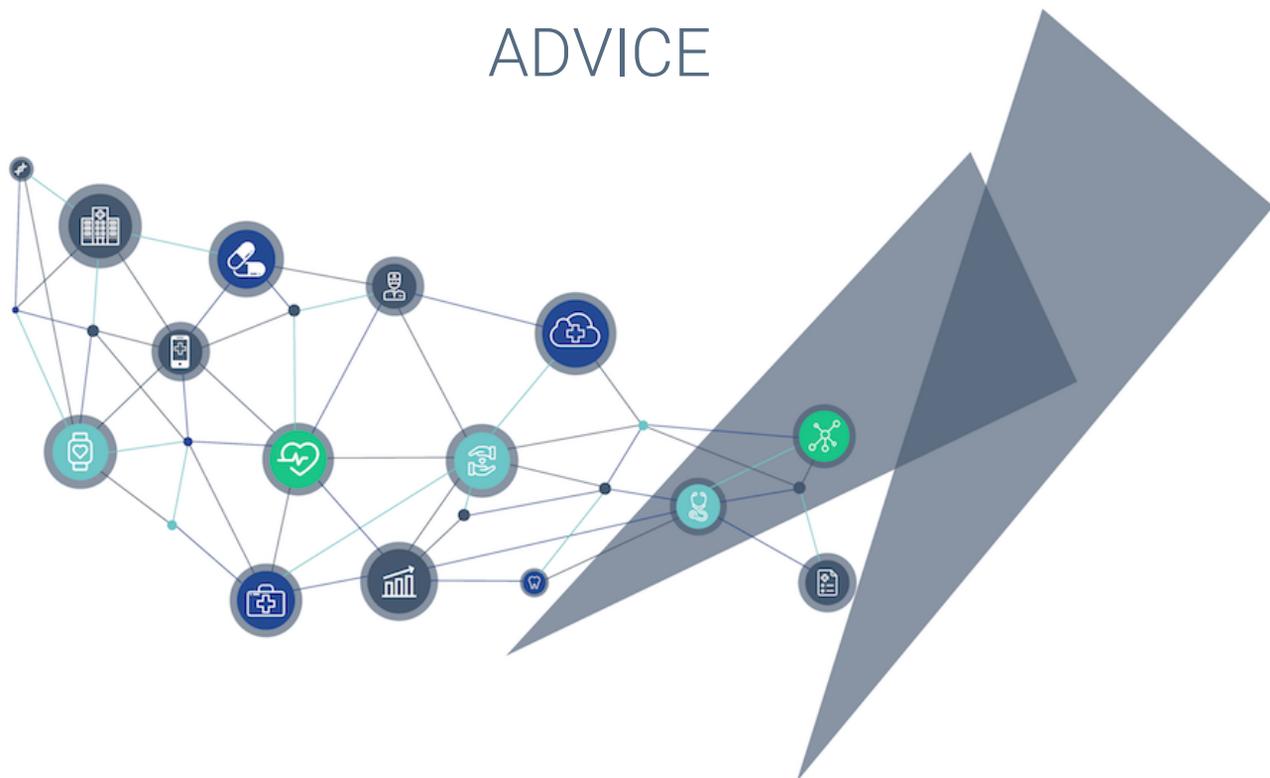


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# OPPORTUNITIES IN DIGITAL HEALTHCARE

ADVICE



  
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The digitization of the healthcare industry has long been awaited and accelerated rapidly in the recent past. In 2015, the global digital health market was estimated at nearly US\$ 80 billion. It is projected to reach US\$ 379 billion by 2024, growing at a CAGR of 18.9% during the forecast period. Geographically, the U.S. dominates the global digital health industry. It is expected to maintain its dominant market position in the sector, reaching US\$ 152 billion by 2024. The German digital healthcare market size was approximately US\$ 5.4 billion in 2015, corresponding to nearly 2% of total German healthcare expenditures in 2015. It is anticipated to exceed 40 billion by 2024.<sup>1</sup>

Important drivers of the expected growth are undoubtedly technological advancements and an increased user adoption rate of digital solutions in general. Leveraging technology has become indispensable for today's care providers in order to stay up-to-date on relevant medical advancements across the globe, coordinate with other providers, and -extend the range of traditional care delivery models.

