

# eHealth HUB Smart Guides

FIND YOUR WAY THROUGH THE EHEALTH MARKET

## How to effectively seek funding in the European Digital Health sector



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INVESTMENT READINESS  
TRAINING AND PITCH  
*MAKE eHEALTH SMEs READY TO MAKE THEIR BUSINESS*





# “HOW TO EFFECTIVELY SEEK FUNDING IN THE EUROPEAN DIGITAL HEALTH SECTOR”

## INVESTMENT READINESS TRAINING & PITCH REPORT





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# 1 About us

## We are here to support European eHealth businesses

eHealth HUB - European eHealth business support is the new EU-funded initiative, cross-border and focused on the digital health vertical. eHealth HUB's goal is to provide high-quality business-oriented services tailored to the needs of European eHealth startups, SMEs and stakeholders. We 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 med-tech.



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www.ehealth-hub.eu

## From Business Modelling to Regulatory advice: exploit our services

eHealth HUB offers FREE services to support European eHealth SMEs, healthcare providers and ecosystem stakeholders on the following key areas:

### Business modelling

 **Business model clinic**  
*One-on-one Support*

The Business Model Clinic supports the best promising entrepreneurs and startups offering personalized coaching on business proposition, customers and go-to-market strategies.


 **Lean Startup Academy**  
*Learn to be Lean*

The Lean Startup Academy provides eHealth SMEs with the opportunity to mature their business by systematically testing their ideas against the market.

### Access to private finance


 **Investment readiness training & pitch**  
*Make eHealth SMEs ready to make their business*

eHealth Hub Investment Readiness prepares European early-stage startups and SMEs to approach and collaborate with investors.

 **eHealth Hub Platform**  
*The place to be for eHealth SMEs and Investors*

The eHealth Hub Platform features SMEs, investors, healthcare organizations, legal and regulatory service providers. By registering, health stakeholders can get easily in touch with each other.

### Commercialization

 **Solution Match**  
*Start form your need, ask European SMEs for a Solution*

Solution Match supports healthcare providers, insurers, pharma or medtech companies looking for a concrete digital health solution to be implemented in their organization.

 **eHealth Roadshow**  
*Pitch your solution, Jump into European market*

eHealth Roadshow offers an opportunity for selected eHealth SMEs to expose their digital health solutions in front of a Committee of key stakeholders in the eHealth European market.

### Legal issues & Regulatory and reimbursement guidance

 **Legal Support**  
*A compass to navigate legal services through Europe*

eHealth Hub Legal Network offers good quality, affordable legal advice for eHealth SMEs as well as free workshops detailing current legal issues of eHealth SMEs interest.

 **Regulatory Guidance**  
*Regulatory and Reimbursement Guidance for eHealth SMEs*

eHealth Hub Regulatory Network helps European eHealth SMEs to be compliant with regulatory requirements and develop reimbursement strategies across the European Union.



## Let's find the best way to work together



**Jorge González,**  
eHealth Hub coordinator  
and eHealth Hub team

*"At eHealth HUB, we believe that health organizations, public administrations, private companies, professionals, and patients all form a huge ecosystem: we cannot 'grow' without each other. That is why eHealth HUB works as a network of relevant stakeholders within the eHealth ecosystem to work together in order to boost eHealth in Europe. Therefore, if your business is in digital health, contact eHealth Hub. We'll find the best way to work together".*

## 2 Why this report

“ Raising equity funding for startups is a long and often difficult process. One of the major challenges is that raising a round often takes more time than founders expected. And as time passes by, many startups are under the stress of potentially, or actually, running out of money.

Digital Health is a tough sector to introduce new solutions, largely due to the inherent disconnection between what payers, providers and patients are seeking. Because of this, it's important that startups who are looking for funding to fuel their growth are aware of what each stakeholder wants, and how each may benefit from the solution.

Nonetheless, startup financing does not always have to be that complex. Before you begin to move down the road, it is crucial to know where you are going and what you are getting into. And this guide helps you with just that!

After 6 editions of the eHealth Hub's investment readiness training and pitch events, involving +60 entrepreneurs from all over Europe, we decided to condensate in this guide all the know-how we got that could be useful for SMEs and startups who want to engage in raising funds from investors to launch and scale their business.

This guide has six sections:

1. Digital health investment trends in Europe
2. Steps for raising capital
3. What we learned so far from investors
4. Find (and be found by) investors in the digital health sector
5. Three things to remember if you want to raise money
6. Need for more support?

