GET Funded
A Practical Guide for Digital Health SMEs

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Delivering growth
to eHealth business

Digital Health Tech Editorial by Rosie Cunningham Thomas, CEO Artemis Healthcare Ventures

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HEALTHCARE has always held a strong position at the forefront of emerging technology but there are now more possibilities than ever before. The major medtech and pharma players have recognised the need to innovate through investment, M&A and strategic partnerships. Major technology players are now also recognising the value in applying their expertise to disrupt healthcare. For example, Google has recently announced a partnership with Novartis to collaborate on smart contact lenses while Apple, Google and Samsung have all launched health platforms.

The industry is ripe with opportunities for start-ups to develop game-changing technology but what are the key trends and challenges? What is the real value from the point of view of the patient and the business developing the technology? And what can we learn from the US which is noticeably further ahead commercially than Europe?

The **key trends** are driven by the need to address global socio-economic demographic issues, reducing healthcare expenditure, increasing quality as well as productivity, access and affordability. Technologies and solutions being developed aim to accelerate the transformation, increase access and reduce dependency on specialist personnel, equipment and infrastructure.

From a technology perspective, the **key trends** are around the rapid advancement of wearable sensors for biomedical monitoring spanning multiple consumer health and medical applications, video diagnostic services, predictive data analytics and low cost DNA sequencing solutions. These trends for more personalised healthcare are being driven from both the consumer and clinical sectors of healthcare.

The **challenges for young start-ups** are multiple - having access to capital funding, employing the right talent as sometimes healthcare experience and IT skills are not natural partners, the need for supportive healthcare policy systems to drive adoption and a viable and scalable business model that will deliver outcomes for healthcare systems and investors alike.

Also, some of the challenges are to do with the ventures themselves. Does the technology work and does it solve the problem it is trying to address? Is there a viable business model? Can you scale and grow fast enough beyond early adopters such as the fitness fanatics and self-quantifiers? Externally, how is your technology going to be adopted? While patients may be willing to try a website or an app, provider and payer adoption may not be as high. There are also issues of data privacy and security and an emerging regulatory landscape across Europe pertaining to development standards and use in clinical settings. Ultimately, more evidence will also be needed to substantiate claims on outcomes, safety and cost benefits.

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Mobile computing, artificial intelligence, micro sensors and analytics software are widely adopted technologies deployed across multiple industries. This is a real advantage because innovative healthcare applications are being developed on the back of tried and tested technology. What is new is how mobile sensors for example can be used to diagnose and monitor a chronic disease such as diabetes and how biometric data can drive behaviour change on a personal and eventually a population health scale.

The sector is noticeably commercially further ahead in the US compared to the Europe. Why might this be and how do the markets differ?

Various Acts (HIPAA. HITECH Act and ACA) have led to unprecedented multi-billion dollar investments in health information technology in the US. This has had a positive impact on job creation, productivity and care delivery experience.

The US healthcare ecosystem is acutely aware the US population is getting older, sicker, more obese and more sedentary. The number of people with serious chronic conditions will grow resulting in catastrophic financial strains on the entire healthcare economy. Data-driven medicine is a key element of the Affordable Care Act which is also driving patients to think like consumers with respect to their healthcare provision. VCs, life science and tech companies see the significant opportunity to drive improved health economic efficiencies and are investing heavily in the sector.

By contrast, Europe has a fragmented nature of buying commissioned services within pre-set national health budgets combined with a lack of patient choice and patient driven demand has stymied the adoption of disruptive digital health products and services. Europe will catch up in due course - it really has no choice given the growing imbalance in the supply/demand equation of care provision.

A critical component for driving down spiralling healthcare costs will be the delivery of prevention and health management services outside of the traditional GP and hospital settings. These problems are growing but what is not increasing is the resource to service such a disproportionate level of sick people. mHealth harnesses a "toolkit" that already exists - sensor enabled mobile phone technology, sophisticated encryption, mass smartphone market penetration, global network connectivity and the acceptance and widespread use of mobile apps by end users. The desire and evidence for mobile engagement is already there and in my view will drive better patient compliance and outcomes

In conclusion, what is the real value of mhealth technology?

Patients will finally be in the driver's seat with respect to their own health outcomes. I predict digital health tools will be empowering and drive better compliance and adherence to healthy lifestyle behaviours, medication regimens and the management of chronic conditions. It follows that the wide scale adoption of mHealth tools and solutions will deliver significant health economic improvements for providers and payers alike.

Contents

GET Funded objectives

The EU-funded GET Project delivered four high-impact services to digital health SMEs and entrepreneurs in order to boost their growth and help them get to the next level of competitiveness:

- **GET on Track** - Targeted early-stage companies, start-ups and entrepreneurs. It supported them to optimize their business model and commercialization strategy.

- **GET Funded** - Designed for SMEs looking for a second round of funding. It provided training, resources and networking opportunities with investors at the European level.

- **GET Global** - Helped mature SMEs to access international markets by putting them in contact with foreign commercialization partners and potential customers.

- **GET Inspired/Fill the Gap -** Identified and disseminated unmet needs in eHealth that could become business opportunities for entrepreneurs and SMEs.

The Get Funded service targeted European digital health SMEs looking for follow-up investments – typically between 0.5 and 2M€ – and was designed to provide them with market intelligence, expert guidance, presentation training and pitch-coaching, and networking opportunities with investors at the European level.