Hospitals are increasingly recognizing the benefits of digital technologies to facilitate data access, reduce the administrative burden and ultimately improve health care quality and patient outcomes. Pharmaceutical companies, medical device manufacturers and health insurance providers are also recognizing the opportunities of digitization and are beginning to enter into strategic partnerships with digital health companies.

Another reason for a rapid development is patients' increasing willingness to take an active role in their health management and to demand more insight into their health status and treatment plans. This initiative can be supported by innovative digital technologies. With the focus of digital health solutions shifting from wellness/wellbeing to clinical applications, physicians are becoming more inclined to recommend or prescribe these tools while clinical studies are proving their use.

In addition, aging populations with a growing incidence of chronic diseases in conjunction with limited healthcare resources lead to an increasing importance of tech-enabled remote patient monitoring and disease management solutions. These innovative technologies have the potential to alleviate healthcare staff bottlenecks and inefficiencies, while reducing cost for patients, healthcare providers as well as payors.

On the other hand, opponents of digital health advancements view the newly available solutions as a threat to their inherent domain and primarily emphasize on associated potential risks. In addition, challenging regulatory and data protection requirements constitute limiting factors as well as significant barriers to entry or expansion in this field.

Nevertheless, the digital outlook is bright and many market participants view it with optimism. The key to future success lies in combining the interests of patients, healthcare providers and payors with the possibilities of technology and economic market opportunities. This should be the guidance for start-ups, financial investors and established industry players, who decide to actively shape the digitization of the healthcare market.

1) [www.gminsights.com](http://www.gminsights.com)

## The digital healthcare start-up scene as innovation driver in the healthcare market

A multitude of start-ups is creating a broad range of forward-thinking concepts in digital healthcare, rendering them the most important innovation drivers within this area. However, a technically highly advanced and innovative digital solution is not the only key to success. To gain a foothold within the (German) healthcare market, strategy development and the definition of a sustainable business model with a convincing revenue is indispensable.

In Germany, about 66%<sup>2</sup> of all digital healthcare start-ups follow direct B2C business models. A reason for this might be the relatively transparent consumer market, facilitating market entrance and penetration in comparison to the complex multi stakeholder system within the German primary healthcare market. A B2C business model allows a quick and easy access for user opinions and experiences thereby offering the possibility for continual usability optimization and product improvement. However, B2C-focused start-ups face the problem of profitability as the majority of consumers are usually not willing to pay for those solutions.

An example for this can be seen in the Berlin based digital healthcare start-up *Clue*, providing its fertility app free of charge to its customers and consequently financing itself, so far, only through financial investors. As the B2C digital healthcare market is crowded, start-ups need to focus on diseases or impairments with a high customer demand, offering smart solutions for identified unmet needs, and thereby outreaching their competitors to enable monetization and investors' funding. Actually, most digital health start-ups, who started out with a B2C concept, sooner or later try to initiate remuneration agreements with other business players to pave the way towards a B2B2C concept to operate successfully and profitably. For instance, the dermatology messaging start-up *Klara* (formerly known as *Goderma*) was launched as a remote diagnosis app for patients with dermatological questions and has now evolved into a B2BC communication tool between physicians and patients.

A considerably smaller share of digital healthcare start-ups (about 24%<sup>2</sup>) sells its solutions or products to business end users (B2B). Business end users in this context are, for example, medtech or healthcare IT companies, buying innovative solutions to integrate them into their own hardware or software. Lots of digital healthcare start-ups shy away from that kind of B2B business model, as they see the risk of losing their specific innovative ideas to other players. However, start-ups might greatly benefit from early-stage cooperation with other business players in this area, allowing for deep market insights and enlightening them about the real market needs.

