

## End users need analysis



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# 1 eHealth Hub: Objectives and Description

eHealth Hub is a new EU-funded initiative that is cross-border and exclusively focused on the digital health vertical. It will provide long-term support to the ecosystem stakeholders and address key challenges facing European SMEs in this space: fine-tuning a business model, securing investments, engaging the demand-side and accelerating commercialization, getting legal and regulatory guidance to develop solutions in compliance with a multi-layer complex framework.

eHealth Hub's goal is to provide high-quality, **vertically-focused and business-oriented** services tailored to the needs of European eHealth SMEs and stakeholders, and to secure their continuation after the project end via a sustainable support structure.

The eHealth Hub project will make progress towards this objective by:

- creating and maintaining a variety of activities helping to attract investment to SMEs;
- supporting the development of their successful business models and the acceleration of their commercialization;
- creating an EU-wide network of legal and regulatory guidance providers;
- and developing partnerships with healthcare organizations, major networks, investors and other stakeholders.

eHealth Hub will use **a demand-driven approach** to promote new business and collaboration opportunities for SMEs and key ecosystem stakeholders including healthcare provider organizations, investors, insurers, pharma and medtech groups.

Based on an initial research phase lead during the proposal preparation and based on the industry knowledge of the Consortium partners, the eHealth Hub project was designed to provide the following 7 services:

## 1. Business Model Training

A specialized training course helping eHealth entrepreneurs to optimize their Business Models. After the training programme, eHealth Hub will also support beneficiaries in validating their business hypotheses against the eHealth market.

## 2. Solution Match

eHealth Hub will support healthcare organizations interested in implementing an eHealth solution by gathering information about their exact needs, scouting and filtering solutions for fit, proposing a short list of the best matches, and connecting them with the vendors of these solutions.

## 3. Investment Readiness Training

eHealth SMEs seeking private funding will learn how to gauge their funding needs and what sources of funding are best for their specific situation, how to prepare before engaging in a serious conversation with eHealth investors and how to improve their pitches.

## 4. eHealth Investment Platform

An online brokerage tool will be made available to help eHealth SMEs and investors find each other in a more efficient way, and foster convenient online information exchange among investors to speed up deal flow.

## 5. eHealth Roadshow

Through the organization of agile networking events in conjunction with major eHealth conferences across Europe, SMEs with commercial traction will interact with potential customers, distributors and other eHealth stakeholders.

## 6. Legal Guidance

Within each European Member State there are different laws that SMEs have to comply with. A network of legal advisers will be set up across all EU countries, with nodes in each EU Member state, so that eHealth SMEs with legal challenges can access specialized, jurisdiction-dependent advice.

## 7. Regulatory Guidance

Within each European Member State there are different regulations that SMEs have to comply with. A network of regulatory advisers will be set up across all EU countries, with nodes in each EU Member state, so that eHealth SMEs with regulatory challenges can access specialized, jurisdiction-dependent advice.

The eHealth Hub project is a Coordination and Support Action (CSA), carried out under the H2020 Framework programme (Contract No: 727683), and has duration of 3 years (1 October 2016 - 30 September 2019), with the ambition to continue support after 2019 through sustainable and scalable support structure.

eHealth Hub coordinator is TICBioMed, Spain, and core partners of the initiative include: [édito] in France, Queen Mary University of London (QMUL) in United Kingdom, University of Amsterdam (UvA) in the Netherlands, META Group in Italy, Inno TSD, France, Steinbeis-Europa-Zentrum in Germany, APRE in Italy and Engage AG in Germany.

For more information visit: <http://www.ehealth-hub.eu/>

## 2 Main findings of the users need analysis

### 2.1 General Findings

The findings of our second online survey have served to confirm and reinforce some critical hypotheses at the foundation of the eHealth Hub project:

- Building up the investment flow and accelerating the commercialization of eHealth solutions are the two key levers to boost the industry in Europe.
- The importance of increasing the engagement of potential buyers and investors confirms the relevance of demand-side driven approach.
- The digital health industry is still very young in Europe. Potential buyers and investors are asking for commercial traction and track records of successful implementations while many SMEs are still pre-revenues and in the pilot/proof of concept phase.
- The eHealth industry is very specific and services need to be very vertically-focused involving buyers, investors and other digital health stakeholders as much as possible.

### 2.2 Detailed results

A good number of SME respondents are still pre-revenue or below 100K€ in revenues. The realization that the digital health industry is still very young in Europe, confirms the need to provide vertically-focused business modelling training.

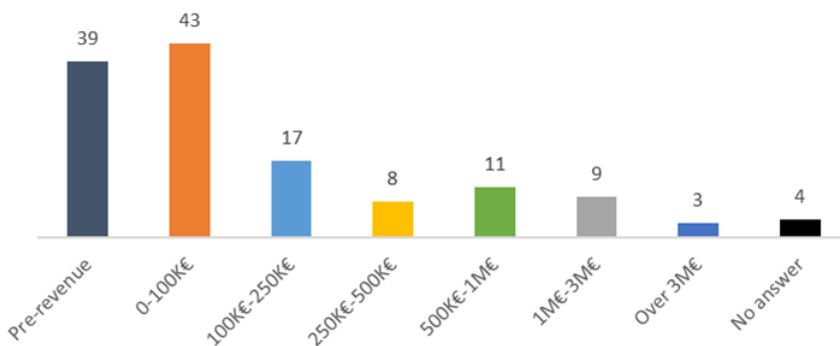


Figure 1 Level of annual revenues generated by your solution/organization?

Only a minority of the SME respondents are working on a B2C solution. Knowing that providers and payers are just starting to engage with SMEs and look into digital health solutions, this validates the approach to accelerate commercialization focusing on the needs of demand-side stakeholders.

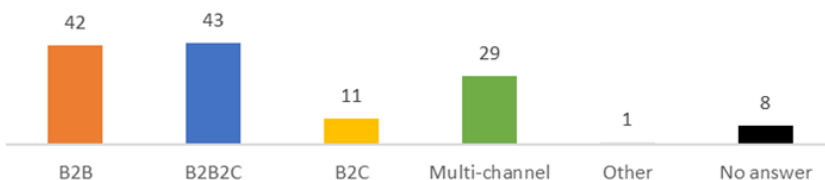


Figure 2 Typology of the solutions

The top priorities for SMEs remain in order to:

- accelerate the commercialization of solutions;
- secure financing,
- fine-tune their business models;
- and find answers to legal and regulatory questions.