This Practical Guide to Getting Funded was written for them as a key resource mixing experts interviews, lessons learnt from GET Funded events, and a global and comprehensive investors' list.

Are you an eHealth SME looking for funding? We can help!

If you are a digital health SME looking for investment and would like to learn more about the GET Funded service, or to connect with one of our participating investors, please contact Pascal Lardier at pascal@heah2con.com.
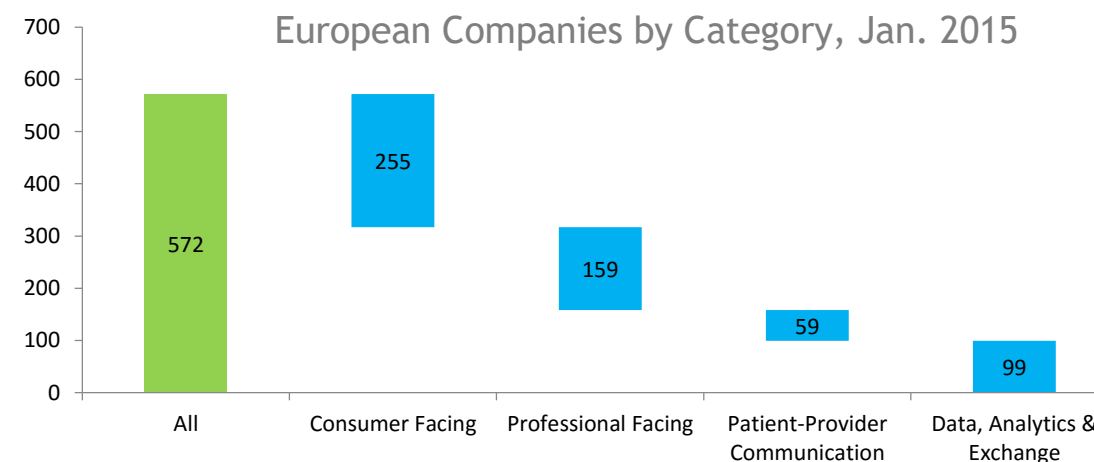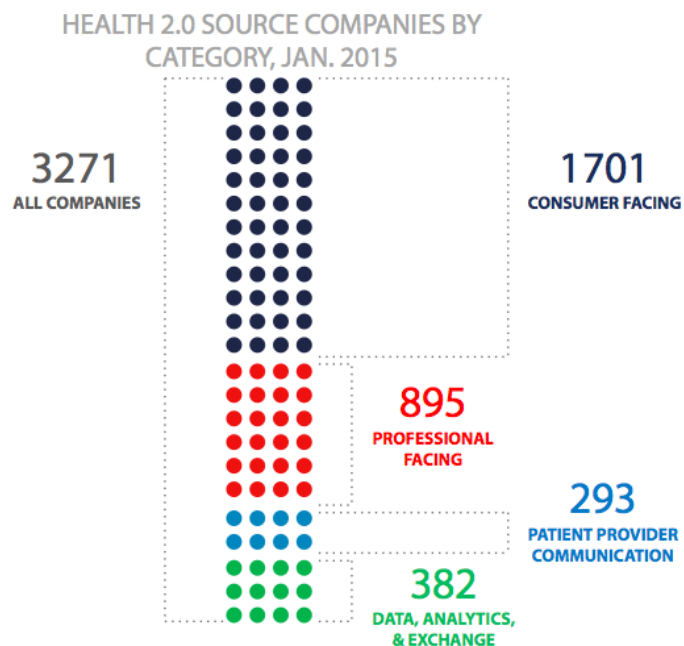
The Digital Health Market

As of January 2015, the Health 2.0 Source Database recorded a total of 3,271 companies, with 1,701 companies (52%) offering consumer facing products and services, 895 (27%) companies offering professional facing products and services, 293 (9%) companies facilitating patient-provider communication, and 382 (12%) companies working on data, analytics, and exchange. These numbers represent a 31% growth in the Database from the previous year with each category growing as follows: consumer facing (33%), professional facing (17%), patient-provider communication (45%), and data, analytics, and exchange (57%).

Health 2.0 has been collecting data on the digital health space since 2007, but started a systematic approach in 2011, and has been reporting on the number of companies and funding data since 2012. Since then, we've seen an impressive amount of companies continue to target consumers, while the professional facing category has also grown steadily as payment reform in the US and other pressures continue to push providers towards technology for support and solutions.

In Europe, Health 2.0 Source tracks 572 companies, of which 255 (45%) are consumer facing, 159 (28%) are professional facing, 59 (10%) fall into patient-provider communication, and 99 (17%) are in the data, analytics, and exchange category.

HEALTH 2.0 SOURCE COMPANIES BY CATEGORY, JAN. 2015

3271 ALL COMPANIES
1701 CONSUMER FACING
895 PROFESSIONAL FACING
293 PATIENT PROVIDER COMMUNICATION
382 DATA, ANALYTICS, & EXCHANGE

European Companies by Category, Jan. 2015

The Digital Health Market

The European section of our database is constantly growing, but these numbers mirror the US category breakdown and suggest despite varied payment models and health systems, similar needs and trends exist in both markets.

