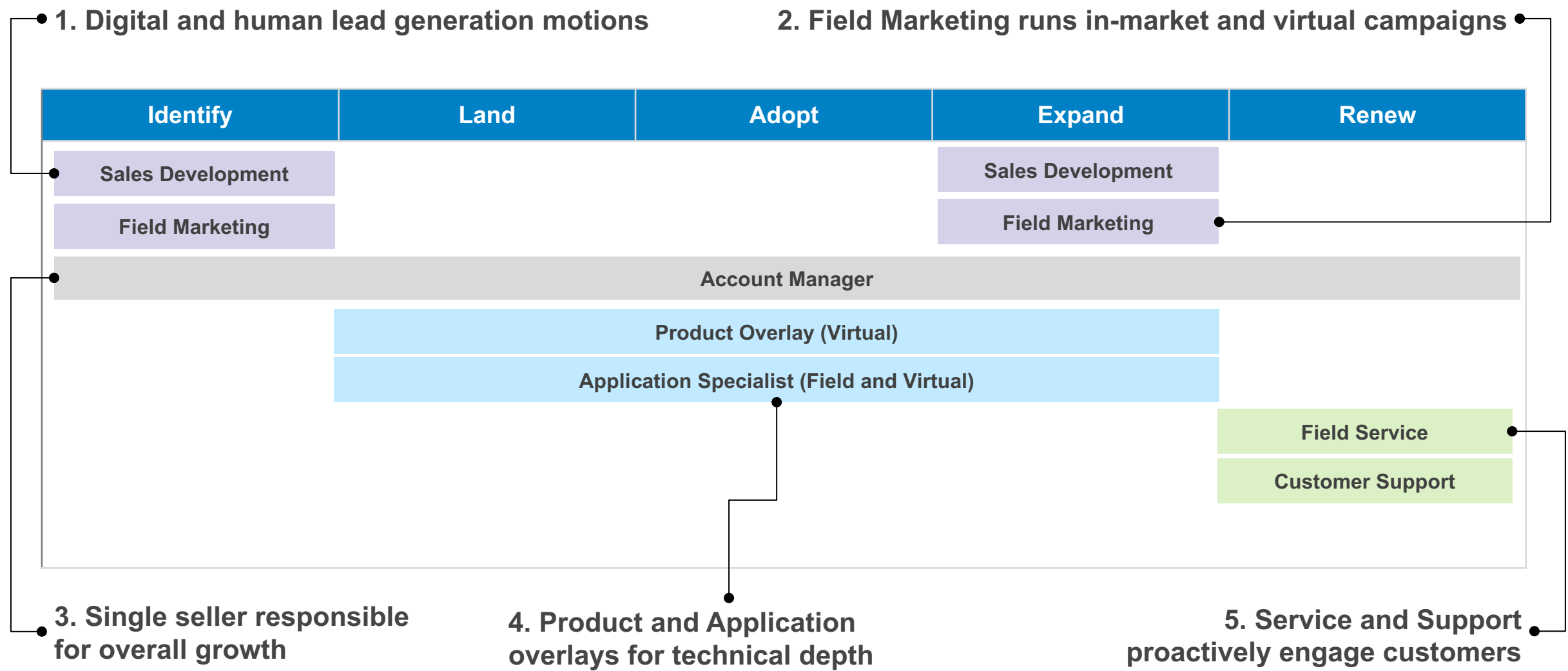


Use predictive tools to automatically recommend products to customers based on customer profile and application needs



Solution Selling methodology is adopted and translated to changes in the way marketing and sales message to and engage with customers

# Account Management Models Emphasize CLV



# AGI's 2021 Life Science & Analytical Instrument Themes

1

## A RETURN TO COMMERCIAL INVESTMENT

Respond to historic market demand and opportunity

5

## THE DIGITAL EXPLOSION

Speed investments in Data, Process, and System and Tools

2

## AN EMPHASIS ON MARKETING CAPABILITIES

Modernize and be the signal in the noise

6

## THE GREAT BENCHMARK RESET

Adopt new productivity expectations and forecasting practices

3

## A NEW MIX OF COMMERCIAL RESOURCES

Deploy hybrid roles to balance virtual and in-person needs

7

## AN EMPHASIS ON TALENT AND ENABLEMENT

Invest in new skills and speed ramp-up

4

## MIGRATION VS. TRANSFORMATION

Manage disruption and avoid missing the market

8

## COMMERCIAL OPERATIONS

Deliver scale and enable rapid growth

# 2021 Leadership Series

Register Online Today!  
[www.alexandergroup.com](http://www.alexandergroup.com)



## Life Sciences & Analytical Instruments Virtual Roundtable Series

*Held conveniently via Zoom*

May 4th  
**A NEW GROWTH PLAN**

June 9th  
**COMMERCIAL OPERATIONS**  
\*Part of the Operations Forum



## Life Sciences & Analytical Instruments Industry Trends Research

*Complimentary Briefing Now Available*

- Address key trends, take advantage of best practices and deploy new commercial models
- Receive a benchmarking review and in-depth report of industry trends

## Alexander Group's 2021 Forums

*The 24x7 Customer Experience – The Next Chapter*

**WOMEN REVENUE LEADERS FORUM**  
Virtual Event Series

Fortune 1000 women executives  
April 27-28, 2021

**OPERATIONS FORUM**  
Virtual Event Series

World-class commercial operations  
leaders  
June 8-9, 2021

**EXECUTIVE FORUM**  
The Breakers | Palm Beach

300+ revenue leaders  
November 17-19, 2021

# Join Our Community



## FORUM SERIES

Focused on strategy, operations and implementation, the annual Leadership Forum series of events provides participants with strategic and tactical insights from highly regarded speakers, executive panelists and the revenue growth experts at Alexander Group.



## SUMMITS

Exclusive, half-day sessions designed for 12-15 senior revenue leaders to discuss specific, contemporary issues and key topics in an intimate roundtable setting.



## ROUNDTABLES

This popular series of roundtable discussions for senior sales and sales operations leaders are held conveniently via conference call.



## WEBINARS

Industry- or topic area-specific sessions led by experts from the Alexander Group. Webinar attendees benefit from insights and best practices and take away valuable approaches for immediate use.



## SYMPOSIUMS

Industry-focused, 1-day events that combine Alexander Group research with deep insights from leading industry practitioners. Built around today's most important sales management issues and a unique opportunity to collaborate with peers.



## SURVEYS & RESEARCH STUDIES

Alexander Group sponsors multiple industry-specific research studies each year, along with targeted client-sponsored surveys. AGI sales compensation and sales pulse surveys are conducted annually.



## SALES BENCHMARKING

The value of sales analytics rests in having quality data, client context and expert interpretation. Alexander Group-cultivated benchmarks provide quantitative insights to event and study participants.

LEARN MORE:  
[alexandergroup.com](https://alexandergroup.com)



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