Very few respondents answered they had a different priority, which confirms that eHealth Hub services are focusing on the right needs. In this 'Other' category, respondents mentioned: building or further developing and testing a solution, validating a proof of concept or building evidence through a clinical trial.

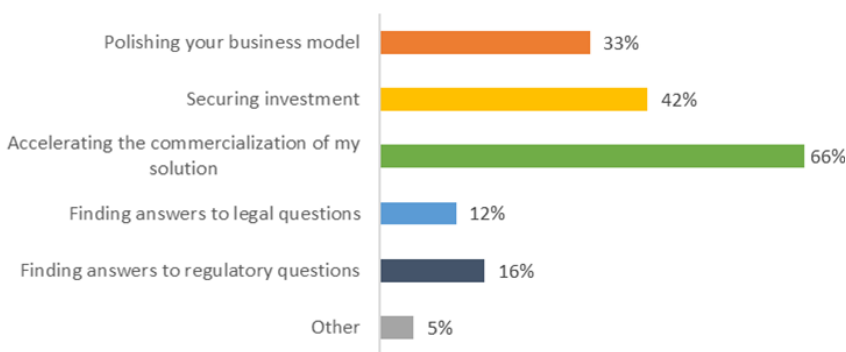


Figure 3 Current top priority (N=123)

## 2.3 Business Modelling and Investment Readiness Training

When asked where they could benefit from expert guidance, SMEs responded:

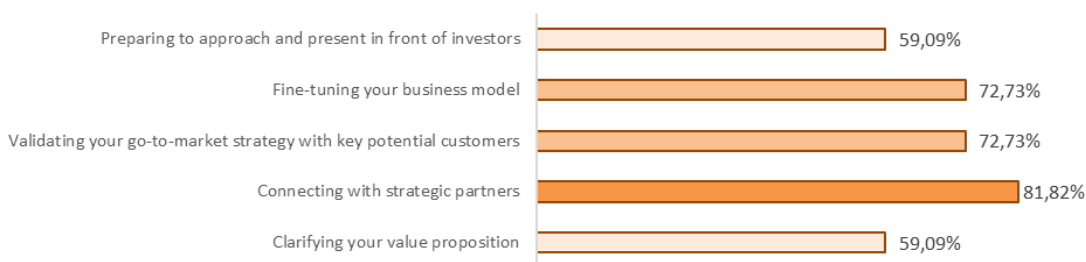


Figure 4 Benefit from expert guidance/support on (N=44)

SME respondents believe the best positioned to provide them with this guidance/support are industry stakeholders and digital health experts: potential strategic partners, potential customers, industry experts and potential investors.

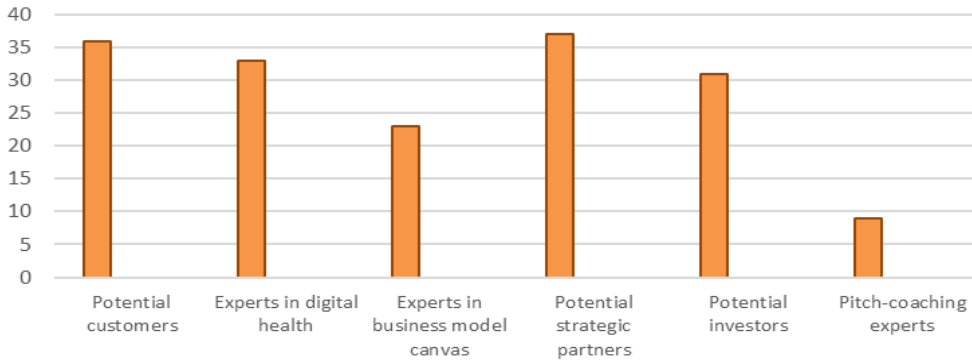


Figure 5 Best positioned stakeholders to provide you with this guidance/support

SMEs are generally confident with the readiness of their business plans and with their pitching skills.

71% of respondent felt ready (4 on a scale from 1 to 5) or very ready (5 on a scale from 1 to 5) to present their business plans in front of investors.

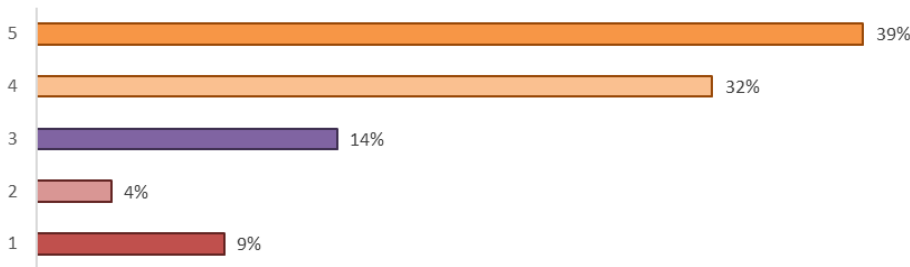


Figure 6 Business plan readiness to pitch in front of investors (N=56)

84% of respondent felt confident (4 on a scale from 1 to 5) or very confident (5 on a scale from 1 to 5) with their pitching skills.

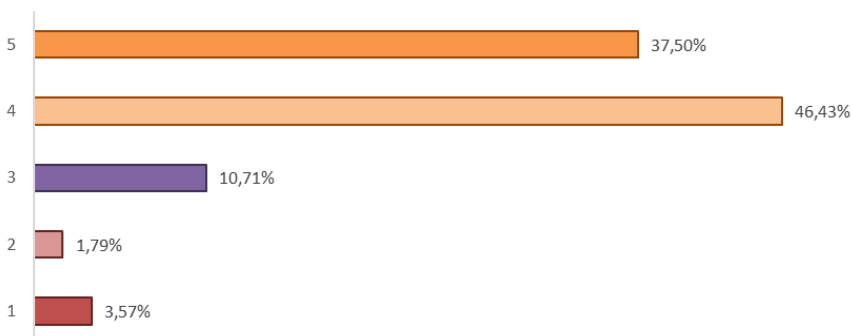


Figure 7 Confident with pitching skills (N=56)



However, these results need to be put in perspective with the point of view of investors who always mention that SMEs need to fine-tune their pitch presentations and work on their pitching skills.