PRODUCTS

As described above, companies in the Health 2.0 Source database are assigned one of the four main categories followed by any number of relevant segments that help describe the company at a higher level of granularity. Products, meanwhile, are defined only by segments, which are assigned according to functionality. The growth of these 19 segments, again while fueled this year by continued active discovery of 'new' Health 2.0 companies, offers an interesting look into where the latest innovation is happening via new product debuts, new product features, and revamped product offerings. This year saw the most growth spread across three segments: self-management tools and trackers, B2B administrative tools, and patient-provider communication.

TOTAL NUMBER OF PRODUCTS BY SEGMENT IN HEALTH 2.0 SOURCE

- Self-Management Tools & Trackers
- Content
- Wellness
- Search
- Patient Communities
- Financial Management
- Gaming
- Clinical Trials Search & Recruitment
- Personal Health Assessment & Diagnostic Testing
- Coaching & Advisory Services
- Provider Search
- Patient-Provider Communication
- Professional Knowledge Exchanges
- B2B-Clinician Workflow
- B2B-Revenue Collection & Management
- B2B-Administrative Tools
- Data Utility Layer
- Privacy & Identity
- B2B-Decision Support Analytics

- ● CONSUMER FACING
- ● PATIENT PROVIDER COMMUNICATION
- ● PROFESSIONAL FACING
- ● DATA, ANALYTICS, & EXCHANGE

The Digital Health Market

MONEY

Meanwhile, venture funding continues to grow at such a rapid pace that it's triggered talk of a bubble. Health 2.0 recorded annual venture funding in 2011 at $1.03 billion, which grew to $1.61 billion in 2012, and topped out at $2.18 billion in 2013. At the close of 2014, Health 2.0 tallied $4.36 billion in funding for digital health. As mentioned earlier, fellow funding trackers Rock Health and StartUp Health release slightly different numbers due to different methodologies, but each recorded record-breaking growth at $4.1 billion and $6.5 billion, respectively. The skyrocketing growth is undeniable no matter the official tally.

These funding sums include European funding rounds, which Health 2.0 does not track separately. A few recent notable raises in Europe include:

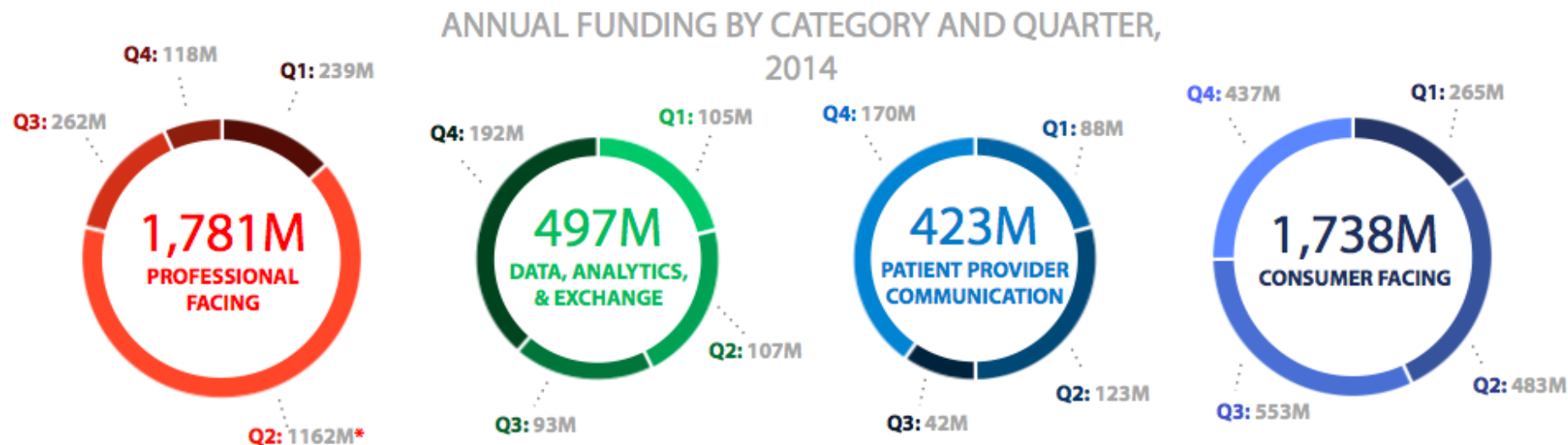TrialReach (13.5 M$), Mendor (6,5 M€) Medigo (6,2 M$), MediSafe (6 M$), and myTomorrows (6M$).

A variety of firms are active investors in the Health 2.0 space. Rock Health reports that in 2014, there were 344 dabbling investors (one or two deals per year) compared to only 121 back in 2011—a nearly 3X increase. There is also a growing group of serial investors (three or more deals per year) establishing themselves in the space, with 55% of the serial investors of 2013 continuing to do 3+ deals in 2014. The most active investors in digital health are a diverse mix of corporate, health care, technology, and agnostic venture funds.