”

***We hope you find this information useful!***

**Jorge González,**  
eHealth Hub coordinator and eHealth Hub team

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# 1

## Digital-health investment trends in Europe





# Digital-health investment trends in Europe

Access to finance is one of the levers for growth for SMEs: without adequate funding and without liquidity, no business can operate, invest and grow. SMEs have historically relied on bank lending and consequently the current bank credit constraints due to economic crisis for the last 10 years have a disproportionate impact on SMEs. The specific problem of the access to finance constraints the development of SMEs in Europe and is objectively a major issue. The reluctance of commercial banks to finance SMEs obliges to become creative.

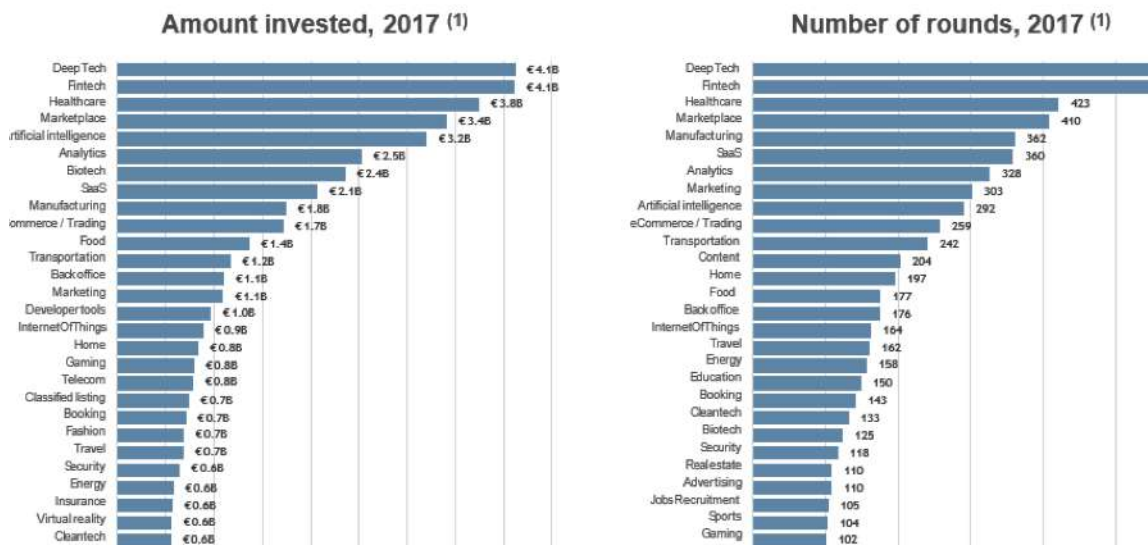
Healthcare has always held a strong position at the forefront of emerging technology but there are now more possibilities than ever before. The major medtech and pharma players have recognised the need to innovate through investment, M&A and strategic partnerships. Major technology players are now also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

A reason why such big companies are joining the markets is that they recognize the **changing mindset of the patients**. In the EU, 48% of the population look for health information online, which is a significant difference from the 16% ten years ago. (Source: [Infermedica](#))

## Healthcare was among the leading investment themes for Europe in 2017

2017 has been a record year in Europe for investments into eHealth startups. Dealroom registered an overall 3.88 € Billion investments (making it the third hottest sector in Europe, after Deep Tech and Fintech) for a total of 423 financing rounds tracked.

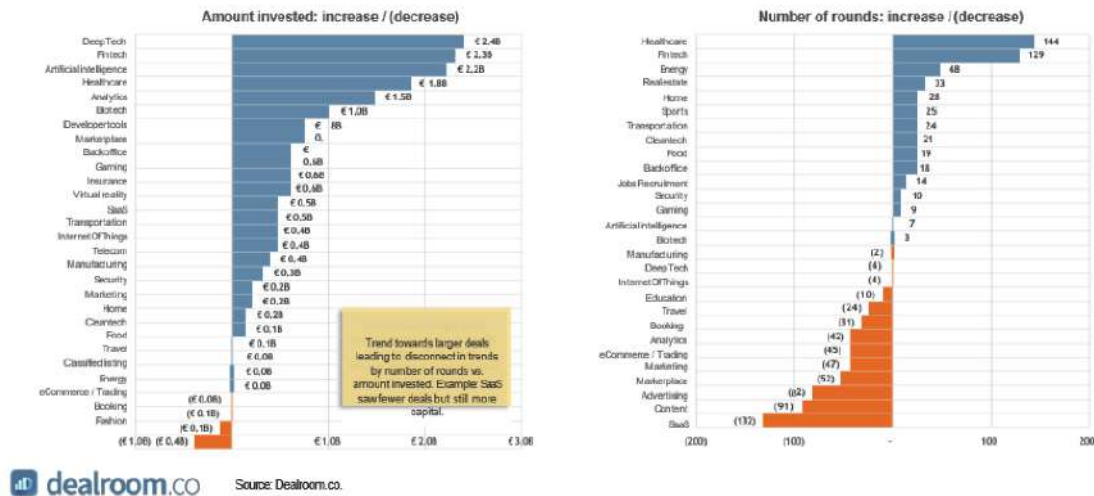
More than this, healthcare proved to be the single sector with the highest increase in terms of number of financing rounds in Europe.