43% of SMEs have already been part of an investment readiness training program:

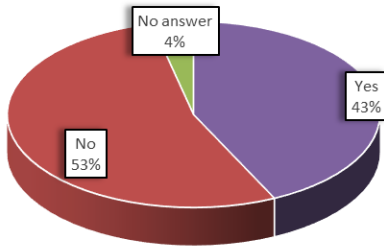


Figure 8 Participation in an investment readiness training program (N=56)

SMEs that participated in one of these investment readiness trainings thought the most useful elements of these programs were the opportunity to clarify their business models or to improve their pitching skills:

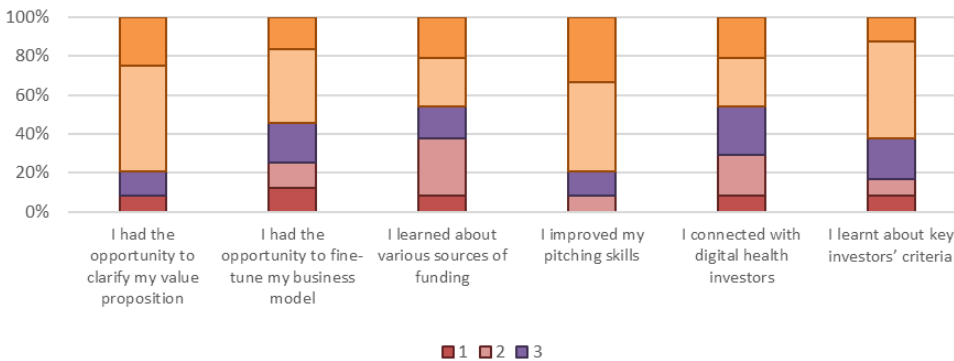


Figure 9 Most useful elements of this investment readiness program (N=24)

A question that was more specific to investment readiness training confirmed the importance of involving investors and key digital health stakeholders in these programs. 75% responded their involvement was important (4 on a scale from 1 to 5) or very important (5 on a scale from 1 to 5):

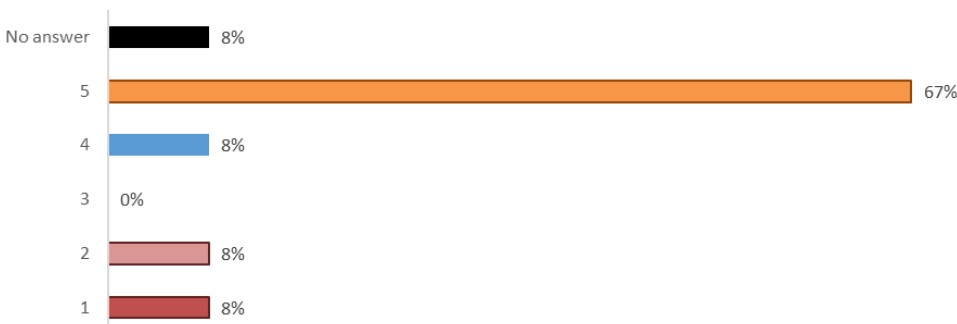


Figure 10 Importance of involvement of investors and/or key digital health stakeholders in investment readiness training program (N=24)

## 2.4 Investment Platforms

37% of SME respondents had already raised a round of external capital:

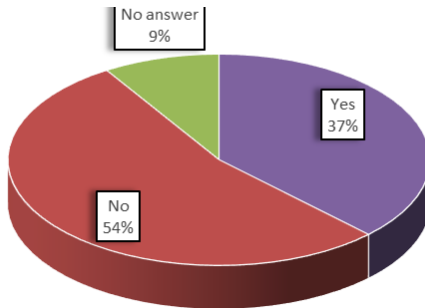


Figure 11 Raising a first round of external/risk capital investment (N=56)

Over 38% of these SMEs that had already been financed raised over 1M€.

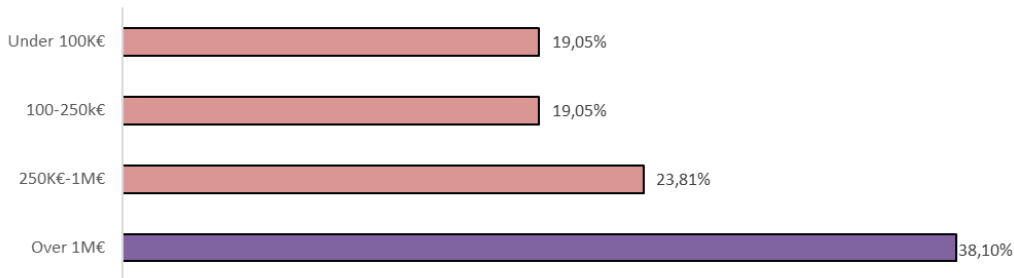


Figure 12 Ticket amount (€) (N=21)

83% of SME respondents are currently actively looking for funding:

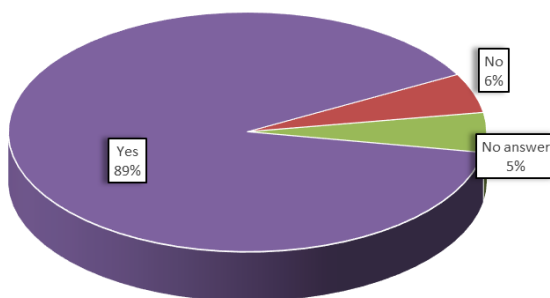


Figure 13 Actively looking for funding now (N=56)

72% are currently looking to raise between 100K€ and 1M€ and 28% are currently looking to raise more than 1M€. 50% of SMEs currently looking for investment are trying to raise between 250K€ to 1M€