HEALTH 2.0 ANNUAL FUNDING

2011 — 1.0 B
2012 — 1.6 B
2013 — 2.2 B
2014 — 4.6 B
2015 — 420 M
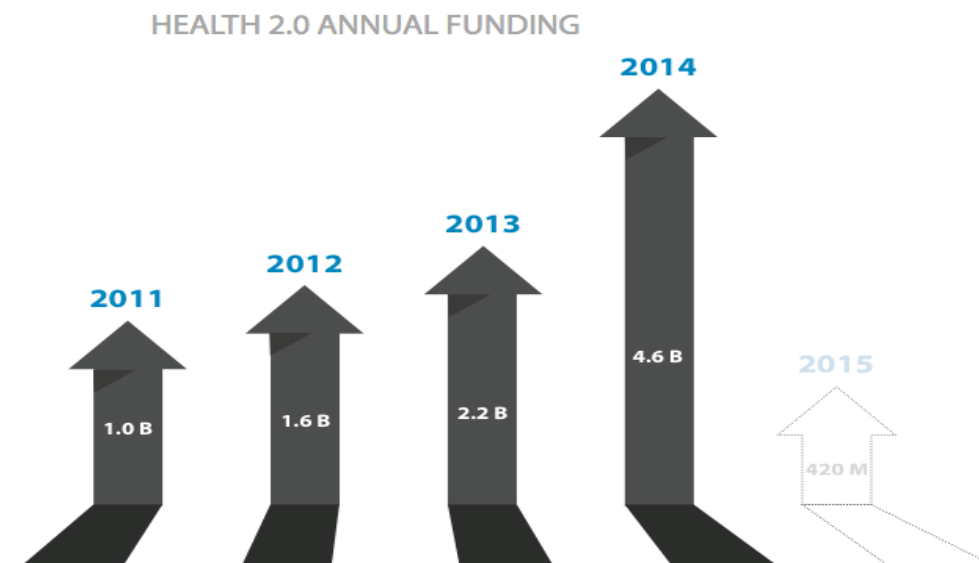
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Some of the most active firms and their investments are:

- KPCB (MyFitnessPal, Kinsa, Mango Health, Teladoc)
- Khosla Ventures (AliveCor, Ginger.io, Misfit Wearables)
- Sequoia (Jawbone, Guardant Health, Assurex Health, Curatio)
- Andreessen Horowitz (Glow, Jawbone, Omada)
- First Round (Flatiron, Hi.Q, Sherpaa, Mango)
- Venrock (Grand Rounds, Jiff, Doctor on Demand, athenahealth)
- Norwest Venture Partners (CareCloud, Crossover Health, Health Catalyst)

- Social + Capital Partnership (Propeller Health, Athos, Syapse, Better)
- Qualcomm Ventures (AirStrip, AliveCor, ClearCare, goBalto, Noom, Telcare)
- Merck Global Health Innovation Fund (HealthSense, Liaison, Physicians Interactive, Remedy Partners, VirtualScopics)
- Google Ventures (23andme, One Medical Group, Predilytics, Flatiron, DNAnexus)

ANNUAL FUNDING BY CATEGORY AND QUARTER, 2014

Professional Facing: 1,781M
- Q4: 118M
- Q1: 239M
- Q3: 262M
- Q2: 1162M*

Data, Analytics, & Exchange: 497M
- Q4: 192M
- Q1: 105M
- Q2: 107M
- Q3: 93M

Patient Provider Communication: 423M
- Q4: 170M
- Q1: 88M
- Q2: 123M
- Q3: 42M

Consumer Facing: 1,738M
- Q4: 437M
- Q1: 265M
- Q2: 483M
- Q3: 553M

The EU Digital Health Investment Market

The GET Funded service targeted European digital health SMEs looking for follow-up investments – typically between 0.5 and 2M € – and was designed to provide them with training, resources and networking opportunities with European investors. In two years, we worked with 40+ start-ups, trained and placed 34 of them on stage to pitch in front of investors. What did we learn about the digital health investment market in Europe?

The GET consortium started by identifying the European investors that were the most active in digital health: about a dozen dedicated funds plus a mix of corporate, health care, technology, and agnostic venture funds. We recruited about 50 we considered as 'active', a number that will continue to grow as we witness the creation of new dedicated funds every year. 2015 saw the creation of one in particular that should be interesting to follow: AXA, already ahead of the game in terms of digital health reimbursements, now has a new dedicated investment fund.

A survey of our European investors helped us establish our SME recruitment criteria (See page 16 for the full list of criteria), focus our coaching activities, but also gave us a few insights into the European eHealth funding landscape.

Commercial traction is key

The industry is still relatively young. We've just started seeing some inspiring examples (again mainly in the US) of successful investments and exit strategies. 2015 has witnessed several IPOs with Fitbit becoming the biggest consumer electronics one on record with $732M raised. After an observation period, European investors have started to seriously look into the space and made their first investments. However, their main criteria remains commercial traction. And many of them are not afraid to say that they would probably pass on a startup with great user momentum but no commercial traction.

SMEs' reasons to build a digital health solution may be very noble, but for investors the good that can come out of it is only secondary to a more down to earth question: where is the money? If there is no right answer to this question, then look for other ways to fund your business. It may be grants, it may be advertising. It won't be VCs. The spectrum of digital health solutions that are getting funded in Europe may be very wide and diverse, but they have one thing in common: they all clearly identify their customers early in the game.

It's important to try to develop multiple revenue streams as the business grows. This will support growth across the business and buffer the business if one area is not performing to plan. An example could be to develop a SAAS, data revenue and predictive analytic product portfolio.

Consumer-facing solutions have been the focus of many investors. Mainly because health care systems in Europe are proving difficult to break in, and it still seems easier to scale up one consumer sign up at a time than through endless negotiations with large providers.