Other B2B business model options are sales to hospitals, office-based practitioners and other healthcare providers. However, this brings along a tedious, slow sales-cycle until revenues become visible. In hospitals, usually several parties are involved in the purchasing decision process, such as physicians, IT-specialists, purchasers and controllers. Office-based physicians in addition often have a very limited budget, rendering every investment decision a careful one.

Nevertheless, if entrepreneurs decide to follow a B2B strategy, realization is often hampered by the challenge to identify the right partners for B2B business models in the complex and crowded healthcare sector. In comparison to B2C-focused start-ups, B2B-focused start-ups have the decisive advantage of adequate remuneration for their solutions, which is crucial for long-term success.

*Smart Radiology* a solution for structured reporting in radiology, shows an example for a successful B2B business concept. The founders negotiated agreements with established medtech companies, who integrate their solution into their own products and thereby offer a comprehensive solution to hospitals as end users. This simplifies, at least in parts, the sales effort and sales generation of *Smart Radiology*.

The B2B2C approach poses a more promising approach than the pure B2C business to reach profitability and thereby convince investors. In Germany, about 9%<sup>2</sup> of all digital healthcare start-ups follow this business strategy. Examples for B2BC concepts are sales to healthcare providers, who offer digital services to their patients, or sales to insurance providers and employers, who provide those solutions to their insureds or employees. The video call-based telemedicine app *TeleClinic*, for instance, is primarily financed through corresponding agreements with health insurance providers and employers. The online therapy platform *Caspar* shows an example for sales to hospitals or physiotherapists, who continue the out-patient rehabilitation therapy together with their patients and the online solution. The difficulty of this concept is the necessity to address both target groups, end users and businesses, whose interests and views on the topic often differ. Digital healthcare start-ups, depending on their exact offering still have to go a long and steep road to successfully reach sustainable business agreements.

### Investors focusing on the field of digital healthcare

As the digital health market matures, investments in this field have been continuously growing over the last years. Globally, more than 8 billion US\$ were invested in over 500 digital health companies in 2016. A midyear review of 2017 shows that digital health investments saw their strongest half-year of all time<sup>3</sup>.

In the US, the most active VC investors in that category are Rock Health, Khosla Ventures, and Qualcomm Ventures. Further important US-based digital health investors which offer – beside funding – also strategic or operational support for start-ups are Y Combinator, DreamIt Ventures and Blueprint Health. The growth spurt in digital health funding in the US has brought along the two largest deals on record. In early 2017, Outcome Health raised 500 million US\$ in its first round of funding, shortly before Peloton Interactive achieved the second-largest deal ever, raising a 325 million US\$ Series E financing round. Outcome Health provides a digital platform for interactive professional and patient health information applications. Peloton Interactive offers cloud-based live streaming of instructional cycling exercise content on a multi-touch console, equipped with social elements. Before 2017, the largest digital health investment amount of 300 million US\$ was procured by Jawbone, a provider of wearable fitness trackers. Overall, funding in the US has primarily targeted patient/consumer interaction tools, followed by wellness and personalized health applications.<sup>3</sup>

While the US market accounts for 75% of the global digital health deal share, Germany still lags far behind.<sup>3</sup> Nevertheless, since 2015 investments in German-based digital health companies have significantly increased – not least because new and specialized investors stride into the German digital health scene. Think.Health Ventures and Digital Health Ventures, for example, specifically target investment opportunities in innovative digital health start-ups. Increasing digital health investments in Germany were also enhanced by a growing business angel and incubator community, creating a positive ecosystem and encouraging more developers to proceed with the start-up phase and to create products and business models interesting for VC firms.

2) [www.healthcare-startups.de](http://www.healthcare-startups.de); 3) [www.rockhealth.com](http://www.rockhealth.com)

Successful Berlin-based examples of combined financing and incubation solutions include Atlantic labs, inspired by the dedication of Christoph Maire as well as brand new Heartbeat Labs. Experience has proven that primarily the dedication and spirit of the managing founders influence spirit and success of incubation and financing models.