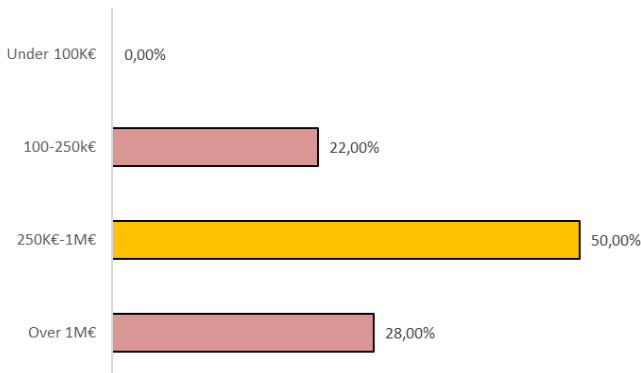


Figure 14 Ticket amount (€) (N=50)

In their current search for investment, the main challenge of SMEs is about identifying and connecting with the right investors, so platform needs to have a strong focus on making investors' criteria public and transparent:

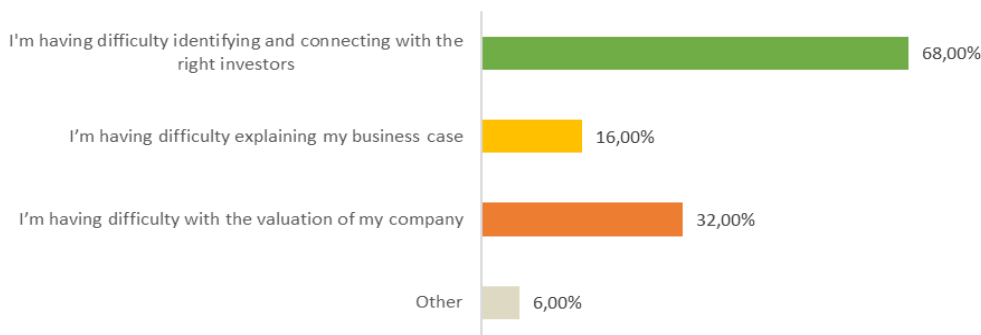


Figure 15 Main challenge for this round of financing (N=50)

SMEs use available online platforms primarily to follow startup and industry news and to increase their own visibility. Identifying and connecting with the right investors comes in 3<sup>rd</sup> position, as most online platforms are not specifically designed and built for this purpose.

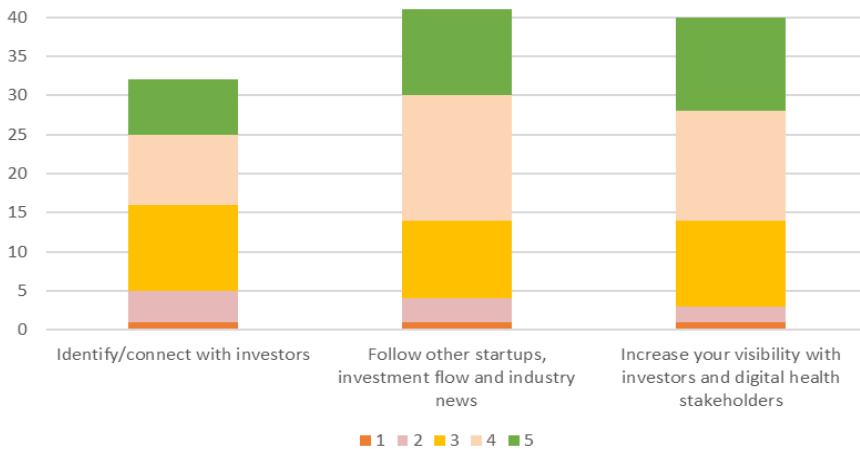


Figure 16 Use an online platform to : (N=56)

When asked what could make these platforms more useful to SMEs, their responses included:

- A focus on the health/digital health vertical;
- More detailed information about investors (deal history/portfolio, specific areas of interest) and a way to identify and connect with the most relevant ones;
- Additional services including legal advice, healthcare news, investment deals, reports, case studies;
- An easier way to upload/update information targeting investors;
- An algorithm to make matches between startups and investors.

A majority of investors also use online platforms to follow industry news, build their pipeline and increase their visibility:

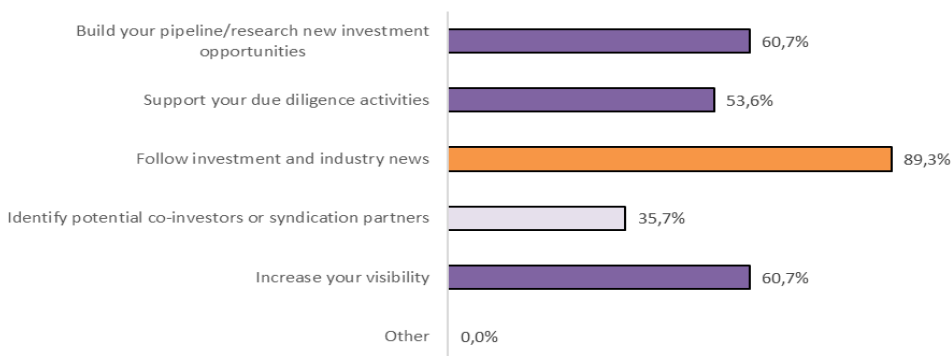


Figure 17 Use of online platforms to (N=28)

The main reason for using online platforms is to stay informed of investment and industry news. Only 35,7% of investors use online platform to identify potential co-investors or syndication partners. However, most of them use these platforms to understand who's investing in what.

Although not happening directly through online platforms, connecting with other investors remain important (4 on a scale of 1 to 5) or very important (5 on a scale of 1 to 5) for 89,3% of respondents.