The EU Digital Health Investment Market

So why a slower ramp-up in Europe?

First, VCs in the US have deeper pockets. From their point of view it's also easier to imagine a company rapidly scaling up in a more unified market like the US, rather than in Europe where 28 different health systems all have their own reimbursement frameworks. Patients and individuals are also a lot more ready to become health consumers in the US while in Europe we too often believe everything related to our health should come for free. European startups need to count with payers. Fortunately, they are getting in the game and have started reimbursing digital health solutions such as Caterna or NeuroNation.

The grassroot innovation movement and community has also been around a lot longer in the US and an adoption and investment ecosystem rapidly formed around it to support its promise of improved clinical and financial outcomes. The EU is still lagging behind mainly due to state-specific infrastructures. The European Commission has been working on building the blocks of a thriving European digital health market, but except for a few exceptions, individual states are still late to the game.

From seed to later stages, the financing mechanism are well-oiled in the US. This is one of the reasons why many entrepreneurs still consider moving to the US to get funded and generally get closer to where 78% of the digital health activity and investments is estimated to be concentrated.

The result is a little saddening: quite a few EU-born SMEs move to the US to grow and get funded. In Europe, they find themselves in a vicious circle: they need to demonstrate important commercial traction to get financed, while at the same time they need financing to get to this stage of development. At some point, investors need to take a leap of faith. So the first step is to get your pitch right. One of our surprises: SMEs need help with structuring their content.

SMEs need to fine-tune their pitches

Investors always ask 'what makes your solution unique and better'? And SMEs' answers are often vague and ignore competition. Is it a new and better technology running in the background? Is it the integration and support system already in place? Your chances of being the only digital solution addressing a health care challenge nowadays are very slim, so startups need to spend some time thinking about their unique value proposition.

The landscape is changing so rapidly, VCs are investing in teams as much as they are investing in technologies. So a pitch should say 3 things: we have a promising and scalable value proposition; we have identified our customer; we are the right team to drive this project to a successful exit.

Finally, looking for the right investor is like dating: it takes time to find your match. So start flirting early (VCs are more approachable than you think: it's in their interest to identify talents as early as possible) but don't expect a quick turnaround. It happens, but it's rare.

For more insight on investment in the digital health space in the United States in comparison to the European Union, please see this webinar.

The EU Digital Health Investment Market

Alternative Sources of Funding: Incubators, Accelerators and Crowdfunding

Angel investors have been slightly less active despite the flurry of activity by venture firms. This could be one reason for the recent surge in crowdfunding campaigns. Rock Health found that 38 digital health campaigns were started on Indiegogo, Kickstarter, Medstartr and Fundable, raising $4.5 million total. However, about 40 percent of these campaigns failed to meet their fundraising goals.

There has been a massive recent proliferation of digital health-focused accelerators over the past two years. Exact models may vary, but most accelerators combine several months of intense mentoring programs with co-working spaces, some seed capital in exchange for equity, and a multi-entrepreneur network effect. Lisa Suennen found in a report called "Survival of the Fittest: Health Care Accelerators Evolve Toward Specialization" that today there are more than 115 dedicated health care accelerators worldwide. However, Suennen also reports that the results we have seen so far from these programs suggest that the popularity of accelerators has both stimulated the space and overcrowded it in some ways. In other words, there may be a tipping point where too many accelerators do more harm than good.

Another alternate form of fund raising that has been growing in popularity recently is crowdfunding. Several platforms exist to help companies crowdfund, including Indiegogo and Kickstarter, but a small handful are health care specific like Health Tech Hatch (which turned to Indiegogo for support), MedStartr, Healthfundr, and VentureHealth. In Europe, Capital Cell in Spain, WellFunder in France or aescuvest in Germany are good examples of healthcare specific crowdfunding platforms

Crowdfunding has been wildly successful for companies with devices where the campaign is essentially a preorder of the product (Scanadu raised $100,000 in two hours), but for companies developing software, crowdfunding can be tricky without having any obvious tangible returns for supporters. Nevertheless, crowdfunding remains an option with some companies even turning to crowdfunding for small campaigns (<$10,000 USD).

In recent years, we have also witnessed the creation of equity-based crowdfunding platforms, which are agnostic to the types of digital health solutions – soft or hardware – that startups are bringing to the market. Please read the Capital Cell interview on page 21 for more information on this topic.

The EU Digital Health Investment Market

Interview

Guido Hegener of XLHealth talks about European investments in digital health versus the US

Investment in digital health is soaring in the US but the same can't be said for Europe. XLHealth is one of the few venture capital firms investing in European digital health initiative.

Q. - As an investor focusing on digital health you've met hundreds of startups in Europe. What is your general feeling about venture capital investment readiness in these companies? Are they ripe yet and if not, why?

A. - Digital health in Europe is still in an early development stage. Pioneering startups are only about three to four years old. So, most digital health startups are at the Seed stage, but more and more are qualifying for Series A and also sometimes for later stage investments.

Q. - In the US, investment in digital health is soaring. Will we see a similar trend in Europe and if so, what does Europe need to do to be ready?

