

**Project Type:**

Commercial Due Diligence

**Sector:** Healthcare**Client Size:** \$20M**Company Position:**

Market Leader

**Client Level:**

President

**The Critical Decision:**

Can an investment in an early-stage mobile surgical training business in the U.S. lead to a successful migration of the model to Europe in order to augment the client's core business?

**The Answer:**

The target has significant and sustainable growth prospects in the U.S. but, due to high regulatory barriers and limited customer interest, a profitable market for this service in Europe could not be created.

**The Discussion:**

The client operates a fleet of mobile surgical centers in Europe and is actively looking for synergistic acquisitions. Mobile surgical training, a young growing business in the U.S. operating off a similar vehicle platform, appeared to be a natural fit with the client's goal. The target is the leader in developing the U.S. market for this service, and the acquisition was viewed as an opportunity to take advantage of an established platform and create a similar offering in Europe.

Through an in-depth interview program with surgical training program decision makers and regulators in the U.S. and Europe, Lumeric determined the target had strong potential to triple U.S. revenue within three years. However, in Europe, the combination of extremely strict regulations for using human tissue in training and limited interest expressed by potential customers made market entry unfeasible. As a result, the client walked away from the prospective investment. 