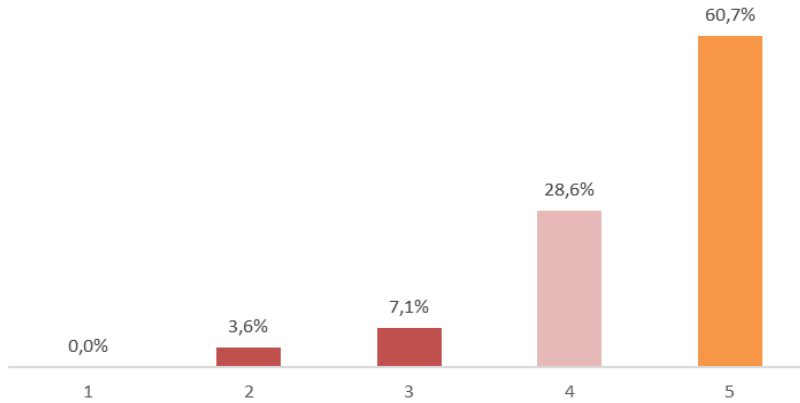


Figure 18 Importance to network and connect with other investors for co-investment/syndication opportunities (N=28)

Trust and knowledge are the two most important criteria for connecting to a potential co-investment or syndication partner:

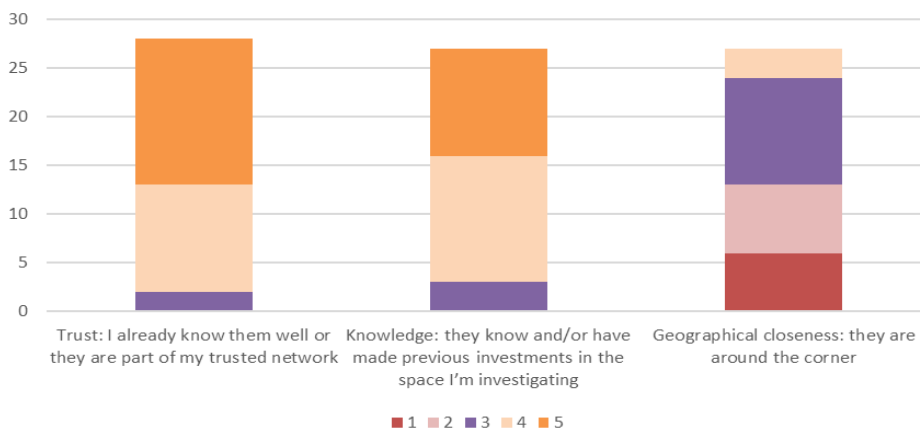


Figure 19 Importance of the criteria provided when identifying a potential co-investor/syndication partner (N=28)

Although this is not how they describe their main use of existing online platforms, 63,6% of Investors would be interested in joining a private and secure platform for investors only where they could easily identify and network with co-investment and syndication partners.

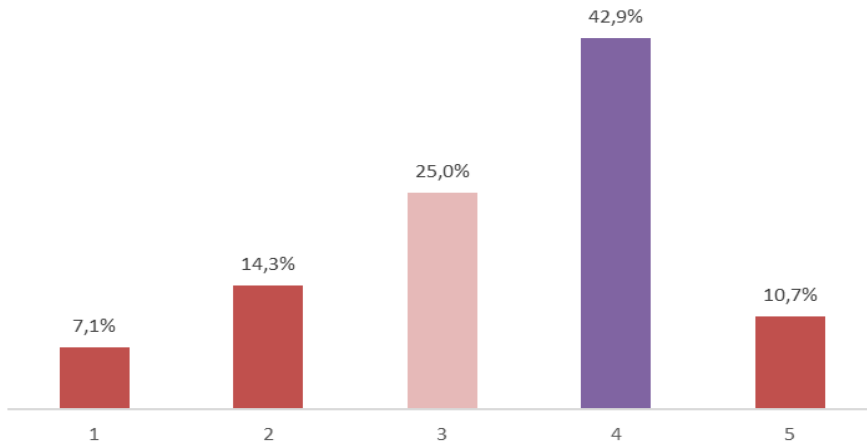


Figure 20 Usefulness of a private and secure platform for verified investors to identify and network with new co-investment/syndication partners (N=28)

On this private and secure platform, investors would be ready to share information on ticket amounts, investment criteria, categories of solutions of particular interest, previous investments in digital health, main point of contact, contact details including email addresses and phone numbers)

They are more reserved about sharing info on current/open investment opportunities. On this question, there is an important difference between business angels and VCs. Business angels are a lot more open to sharing information about current/open deals than VCs.

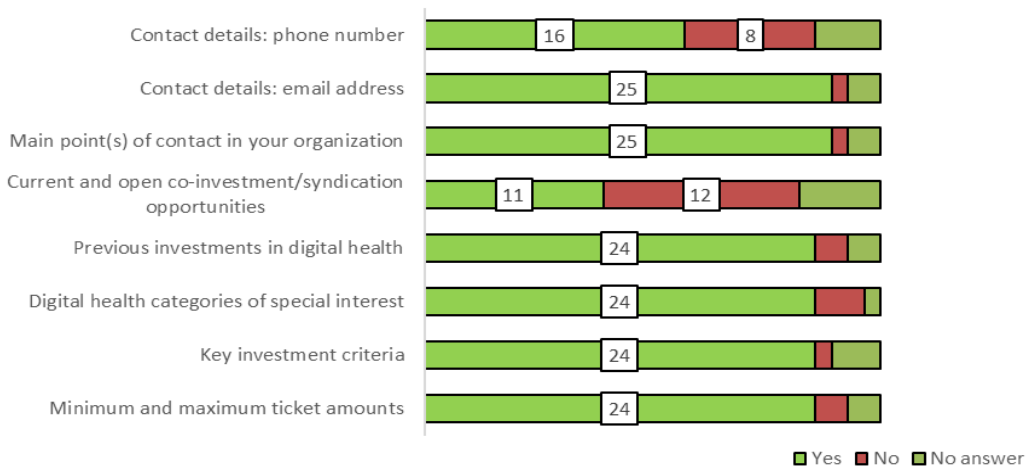


Figure 21 Information willing to share with other verified investors on this private and secure platform (N=28)

Investors would accept to share a more basic profile with SMEs and other stakeholders that would not including personal contact details:

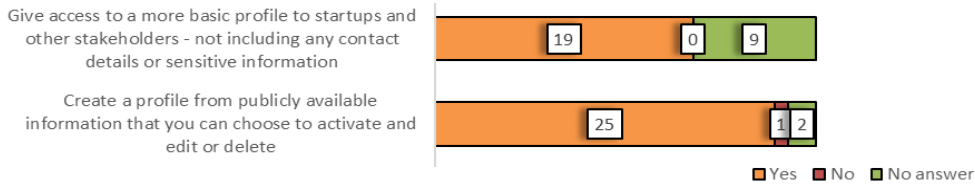


Figure 22 Information acceptable to share (N=28)

## 2.5 Commercialization Support

The survey revealed a strong interest of SMEs in pitching in front of potential customers and/or corporate partners.