Beside the above mentioned German digital health-focused investors, other VC firms like Holtzbrinck Ventures, Creathor Venture or Early Bird Venture Capital increasingly invest into digital health solutions. Additionally, established health industry giants such as the German insurance provider Allianz with specifically Allianz Ventures have underlined their commitment to invest in this area.

The latest noteworthy digital health deals on the German investment market in 2017 include 35 million € in two financing rounds for *ottonova*<sup>4</sup>, a digital health insurance company, and a 26 million € funding of *Doctolib*<sup>5</sup>, a French/German-based online doctor appointment booking platform.

In discussions with investors active in the digital health area, six topics turned out to be **important for a positive investment decision**: strategic fit, addressing unmet needs, break-through technology, business model, regulations, and last but not everything else than least the start-up team:

Strategic fit	<ul style="list-style-type: none"> <li>▶ The target must fit the overall investment strategy of the VC firm / investor</li> <li>▶ The target ideally offers the opportunity for buy &amp; build activities</li> <li>▶ The investor has a clear idea of possible exit strategies for the particular target</li> </ul>
Unmet needs	<ul style="list-style-type: none"> <li>▶ The digital health solutions must address real unmet market needs</li> <li>▶ Buzz word: "Must have" instead of "nice to have"</li> <li>▶ The solution should improve treatment outcomes or prevent deterioration of health status significantly better than the current standard of care</li> </ul>
Break-through technology	<ul style="list-style-type: none"> <li>▶ The technical asset needs to be pioneering / first-in-class</li> <li>▶ It needs to be unique or at least significantly better than similar solutions</li> <li>▶ It needs to be expandable / adoptable to other needs / verticals</li> </ul>
Business model	<ul style="list-style-type: none"> <li>▶ The potential market size must be realistic and big enough</li> <li>▶ The mode of monetization / remuneration must be clear</li> <li>▶ The business model must be coherent and easy to understand for all involved stakeholders</li> </ul>
Regulations	<ul style="list-style-type: none"> <li>▶ Requirements of the Medical Device Regulation to obtain a CE mark, if applicable, are fulfilled</li> <li>▶ All applicable data protection requirements are fulfilled</li> <li>▶ The intellectual property (IP) situation must be clear</li> </ul>
Start-up team	<ul style="list-style-type: none"> <li>▶ The team must be competent not only in technical issues but also in healthcare issues – or needs to have at least advice from health specialists</li> <li>▶ It needs seniority and persuasive power and needs to show drive, ambition and exceptional spirit</li> <li>▶ It needs flexibility to adopt the solution to changing requirements / needs</li> </ul>

4) aihc internal data; 5) [www.venturebeat.com](http://www.venturebeat.com)

## Established healthcare industry players digitizing their processes and services

Established healthcare industry players like pharma, biotech or medtech companies have enjoyed decades of commercial success. In order to perpetuate this success into the digital age, corporate leaders quickly have to jump onto the bandwagon of digitization before new players take their share. Pursuing a more conservative approach, the success of a traditional business model may be enhanced through digital components and targeted adaptation. On the other hand, a complete transformation process resulting in a fully digitally restructured enterprise requires an extremely bold move.

Industry players have plenty of opportunities to apply digital applications relevant for their businesses' market interfaces, e.g. in clinical research, disease management, patient engagement, real world data analysis and Artificial Intelligence (AI) among others. For pharma and biotech companies, AI plays an increasingly important role in intelligent drug design. Automation platforms relying on AI can speed up the drug discovery process, which typically involves screening of thousands of candidate molecules and takes about 3-6 years. By means of machine learning algorithms, therapeutic targets likely to succeed in subsequent testing can be identified with a higher predictability and efficiency than by conventional discovery methods. While drug development has been advancing over the last years, drug delivery and monitoring have often been overlooked. Recently however, new digital approaches enabling continuous biometric monitoring and drug delivery have entered the market. Wearable biometric monitors as well as on-skin drug delivery patches linked to digital platforms are less prone to human error and can allow accurate tracking of adherence as well as potential side effects. Other industry players acquire digital health solutions as a marketing tool. Offering apps or platforms complementing a company's product portfolio can enhance the reputation and open a new market by addressing digital natives.