A. - Looking at the high number of new digital health startups in Europe, I am confident that we are going to see a similar trend here. However, unlike the US, Europe has a much more heterogeneous healthcare landscape with very different payor models from country to country. In addition, innovation-friendly managed care models only exist in parts of Europe, which makes the situation even more difficult for startups. In my opinion, a number of things need to happen.

We need success stories proving that startups can succeed in this complex landscape to attract investment. Knowledge and best practices about entrepreneurship in digital health needs to be spread. EHR vendors need to open up possibilities for integration (e.g. allow data exchange between EHRs and the startups' mobile apps). Lastly, regulators in the respective European countries need to become more innovation-friendly.

Q. - Many claim that besides lack of seed-to-VC funding in Europe there is a problem with the revenue models in digital health. Do you agree, and if so what needs to happen for digital health startups to become profitable?

A. - While lifestyle and fitness apps can often become successful based on pure B2C monetisation, startups offering software products related to diagnostic or treatment purposes are often more likely to succeed in B2B. The ability of entrepreneurs to enter into collaborations with established healthcare players such as pharma companies, health insurance providers and big software vendors like EHRs and doctor's information systems will be crucial in achieving the full potential of many digital health business models.

Investors' criteria

This list of criteria has been established in collaboration with the investors in our pool:

A company ready for its next step
- A world-class team - the right skills, the right attitude, the right mentors/advisors
- An attractive business model: capital-efficient & highly scalable
- A well thought-out, capital-efficient plan for development
- A validated path to profitability and a clear picture of the total funding requirement to achieve it
- Evidence of commercial validation: growth/traction in revenues/ subscribers/members/traffic or
- Commitment from blue chip strategic partner(s)

A product that is a solution
- Potential to solve a health care problem
- Competitive advantage: a real unique competence
- Strong differentiation: a different approach to achieving it
- Clinical evidence that it works and follows clinical guidelines
- A compelling UX design

A company ready for its next round of investment
- Investments and share distributions to date
- Realistic perspective on exit strategy
- Potential for strong alignment of management, founders, existing investors and new investor on exit strategy (in terms of timeframe and route)
- Valuation

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Lessons learnt
from investors

Below are the disseminated conclusions and lessons learnt from the various GET Funded events and interactions with investors or successfully funded SMEs:

Digital health is young

And the gap is wide between a fast-moving startup scene and the slow-moving health systems facing them and often missing an updated framework for the adoption of grass-root innovations. Successful exits are only starting to happen and investors are still shy and only considering companies at revenue level. The case for B2C solutions is slightly different if they can show very strong momentum in consumer engagement. Things are starting to move, but this is the very beginning.

No single recipe

From health to wellness, and from consumer to professional facing solutions, the spectrum of digital health solutions is wide and diverse. So there is no single recipe for drawing investors' attention. However, successful SMEs have one thing in common: they identify their customers early in the game. They know developing a solid business model is as important as developing a cool new technology.

Fine-tune your pitch

Many SMEs find themselves in a vicious circle: they need the validation and clinical evidence of large scale implementations to get the financing, but at the same time they need the financing to get these large implementations up and running. What is the right approach? At some point, an investor or a buyer needs to trust your team. So the first step is to get your pitch right. One of the lessons learnt, from our side as organizers, is that SMEs need help with structuring their content. And the GET Project was created exactly for that.

Know your value proposition

SMEs are often asked 'what makes your solution unique and better?´ And their answers are often vague and ignore competition. Is it a new and better technology running in the background? Is it the integration and support system already in place? Is it the ease of implementation? Is it the team behind it and their networks? The chance of their being the only digital solution addressing a health care challenge is very slim nowadays, so spending some time thinking about their competitive advantage and value proposition is crucial.

Lessons learnt
from investors

Have One Very Focused Message

The company story has to be clear, concise and completely focused on what the opportunity is and how the company will execute its business strategy. This will enable the investors to evaluate the opportunity more quickly. Also, the company must clearly define how much money it needs and must ask for it.

VCs invest in teams, not in ideas

Even in a 4 minute elevator pitch, you should not fail to mention the people behind your solution. So be prepared to answer the question: Why are you the best team to take this idea to the next level? What proof do you have of your expertise and credibility? The digital health landscape is evolving rapidly so at the end of the day, VCs invest in people not ideas. No matter how short the presentation is, SMEs need to convince investors they should spend some time getting to know them.

Where is the money?

SMEs reasons to build a digital health solution may be very noble, but for investors the good that can come out of it is only secondary to a more down to earth question: where is the money? If there is no right answer to this question, then look for other ways to fund your business. It may be grants, it may be advertising. It won't be VCs for whom commercial traction is still the number one investment criterium.

Allow yourself to take a turn

Entrepreneurs are very attached to their 'babies'. It's even truer in the digital health industry where there are often some very personal stories behind the entrepreneurs' drive and determination. But they have to let people use their own imagination and if they see opportunities in the solutions that SMEs don't see – let them! Very often in the digital world, the idea you start with is not the solutions that people will adopt in the end.

Lessons learnt
from investors

Develop a flexible Business Model

It's important to try to develop multiple revenue streams as the business grows. This will support growth across the business and buffer the business if one area is not performing to plan. And example would be to develop a SAAS ,data revenue and predictive analytic product portfolio.

Develop a scalable but realistic Business Plan

This is key to attracting investment for the long term. Investors want to see a business that can grow and expand via new product development, geographical expansion, licensing and innovative business models. Investors also want to see a company deliver realistic projections based on what is achieveable in the early start up phase.