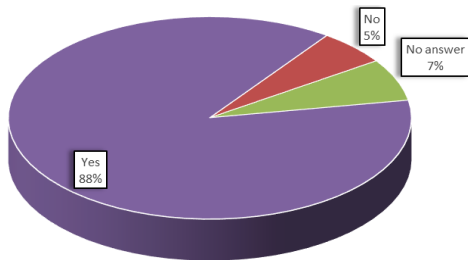


Figure 23 Interest in pitching in front of a panel of potential customers and/or corporate partners (N=89)

The quality of the panel of potential customers and/or corporate partners and the possibility to pre-arrange one-on-one meetings onsite are key for the success of this type of events:

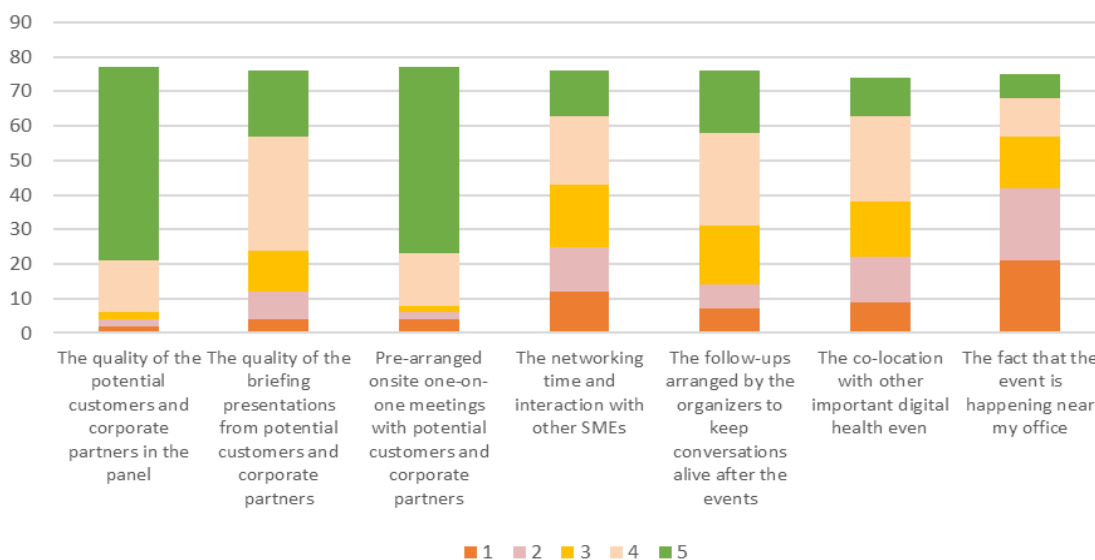


Figure 24 Key elements that would make it a successful/worthwhile event (N=89)

Surveying demand-side stakeholders (healthcare providers, insurers, pharma/medtech companies), 76% of respondents had already implemented a digital health solution.

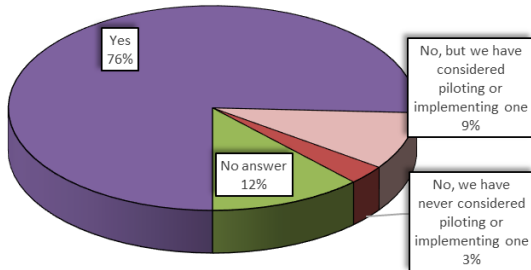


Figure 25 Piloted or implemented a digital health solution within your organization (N=33)

Although they would not completely outsource the process, they admitted they were missing detailed information and a broad view on the market, and found the scouting and filtering process time-consuming:

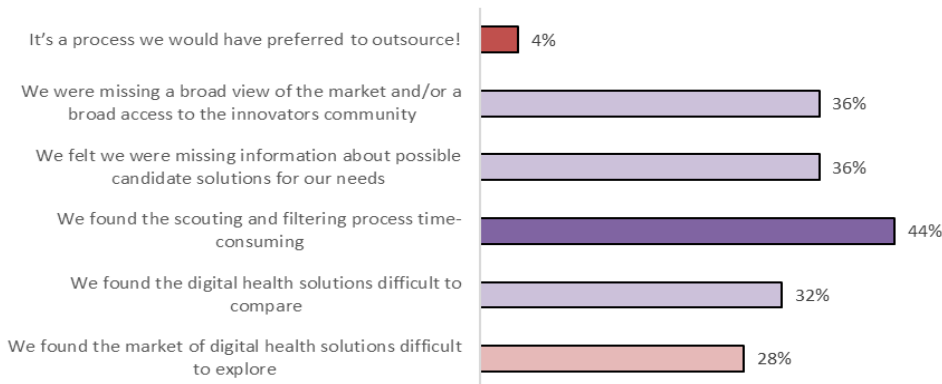


Figure 26 description of scouting process and interaction with the digital health community (N=25)

However, they remain willing or very willing to interact and work with startups and SMEs in the future:

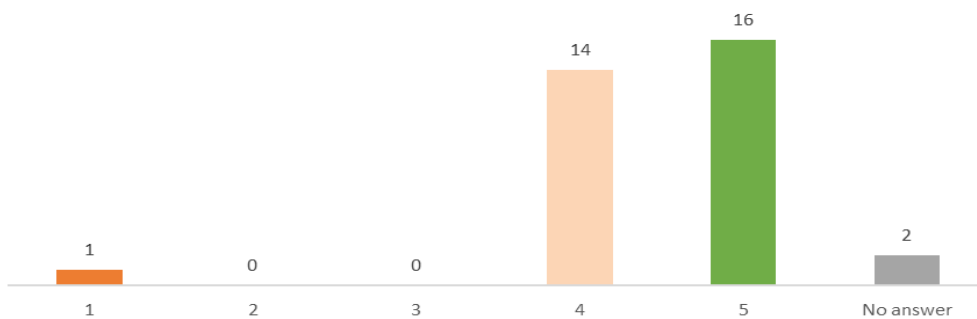


Figure 27 Description of willingness to work/collaborate with digital health SMEs in the future (N=33)



## 2.6 Legal and regulatory support

A majority of SMEs had already sought legal advice in the past.