For pharma/biotech companies or medical device manufacturers, strategic partnerships with digital health companies pose a viable way to master the challenges ahead. From the industry player perspective, important criteria for the selection of appropriate cooperation partners are basically the same as those discussed for investors (see table 1). But the topic "strategic fit" is even more important for industry players, because the digital health solution should be perfectly aligned not only with the current but also with the future disease areas in a company's focus.

In 2017, an increasing number of pharmaceutical companies have pursued digital health-related activities, such as applying for regulatory clearance, launching apps, developing digital-supported patient programs or leveraging wearables for clinical trials. In many cases, the digital component was not developed in-house but by specialized software/wearable/app providers. Some interesting examples for the US and Germany are outlined below:

### Examples from the US market:

- ▶ The digital respiratory health management company *Propeller Health* announced a collaboration with Novartis to develop a sensor-cap for the Breezhaler® inhaler, used for Novartis's portfolio of COPD treatments. The sensor-cap automatically records and transmits compliance data via the Propeller digital respiratory therapy platform to enable users and their doctors to monitor medication adherence and additional aspects.

- ▶ Eli Lilly / Boehringer Ingelheim partnered with *Inovalon*, a data analytics company that provides cloud-based platforms to the healthcare industry. The collaboration will help the Eli Lilly / Boehringer Ingelheim diabetes alliance to translate clinical outcomes into real-world patient care and it will support outcomes-based contracting with health insurances or national health service providers.

### Examples from the German market:

- ▶ *Deprexis® 24* from the start-up *GAIA* is an interactive psychotherapy platform for patients suffering from depression. It bridges the intervals between face-to-face meetings with a psychotherapist. Servier Pharma, a developer of antidepressant therapies, acquired the *Deprexis® 24* license for Germany and negotiated cost coverage for eligible patients insured with the DAK sick fund. In addition, Servier assumes the *Deprexis® 24* fee for eligible patients not insured with DAK but other German sick funds.
- ▶ The Merck Group is currently partnering with *Living Brain*. Merck has a footprint in neurology due to its Multiple Sclerosis therapies. The start-up is developing a digitized rehab program for patients recovering from neurosurgery. The app is designed to provide individually tailored training to enable patients to overcome cognitive impairments while the care team is integrated in the process in order to monitor patients' progress and to adapt the rehab program accordingly.

Through the analysis of existing successful examples, it is evident that cooperation between traditional health industry players such as pharmaceutical/biotech/medtech companies, new digital health companies as well as payors significantly increases the ability of digital health solutions to modernize treatment and care processes, improving therapy outcomes and reducing cost on the long run. All traditional constituents of the healthcare industry need to embrace and actively seek these new types of alliances in order to stay relevant in the digital age.

Although the various players involved in the development and implementation of digital health solutions have different perspectives and roles, they in general have to cope with the same challenges. As a basic pacemaker of digital health innovations, start-ups need to ensure that their business concepts take all challenges into account. Otherwise they cannot be successful in the market. On the other hand, financial investors and established health industry players must specifically identify those digital health unicorns fulfilling the outlined criteria, otherwise they will hardly experience a satisfying return on investment nor a successful cooperation.

