

Why Industry Partners Must Shift From Selling to Solving

The rules of engagement with health systems are changing—and industry partners clinging to the old playbook risk being left behind. At Sg2's 2025 Executive Summit, a clear message emerged: assumptions that once guided strategy are not just outdated—they're obstructive. Financial recovery doesn't mean business as usual, and hospitals shouldn't be the center of care anymore. Providers are looking for solutions that reduce costs, drive throughput, maximize use of resources and deliver value—not just products.

Assumption: Financial Recovery Equals Business as Usual

Margins remain fragile for health systems. Cost-neutral is now the baseline; shared upside is the expectation. Industry partners must prove their value—not just with clinical outcomes, but by showing how they help the health system improve performance across metrics. This also means broadening leadership engagement within strategic accounts to understand how value is measured from all angles.

- Are you connected to strategy leaders at target accounts?
- Can your offering boost throughput in a high-demand specialty?
- Do you understand the organization's priorities for ambulatory and system-wide care?

Assumption: Hospitals Are the Anchor of the Care Continuum

The future is ambulatory first. Health systems must be intentional about boosting volumes and driving efficiency in outpatient settings to offset tight margins. That means rethinking the hospital's role and prioritizing ambulatory care as the business driver.

For industry partners, this shift demands more than a tweak—it requires adapting offerings to meet the needs of where care will be delivered. Success depends on a deep understanding of operational workflows and strategic fit.

- Can it streamline ambulatory workflows?
- Does it fit smaller ORs in ambulatory surgery centers (ASCs)?
- Do you understand how procurement and value analysis differ between ASCs and hospitals?

Rethinking the Playbook

Industry partners must come prepared with insights to identify bottlenecks and demonstrate how their offerings can ease the pressure for their customers. Selling a device or a drug?

Fine. But if you can demonstrate how that product reduces readmissions or enables ambulatory-first care, now you're solving a problem—and elevating your status from vendor to strategic partner.

“Today’s value isn’t in what you sell, but in what you solve.”

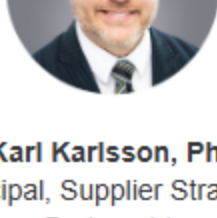
—Industry Partner at Life Sciences and Industry Breakfast Event

It's time to reframe your market approach. Bring data. Speak the language of health system pain points. Show up with solutions that enable providers to do more with less. Co-creation isn't a buzzword. It's the price of admission.

Sincerely,



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Customer Insights: Provider Impact and Response to Policy Changes

A recent (urgent) conversation from one of our Life Sciences EDGE members addressed the question of “how will utilization and our revenue projections be affected by policy changes?”

Why the urgency? Many of you are in the midst of working on revenue projections and while your finance modeling team is likely in the weeds on quantifying tariff impact, the second most relevant question to address anchors around how changes to Medicaid and insurance exchanges affect revenue projections?

In short, it's complicated. But an exercise to consider is to look at the following set of questions for your US portfolio:

1. How many patients are expected to become uninsured in 2026 and beyond?
2. Do we need to model this into our current revenue or sales forecasts?
3. In which states do we anticipate changes in insurance status?
4. Based on historical policy changes (eg, Patient Protection and Affordable Care Act (ACA) in 2010), how are enrollment changes likely to impact inpatient and outpatient volumes, hospital LOS and capacity?
5. How will these changes affect purchasing and use of our products (eg, premium price)?
6. Should we anticipate more pressure on our revenue due to an increased focus on supply cost savings?
7. Are we well positioned to differentiate ourselves to support provider strategies (eg, patient education in underserved/under-insured areas, reduced total cost of care, improved operational throughput and LOS management)?

Two major *Fortune 500* Life Sciences firms we work with are approaching these questions entirely differently. One is assuming no impact as demand for the products will remain unchanged due to that unmet need is expected to continue to fuel growth projections, the second recognizes the diverse impact on its broad portfolio. Regardless of where you are, it's worthwhile reaching out to us for a discussion to ensure you avoid any surprises when communicating your revenue and growth projections.

Solution Spotlight: Comparative Quality Outcomes Demonstrate Value

Situation

With ICU use rising and hospitals constrained by workforce shortages, higher patient acuity and limited capital, reducing avoidable ICU days and speeding post-surgical recovery has become increasingly urgent. Intraoperative hypotension (IOH)—a major contributor to acute kidney injury (AKI), prolonged ventilation and extended ICU length of stay—remains under-addressed. In response, a global healthcare technology company partnered with leading health systems and Sg2 Life Sciences Consulting to evaluate the clinical and economic impact of advanced, minimally invasive continuous hemodynamic monitoring.

Solution

Sg2 conducted service line-specific outcome and economic analyses to validate performance of continuous monitoring using the technology company's products and predictive software. The engagement included staff training to support consistent, protocol-based implementation and data analysis of key post-operative metrics (IOH, AKI, LOS and cost).

Impact

The results demonstrated consistent and measurable improvements in both clinical outcomes and financial performance.

TABLE 1. RESULTS

Metric	Result
Intraoperative Hypotension (IOH)	Up to 66% reduction
Acute Kidney Injury (AKI)	Up to 73% reduction, depending on service line
Length of Stay (LOS)	Up to 1.1 days shorter in cardiac, spine and colorectal cases
Cost Savings	\$982 to \$3,602 per case

Source: Based on a meta-analysis of 263 cardiac valve surgeries. Client supplied data; Vizient clinical Data Based used with permission of Vizient, Inc. All rights reserved. Data from CY2024; Sg2 Analysis, 2025.