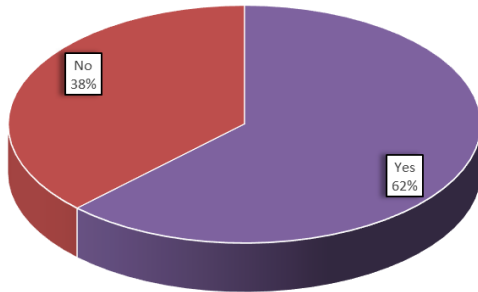


Figure 28 Sought legal advice in the past (N=16)

When asked about specific legal topics, 80% of SMEs declared they had sought legal advice on privacy policy/data protection and intellectual property.

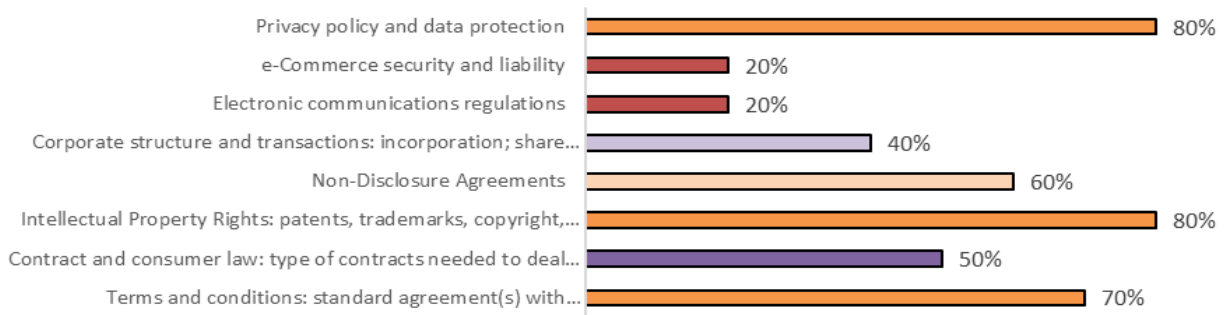


Figure 29 If yes, what for (N=10)

The respondents who had never sought legal advice were asked why. Budget restrictions and not knowing where to find the right legal advice were the two main reasons, supporting the plan to establish a network of 'legal nodes' across member states.

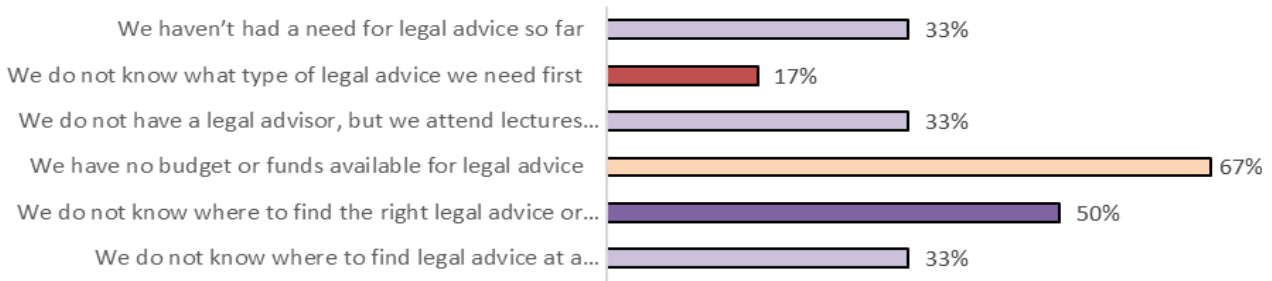


Figure 30 If not, please explain (N=6)

The survey featured a specific set of questions about regulatory guidance.

Only 27% of respondents had sought regulatory guidance in the past, while over 50% of respondents were likely to seek regulatory guidance in the future, mainly on general medical device certification, standards related to medical device software and quality management systems for medical devices.

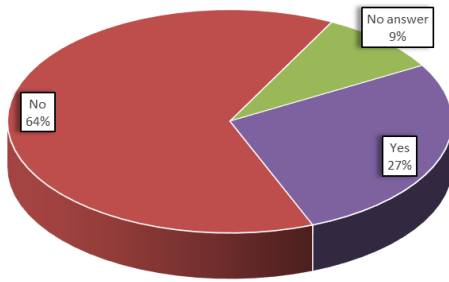


Figure 31 Regulatory/certification advice or support for your solution in the past (N=22)

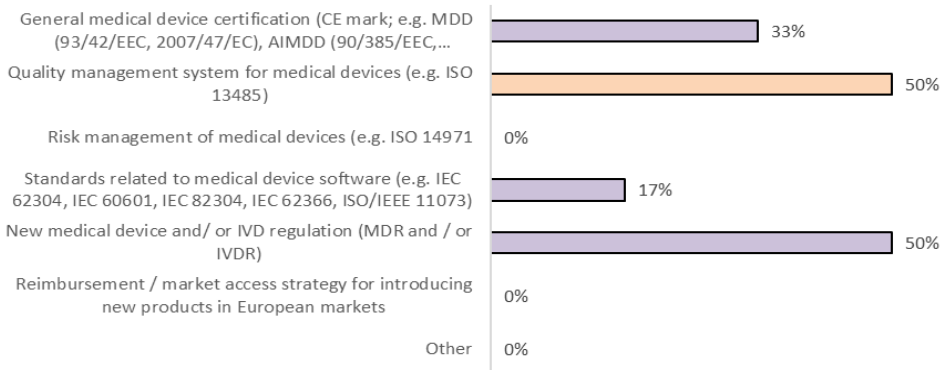


Figure 32 Please specify the type of support you received: (N=6)