## 1 Sustainable business model

The fundamental challenge is the creation and comprehensive definition of a sustainable business model. As the healthcare market is quite complex and special, this aim requires by far more effort and background know-how than in other businesses. The **business model should be characterized** by the following aspects:

- ▶ The new digital solution must help to overcome fundamental clinical pain-points and user demands, which are not yet manageable at all or where the existing methods are not quality-, time- or cost-efficient enough. Business models not taking into account the basic needs of the future user will fail in the long run.
- ▶ The overall market potential must be realistically defined, including opportunities for future scalability. This is important, because traditional slow sales cycles of healthcare constituents and hesitant purchase decisions can delay market penetration.
- ▶ The remuneration model for the digital solution should be clearly defined at the very beginning, because a later switch from for instance B2C to B2B or B2B2C approaches is a long, risky and costly process, due to complex structures and regulations of the healthcare market. Therefore, it must be clear who will pay for the solution at what time of the life cycle and what the resulting cash-flow will look like.
- ▶ The new digital solution must be acceptable for potential users, because digital health solutions will fundamentally alter the common usage and role patterns of physicians, caregivers, patients and other players in the healthcare environment.

*"The maximization of usability and positive user experience should be the focus of digital health innovations. Radical user centering is the key to success." (Tobias Meixner, Helios Hub)*

One of the major downsides in the current discussion about digital health is the immense gap between reality and vision. Due to lack of knowledge about current and future demands, structures and regulations within the healthcare system, technology-focused developers tend to create the most advanced solutions modern-day technology can offer. For instance, Artificial Intelligence (AI), machine-learning algorithms or robotic surgery are today's buzz words. But in many cases, those solutions are insufficiently oriented on usability and current workflow integration or regulatory requirements. Additionally, they still fail upon contact with the narrow minds of potential users. To overcome this drawback, it is essential that start-ups thoroughly explore the potential users' needs and market environment to understand the opportunities, hurdles and implications of digital health solutions they are planning to bring to market.

Especially for digital health products used in direct inpatient or outpatient care it is advantageous to initiate cooperation projects with healthcare providers and achieve early acceptance. Once doctors realize that new technologies like AI will not replace them, but offer them a chance to overtake those doctors not using it, they will increasingly use these solutions in clinical routine. When taking this into consideration, solutions like medical apps, telemedicine or outsourced computational and analytical brain can and certainly will efficiently support caregivers in the completion of their daily tasks and patients in staying or becoming healthy

### 2 Excellent “Technical Asset”

Another challenge in the development and successful commercialization of digital health solutions is the technical asset itself. The product/application needs to **fulfil basic criteria**, otherwise it has limited chance to survive the “idea phase”. The technical asset must be

- ▶ unique or at least significantly better than similar existing solutions,
- ▶ easily modifiable from a technical point of view, with the opportunity for further development yet safe and secure against manipulation
- ▶ user-friendly and intuitive and
- ▶ convincing.

*“To develop a digital medical device means far more than to equip an existing product with electrical power and a display. Truly disruptive innovation requires inspiration and a deep understanding of the everyday needs of the patient.” (Ralf Seeland, 8sense )*

If a digital health solution is lacking technical uniqueness or pioneering qualities, it might still be worth thinking about further development and investment. Sometimes an asset has strategic power and can be transformed into business cases with a bigger chance of success and return on investment. Transforming opportunities can for instance be a switch or expansion to other diseases, patients or users or the combination of two or more technical assets to a new and convincing solution. Especially in a fragmented market such as digital health, buy-and-build-concepts offer a strong growth potential.

### 3 Highly regulated healthcare market

What is often underestimated is the special importance of regulations, connected to the development and commercialization of digital healthcare solutions. This primarily concerns the requirements of the European Medical Device Regulation (MDR) to achieve a CE marking for the European market, data protection regulations (German Data Protection Act – BDSG) as well as legal guidelines for the assurance and improvement of treatment quality.

With regard to the new European Medical Device Regulation, in effect since May 2017, digital healthcare entrepreneurs face the challenge of a specific classification rule for software. According to that, stand-alone software is considered as an active medical device and is therefore assigned to a risk class, ranging from class I (lowest risk), over class IIa and IIb to class III (highest risk). Highly specific requirements regarding classification make it nearly impossible to qualify as a low-risk (class I) stand-alone software. Especially for mobile applications, there is a general tendency towards a higher classification due to the new regulation, connected to stricter safety rules and assessment procedures as well as higher post-market surveillance requirements. In many cases, those increasing requirements could hamper market access of innovative digital solutions.