Develop evidence of early milestone achievement

To build credibility with investors, a young company should focus on achieving internal milestone evidence such as developing a working prototype, establishing a quality management system framework, having good controls and governance in place and having clinical and industry advisors. A company should be able to demonstrate it has achieved early non revenue milestones through a focused and systematic approach to delivery. This type of evidence will build investor confidence in the team.

Lessons learnt
on pitching investors

3 things should happen during a pitch

A pitch presentation is not due diligence. Due diligence comes later. SMEs don't have to answer all the questions or explain all the neety-greety details of their solution. A pitch presentation is an invitation to engage in a longer conversation. So a pitch needs to say 3 things:

- we have a promising and scalable value proposition
- we have identified our customer(s)
- we are the right team to drive this project to a successful exit

Pitch preparation is key

The first step when preparing a presentation in front of investors is to gather key information, which ensures you get the 2 first points across:

- we have a promising and scalable value proposition
- we have identified our customer(s)

When this is done, pitch preparation is the second step to ensure you get the 3rd point across:

- we are the right team to drive this project to a successful exit

This is more intangible. It's more about delivery than content.

But investors want to meet smart, ready and coachable innovators. So rehearsing and trying to find a fresh angle is key, maybe telling the story of the SME's main stakeholders and explaining how their solution will change their lives.

It's not always the 'best' solutions that get funded. But the solutions that get funded nearly always have one thing in common: they found a way to convince the investors that they were the right team to drive it to a successful exit.

Refine what's unique about your solution

Nowadays, your chances of being the only digital solution addressing a health care challenge are very slim. And we often already hear investors say: "this niche is crowded". So startups need to spend some time thinking about their unique value proposition. What makes their solution different and more attractive than others? Startups answers is too often about 'design' and 'user experience' when solutions need a real differentiator in the business model and market approach. It can be a difficult exercise for CEOs who are too close to their solutions to see their unique value. So don't hesitate to ask your partners and customers for their perspectives.

Lessons learnt
on pitching investors

Engage the discussion early

Investors won't mind being approached at an early stage. It's actually their job to identify interesting solutions at the earliest stage possible. But they will mind innovators asking for funding when they might not be ready for it. In this fairly new digital health industry, commercial traction or momentum defines 'investment-readiness'. So if you have not proven your commercial traction, your approach should be slightly different: don't ask for money right away, ask for expert input.

Investors' attention span is short

SMEs only have a few seconds to catch their attention and pick their interest. And if it doesn't happen they will very quickly start checking emails on their smartphones and might miss the most important information in your presentation. The worse thing to loose an investor's attention is to use buzz words or vague and generic language. Some examples below:

"Health care systems around the world are not sustainable. Our solution is going to change that." or *"Our solution is the next Uber for health care."*

Test your pitch

No matter how many hours you will spend on your presentation, the chances of missing some key points, or not presenting elements clearly or in the best light for investors are high. So don't hesitate to test it before hand: listen to comments, refine your pitch and use their questions to prepare your answers to investors. You only get so many chances with an investor. And the first impression you give – whether or not in their eyes you are ready for investment – will determine their willingness to continue the conversation or revisit your solution in the future.

Interviews

GET Funded Interview with Omri Shor, CEO of MediSafe - *"Investors care about two things: the product market fit and the business model fit".* [Read the interview here](#)

GET Funded Interview with Florian Reinaud, Partner at Innovation Capital - *"As investors, it's about having the confidence that the management team is going to be able to react accordingly and continue to build the company in a rapidly changing landscape".* [Read the interview here](#)

GET Funded Interview with Pablo Graiver, CEO of TrialReach - *"Think big: scalability is key. Forget about dry slides, tell a story. And be prepared: this is a marathon!"* [Read the interview here](#)

GET Funded Interview with Beth Susanne, startup consultant and presentation coach - *"You have about 10 seconds for an investor to decide whether you're worthwhile to continue to listen to or not. You have to be clear about what you believe in but you also have to be coachable".* [Read the interview here](#)