TABLE 2. META ANALYSIS OF ADVANCED PATIENT MONITORING IN CARDIAC VALVE ELECTIVE AND URGENT SURGICAL CASES, 2023–2024, US MARKET, FOUR HOSPITAL SITES

	Cases	IOH (%)	AKI (%)	LOS	LOS Index	ICU LOS	Cost	Cost Index
Baseline	110	17.27	15.45	8.17	0.93	2.95	\$30,005	0.88
Intervention	153	11.76	9.8	7.25	0.82	2.42	\$28,483	0.85

Sources: Data from the Vizient® Clinical Data Base used with permission of Vizient, Inc. All rights reserved; Sg2 Analysis, 2025.

Lessons for Industry Partners

Innovation that demonstrates value across key metrics is most likely to get the attention of health system leaders and clinicians. The purchasing agreement alone is not enough, industry partners that complement their advanced technology with clinical evidence, the ability to monitor outcomes and education to support implementation can help hospitals unlock measurable value.

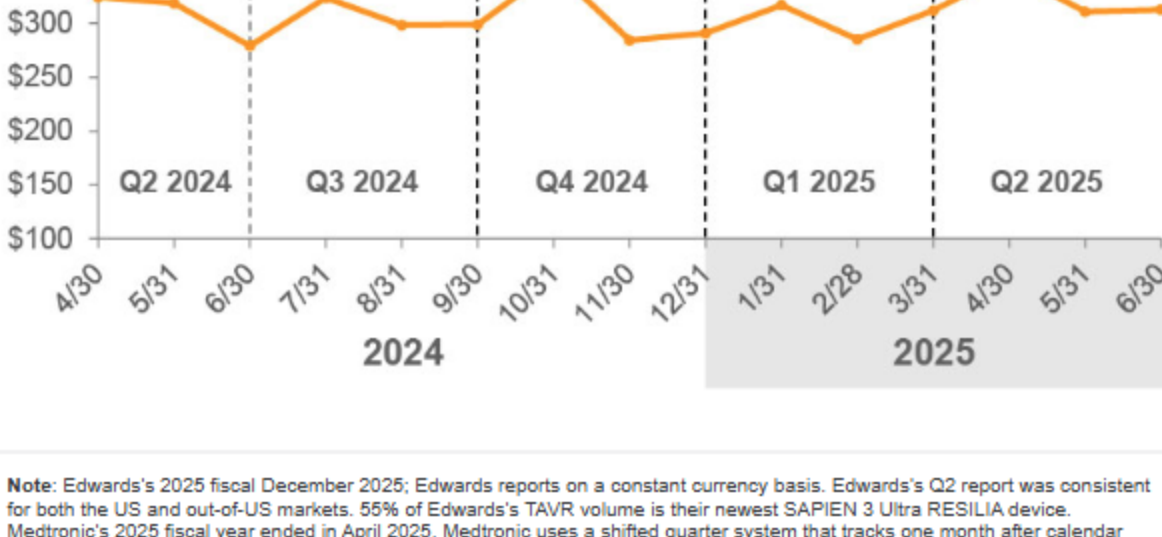
Share Your Tips & Stories!

Do you have an interesting case study or helpful analysis that other Life Science Suppliers could benefit from? We'd love to hear from you! Reach out to your Sg2 Service Team or [email us](#) with the details or to set up a quick discussion. With your permission we will confidentially share your and other users' tips or stories with our newsletter community.

Were Q2 Results a Validation of TAVR as a Mid to High Single Digit Growth Market?

Not only does TAVR (transcatheter aortic valve replacement) continue to improve the quality of life for many patients, but it also has generated unprecedented growth for Edwards and Medtronic. Over the past year though, TAVR sales growth has slowed, even before other manufacturers make a play in the market while overall spend has remained steady. This slowing has been hypothesized to be a result of operational and capacity barriers at provider hospitals, under diagnosis and treatment of aortic stenosis or less likely, market maturation of the TAVR technology.

US TAVR REVENUE BY MONTH



Note: Edwards's 2025 fiscal December 2025; Edwards reports on a constant currency basis. Edwards's Q2 report was consistent for both the US and out-of-US markets. 55% of Edwards's TAVR volume is their newest SAPIEN 3 Ultra RESILIA device. Medtronic's 2025 fiscal year ended in April 2025. Medtronic uses a shifted quarter system that tracks one month after calendar quarters. MarketPulse's Skew Level purchasing data is a stable data set capturing 50% of the market's sales. Sources: MarketPulse Database, 2025.

The MarketPulse team predicted 7.5% growth for Edwards TAVR for Q2 2025; Edwards reported 7.8%. Growth for the total TAVR market was observed at 6% for the same time period. This difference may normalize as Medtronic has one more month in their fiscal quarter.

We believe that the value replacement market remains underserved, especially in socioeconomically challenged communities. Edwards is also optimistic, raising its full-year projections. If Medtronic continues to hold share, this signals that TAVR is resuming high growth and revenue generation for manufacturers.

Was the Q2 2025 result a one-time catch up or a reflection of emerging solutions for access? Our team is here to help you stay on top of these trends, evolving market dynamics and support your growth strategy.

Anticipate the Impact of Change



Sg2, a Vizient company, enables health care executives to make better, faster, more cost-effective strategic decisions through a unique combination of industry-leading market analytics and unrivaled expertise. Visit [Sg2.com](https://sg2.com) for more information.

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