In addition, data protection and data security issues often pose stumbling blocks when it comes to market access of digital health solutions, as several advanced technologies are not compatible with the current provisions on data privacy or require specific measures, i.e. written consent, pseudonymization, anonymization, etc. This is indeed the reason why several useful innovative solutions, which are already feasible from a technical perspective, are not yet available on the German market.

*"It is crucial to create a proper support- and funding framework for the fulfilment of all CE certification requirements, particularly for clinical studies. Public funding for basic research is available, and so is VC funding after market entry. Financially bridging the "valley of death" in between these two stages should be addressed without any delay. This way, start-ups will have a significantly increased chance to commercialize their solutions, which will in return create better healthcare and a broader innovation ecosystem." (Dr. Alexander König, Reactive Robotics)*

Overall, the outlined issues are in general manageable and start-ups should deal with them at an early stage of development to avoid a rude awakening when it is already too late to identify and avoid potential obstacles.

From a pharmaceutical company's or investor's perspective it is essential that start-ups they cooperate with or invest in have already clarified regulatory conditions and are able to deal with the corresponding requirements from the technical as well as the organizational side. When industry partners or investors recognize, that start-ups address those topics properly and convincingly in their business models, the chance for a positive investment or cooperation decision increases significantly.

### 4 Bridging the investment gap

Digital healthcare start-ups might face the additional challenge to bridge the gap between initial funding through family and friends or angel investors and the first large series A funding. The required investment level in this phase ranges from about 1 up to 3 million €. Those amounts are usually too big for private persons, acting as business angels, but also too small to meet the investment criteria of most VC investment firms. Within the last three to four years, several health-specialized VC investors in Germany pursue the plan to foster start-ups during this challenging phase. They specifically invest early stage VC in promising digital health business models, supporting the companies on their way to market and preparing them for the next bigger investment round.

*"Meanwhile, the business angel community in Germany works pretty well, yet after this phase start-ups often step into a funding gap. We are bridging this gap between angel and big Anglo-Saxon VC investors." (Ulli Koop, Digital Health Ventures)*

### 5 Complexity of the healthcare market

A particular challenge for non-healthcare-focused investors is the complexity of the German healthcare market, making it hard to evaluate the potential, the chances of success and thus the value of innovative digital solutions. Compared to other business segments, a multitude of factors and players have an influence on the monetary success of a product or service not all of which are visible right from the beginning.

Additionally, in contrast to other digital concepts coming for instance from the e-commerce sector, sales graphs of digital healthcare solutions often look like a prolonged hockey stick – a long, flat line with low or no sales volume followed by a rapid steep increase in turnover. This results from the fact that a broad product penetration in the market often depends on the achievement of regulatory or remuneration milestones. For those reasons, investors with little or no healthcare experience are often skeptical towards digital healthcare targets. However, investors that exhibit patience and endurance can gain a vast ROI in this lucrative market.

*“Investors often shy away from the complexity of the healthcare market. They prefer it “simple” and don’t like to dig too deep into the complex structures and regulatory requirements. But it is not rocket science and it is worth dealing with those topics to really understand the business model and its potential.” (Katharina Jünger, TeleClinic)*

Overall, it turns out that the composition of the start-up team is decisive to overcome the challenges facing innovative digital solutions as best as possible. The key factor in this context is to ensure an optimal interaction between various team members with special sets of expertise. Besides a deep technical know-how for product development, specific medical expertise as well as comprehensive legal expertise are indispensable. If the start-up team members cannot cover these competences by themselves, they need to build a network of benevolent experts to get access to specific know-how when required.

