Director of the HBS Health Care Initiative, Cara Sterling, moderated a discussion among HBS alumni about the environment for devices and diagnostics, and their career paths and career advice.

Business ENVIRONMENT

More regulation. The regulatory burden has increased, requiring more upfront investment to develop/launch a new technology. And, even more regulation is expected. Most views of regulation are negative, but it creates a barrier to entry.

More uncertainty. The uncertain reimbursement and regulatory environment is making companies more cautious and risk averse.

Less investment. Venture capitalists are reluctant to invest because of long payback periods. However, corporations are still looking to invest in and acquire promising early-stage technologies.

Affordable CARE ACT’S Effect

Increased volume. More people with insurance means more demand for devices/diagnostics.

Decreased margins. 2.3% device tax “off the top” hurts revenues and profits, and could impact R&D. Also, hospital/health system consolidation is creating more powerful buyers, resulting in price pressure.

Emphasis on value. There is a shift from focusing on volume to value, and increased pressure for streamlining and process improvement.
Roles at large and small device and diagnostics companies:

- Business Development
- Strategy
- Rotational programs (Sales, Marketing, Assistant to CEO)

**Why CHOOSE A CAREER in Devices or Diagnostics?**

**Get product experience.** Being the owner of a product, through product management or marketing, is great managerial experience.

**Work in sales.** Few HBS grads aspire to be in sales, but sales provides direct exposure to customers, hones relationship-building skills, emphasizes communications and persuasion, and is a great stepping stone.

**Look for a rotational program.** These programs provide exposure to senior management and multiple functions—sales, marketing, strategy, finance. They provide preparation for general management.

**Be part of a small company.** Small companies afford the opportunity to wear multiple hats, see all aspects of the company.

**Tap into new graduates.** While at HBS, contact graduates for perspective, internships, relationships, advice. People will take your call and help you. Tap into the network.

**Personally meaningful.** Often people know others who have received and benefit from these technologies.

**Tangible products.** These products have shorter timelines and faster iterations than pharma/biotech, and are a good fit for people interested in engineering, solutions, technology.

**Welcoming to career switchers.** Those with functional skills in strategy, finance, sales can be successful. The key is being able to tell a compelling story about your switch.

**Career ADVICE**

**Typical MBA Functions**