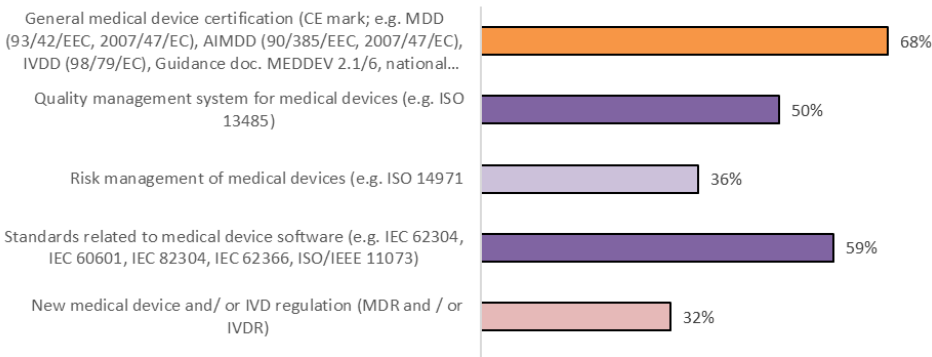


Figure 33 Seeking for regulatory/certification advice or support on concrete topics (N=22)

68% of SMEs responded they would welcome support in better understanding pathways and mechanisms of reimbursement across Europe.

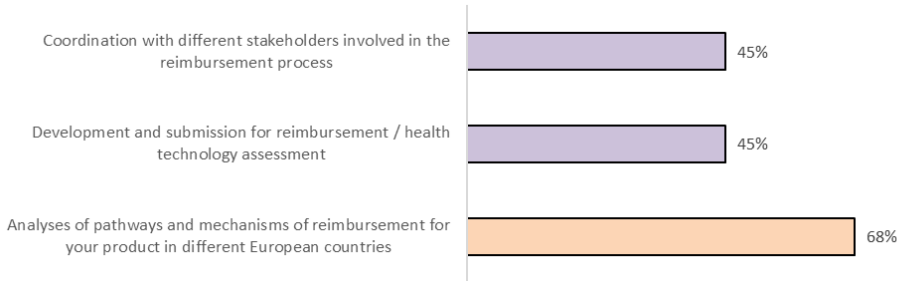


Figure 34 Need for support for the following topics regarding reimbursement strategies (N=22)

64% of SMEs stated they would welcome support with software-related regulations.

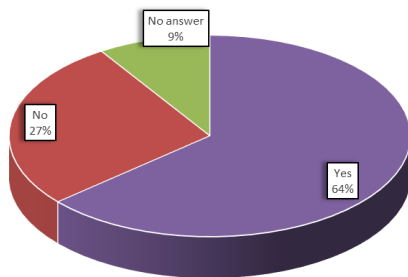


Figure 35 Need for support with software related regulatory topics (N=22)

We asked these 64% respondent to precise the type of software-related regulatory support they would welcome:

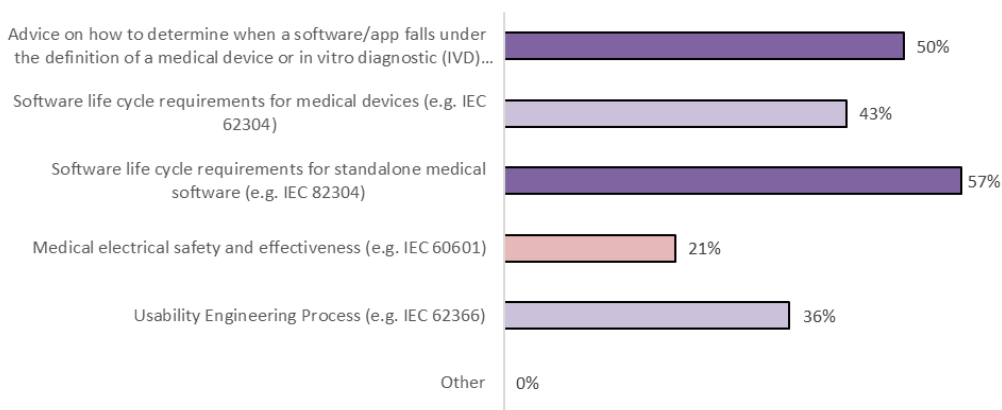


Figure 36 Please specify (N=14):

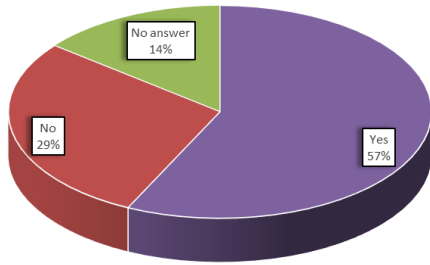


Figure 37 Need for help in classifying your device (N=7)

The survey also confirmed an interest of investors, already identified in the focus group, in learning more about legal and regulatory requirements across Europe.

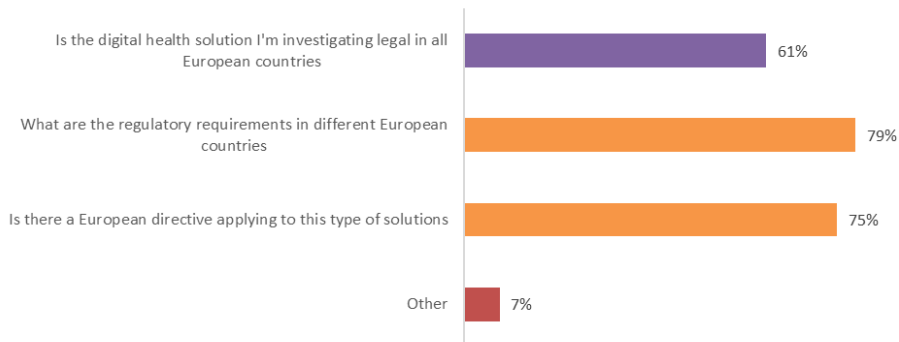


Figure 38 Legal and/or regulatory questions investor have to face (N=28)