GET Funded Interview with Christoph Ruedig, Healthcare Partner at Albion Ventures - *"There's still a scarcity of digital health companies with credible business models and companies really ought to look at their revenue models, who will pay beyond the pilot project and how to scale."* [Read the interview here](#)
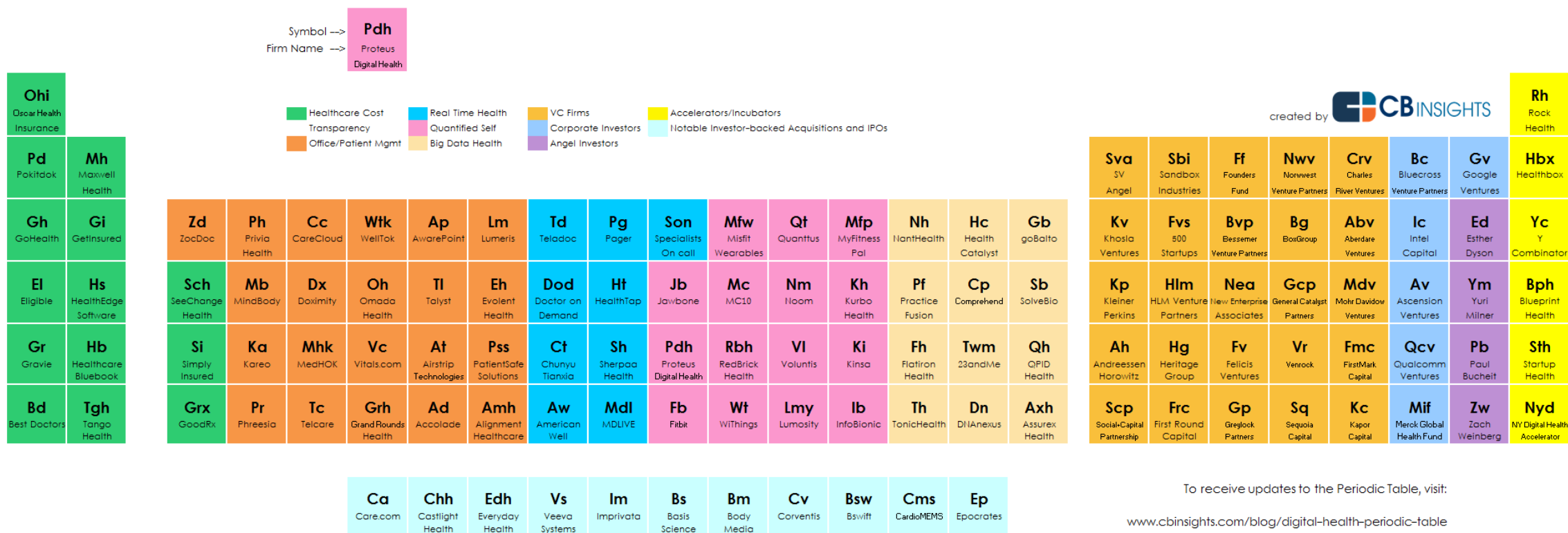
Double Interview with Tom Albert, Head of Strategy at AXA Health, and Klaus Stöckemann, Managing Partner at Peppermint Ventures Partners - *Private insurance companies have started reimbursing digital solutions. Is the last piece of the puzzle that will accelerate eHealth investments in Europe? An insurer and an investor discuss.* [Read the interview here](#)

GET Funded Interview with Roi Villar Vázquez, Head of Communication at Capital Cell – one the new equity-based crowdfunding sites in Europe. [Read the interview here](#).

The periodic table of Digital Health
An overview of key private companies, investors & strategic acquirers in the Digital Health space

Resources

250+ investors interested in your digital health solution

The GET Project has identified 250+ VCs and investors around the world that have already made investments in digital health or are seriously investigating the space.

Check out or simply download the list here

GET Funded EU Selected Investors profiles

An overview of European investors in Digital Health, including portfolio and scope of investments made. Download the list

Research2guidance. EU Countries' mHealth App Market Ranking 2015

Which EU countries are best for doing mHealth business? A benchmarking analysis of 28 EU countries about their market readiness. Download the document

Rock Health - Digital Health Funding 2015 Midyear Report

With $2.1B flooding digital health so far this year, 2015 is rivaling last year's record-breaking growth in funding. Read the report

Other resources
Selected newsletters, reports, websites, events

get

Lists of resources, including incubators, accelerators, consulting services, crowdfunding platforms, and events:

http://www.get-ehealth.eu/

http://www.healthstartup.eu/

https://www.wirelesshealthstrategies.com/events.html

Newsletters, journals and reports

https://ec.europa.eu/digital-agenda/en/eu-policy-ehealth

http://www.health2con.com/marketintel/ (Health 2.0)

www.startuphealth.com/

http://rockhealth.com/

www.cbinsights.com/digitalhealth

www.mobihealthnews.com

www.medcitynews.com

http://techcrunch.com/europe/

www.wired.com/tag/healthcare/

www.salusdigital.co.uk/

www.ehi.co.uk/index.html (eHealth Insider)

www.thejournalofmhealth.com/

www.jmir.org/ (Journal of Medical Internet Research)

http://mhealtheconomics.com/

http://www.ehealthnews.eu/

http://www.digitalezorg.nl/digitale/

http://engagementstrategy.com/

http://www.watch-society.com/index.php

https://www.wearable-technologies.com/

Annual Events

eHealth Week (The Netherlands)

World of Health IT (Spain)

EC2VC @ Health 2.0 Europe (Spain)

Traction @ Health 2.0 Fall Conference (US)

Digital Health Forum (UK)

Innovation + Investments in Healthcare Summit (Germany)

EU ehealth SME Competition (The Netherlands)

Digital Health World Forum (UK)

King's Fund Digital Health and Care Congress 2015 (UK)

FT Digital Health Summit Europe (UK)

Digital Health Days (Sweden)

Games for Health (The Netherlands)

Connected Health Symposium (US)

Other

List of 250+ investors active in digital health

European Crowdfunding Network

European Trade Association for Business Angels

If you want to know what GET can do for you, suggest resources or insight

Contact us!

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@GET_eHealth

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GET on track Optimizing business models and commercialization strategy.
Contact Jorge Gonzalez for more info:
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GET funded Training, resources and networking opportunities with investors at European level.
Contact Pascal Lardier for more info:
pascal@health2con.com

GET global Accessing new international markets
Contact Damian O'Connor for more info:
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GET inspired Identifyiing unmet needs and turning them into business opportunities
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