5 Common Mistakes HealthTech Startups Make and

How To Avoid Them

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Learn from the mistakes of others. You can't live long enough to make them all yourself.

– Eleanor Roosevelt.

Dr. Thomas Maggs
Managing Director at Medical Consulting Group.

"Having a **clinical background** and working with several healthtech startups, I have observed <u>a recurring pattern of common mistakes</u> within the industry.

Luckily, these common mistakes have already been made by many businesses, so learning from their mistakes can **help you and your business today**."

Medical Consulting Group.

Mistake 1:

Businesses don't know **who their end customer** will be.

Who is paying?

- In the UK, simply stating that you will sell a product or service **to the "NHS" is insufficient**.

- Many companies have excellent ideas and even demonstrate positive health impacts, but **lack a comprehensive understanding** of **who will pay** for their product upon entering the market.

- Waiting until after you have built something is too late because you may discover that **while people like it**, **no one is willing to pay for it**.

How to avoid it.

- Create something that is **significant enough** to persuade a particular part of the NHS to pay for it.

- If you are **replacing a service**, find out how long the procurement cycles are and whether other services are tied to the ones you seek to replace.

- If you are **selling a product**, determine how high up the leadership chain, away from the end-user, you need to go to reach the decision-makers who have access to funds.

- Consider whether you can assist departments in **accessing grants or third sector money** to pay for your product in the early stages of implementation.

Mistake 2:

Businesses don't know **their end-users** well enough.

Who uses it?

- People often get caught up in the science of a project, but don't understand **who exactly will use it**.

- Will your product be used by patients, healthcare workers, or **a combination of both**?

- Does it require **sign-off or interpretation of results?** Have you factored in the time of those using the product into economic and usability assessments?

- If healthcare workers are involved, **don't take their time for granted**. Many products require clinician sign-off or interpretation of results, but fail to consider this impact on the system.

How to avoid it.

It is essential to have a clear understanding of **who will use or interpret** your product.

This should include:

- Their role

- How they will use the product

- How long it will take

- Whether they need training

- Whether they will experience immediate benefit or the benefit is experienced by someone else in the system.

These factors can significantly impact the **uptake and scalability** of a new product, making **planning**, **building**, and **selling** the product much more manageable.

Mistake 3:

Businesses need to know **the intended use** of their products

What does it do?

- It's crucial for businesses to determine their intended use, especially for products that may be interpreted as **medical devices**.

  (**Hint:** Most digital health products are.)

- Early clarity on intended use can significantly affect how you'll be regulated and could mean the difference between self-regulation and a lengthy regulatory submission process **lasting 2-3 years**.

How to avoid it.

. To avoid potential complications, it's wise to consult with a **regulatory specialist** as soon as possible.

. This could save you **considerable time and money**, from £10,000 up to > £100,000.

. Moreover, if you're operating in a new or specialised area, don't hesitate **to seek multiple opinions** from specialists.

. They may provide **differing insights** that could significantly impact your business model and development timelines.

Mistake 4:

Businesses lose sight of **who else is in the market.**

What's out there?

- To avoid getting too focused on their own research and development, businesses should **stay informed** about the market they are in.

- This includes **keeping track of competitors**, their products, any new up-to-date evidence or studies, and regulatory approval achievements.

- This knowledge can have a significant impact on a **business's decision-making process.**

How to avoid it.

- Businesses should maintain a document listing **current and potential competitors**, and assign someone on the team <u>to regularly update it</u>, preferably on a monthly basis, but at least quarterly.

- It's important to not only monitor domestic competitors, but also **keep an eye on foreign markets**, as different health and regulatory systems can facilitate faster product development, providing <u>valuable lessons for businesses</u>.

Mistake 5:

5.

People are worried to **talk to others**, particularly about mistakes.

How do we learn?

- Many people are hesitant to discuss their mistakes, which can **hinder their ability to learn and improve**.

- Unfortunately, many companies facing similar challenges **fail to share their learnings** (or choose not to), resulting in a waste of resources.

- Whether it's navigating regulatory environments, procurement processes, international expansion, or clinician adoption, the healthtech market follows **a pattern of repeatable events**.

- Even **seemingly different products** can encounter the same obstacles, such as difficulties with data sharing or finding academic support in foreign countries.

How to avoid it.

- Consider reaching out to other businesses that have **faced similar challenges.**

- These companies **don't need to be direct competitors**, but rather, they can be in a different specialty and use similar technology or sell to similar procurement teams.

- When networking at events, don't just focus on success stories. Ask other professionals about their failures and **be willing to share your own experiences**.

- By collaborating and sharing information, businesses can support each other in a **constructive and collegiate** way.

Hope you all found this helpful!

This is part of a series to help HealthTech founders access better resources for their projects.

Just our small way of trying to help!