Hands-on medical expertise, e.g. through practicing physicians or other healthcare professionals, can provide deep insights into the daily medical routine. Start-ups should use this inside knowledge to develop their solutions in accordance to actual market needs. When it comes to regulatory or reimbursement matters, profound know-how about the German healthcare environment is absolutely essential, since its complexity generally requires an extremely deep dive into these subjects.

Besides a diversified team in terms of expertise it is often beneficial to have a team comprising different age groups – young, innovative entrepreneurs and experienced, more senior people. Digital healthcare start-ups often consist of young graduates who are digital natives and contribute innovative ideas and technological know-how. In discussions with investors, business partners or users such as hospitals, however, older team members with long-standing professional experience can more easily communicate at eye level and provide an important negotiation and experience advantage.

### Digital healthcare outlook

Digital Healthcare as outlined consists of a system of complex factors. To understand and penetrate the system a considerable expertise, deep understanding and broad experience is necessary. The healthcare ecosystem offers continuous growth figures, a perpetual market with at the same time slow innovation cycles partially caused by an inherent resistance to change. Regulations and local differences render expansion or trans-border growth even more complex. Digital healthcare is not as easy to enter as e.g. the car-sharing or food delivery market and takes more than just the digital continuation of existing processes. But once you are inside, it is a small community and the risk of being outraced by competition is considerably lower than in other industries. In other words, once the rather high barriers to entry have successfully been overcome, the market offers attractive conditions and a highly interesting field for future development.

We support digital health start-ups with	1	deep market insights into topics such as user demands and market needs, competitive environment, regulatory requirements, suitable remuneration models and potential distribution channels. In the context of a workshop, we help start-ups to refine their business models.
	2	contacts to stakeholders within the healthcare sector, experienced medical or scientific business partners, angel & VC investors specialized in digital healthcare, well-established industry partners and payors.
	3	general assistance in business plan development, pitch deck creation and the preparation of applications for public funding as well as contract negotiations with business partners, investors and payors, etc.
We support digital health investors with	1	a detailed analysis of the digital healthcare market environment, comprising an evaluation of the current and future market potential, regulatory requirements as well as the identification and evaluation of notable market players, etc.
	2	a strategy workshop to assist with the definition of a clear investment focus within the digital healthcare field, followed by the identification, analysis and approach of promising targets within the context of a buy-side-mandate or a buy-and-build project.
	3	comprehensive or red flag due diligence of selected digital healthcare targets, including an assessment of the business model, market position and competitive environment as well as an analysis of customers' needs and the company's sales potential. We help digital health investors to identify potential deal breakers and obtain a realistic valuation of the target.
We support established industry players with	1	a strategy workshop to assist with the development of a digital strategy in accordance with the overall corporate strategy, comprising a status quo analysis and definition of the most promising areas of applications. Furthermore, we help to identify necessary adjustments in internal structures or needs for strategic partnerships.
	2	the project management for the implementation of the digital strategy, including the identification of suitable digital solutions and approach of the corresponding acquisition targets or cooperation partners. We help to coordinate the allocation of internal and recruitment of external resources and to define responsibilities within the digital healthcare team.
	3	contacts to digital healthcare start-ups offering solutions that fit well into the corporate strategy or enterprises specialized in data aggregation, data processing and/or data analysis. In addition, we connect industry players with relevant payors and investors active within the digital healthcare sector.

advisors in healthcare is a Management Consulting and M&A Advisory specialized in healthcare. Our team of experts worked on numerous digital healthcare projects and already created several forward-thinking concepts in digitization.

A recent example is *ottonova*, the first completely digitalized health insurance company in Germany, is considered a key innovation within the health insurance industry and is one of the pioneering German digital healthcare projects in recent years. advisors in healthcare developed the concept and supported the company establishment from business plan development through fundraising to recruitment of key senior management positions.

We hope you have enjoyed our insights and can make use of the provided content. If you are interested in a detailed discussion or deep dive on your topic, please reach out to us via e-mail or phone.



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