Source: Dealroom.co.

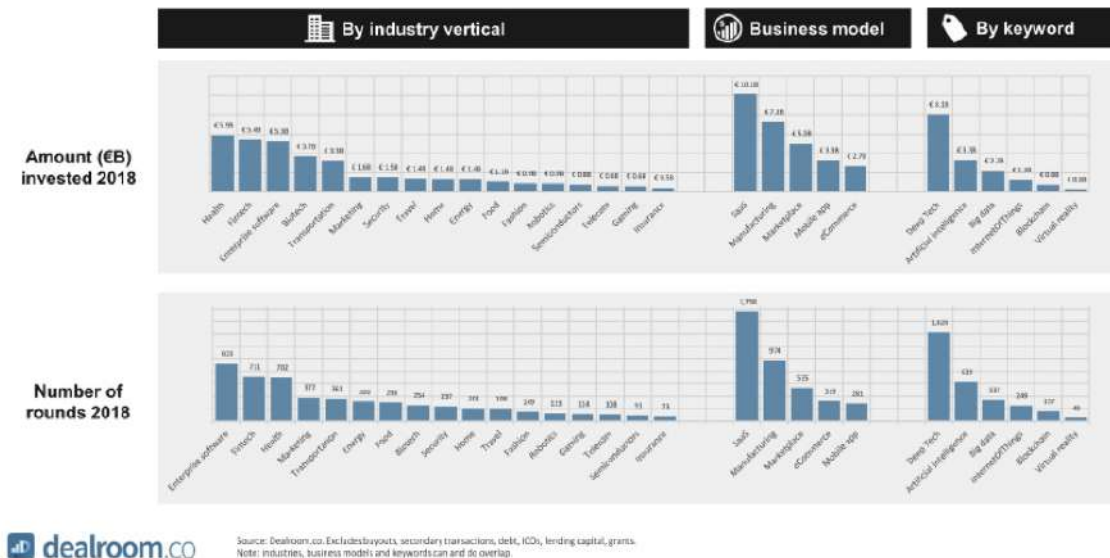
1. Values overlap as companies can be included in more than one investment theme (e.g. both fintech and SaaS, or deep tech and biotech).

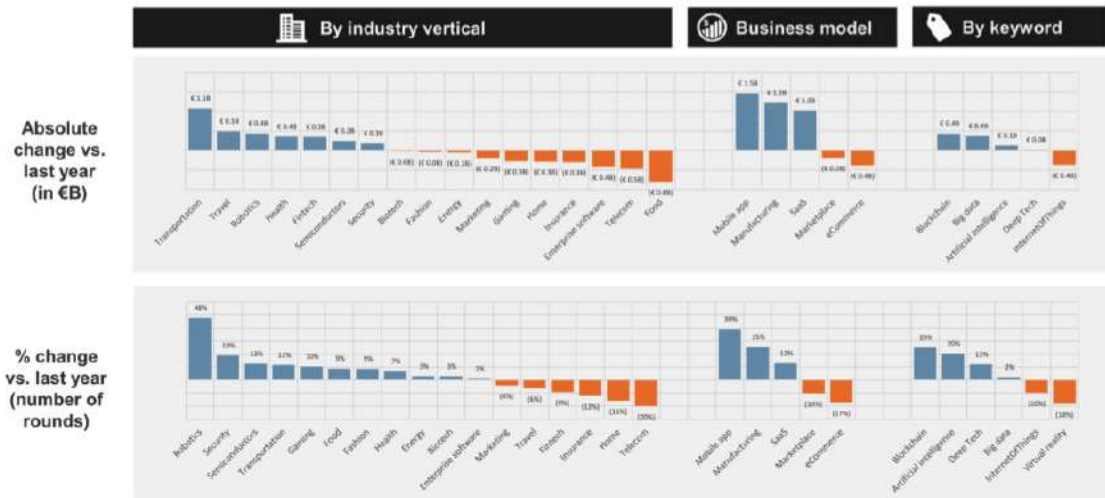
### Investment activity in 2017 vs. annual average in 2014-'16



## 2018 has been even better!

We just archived 2018, and we can say that the growing trend of investments into EU eHealth sector didn't stop: **health has become the most invested industry in Europe**. Dealroom registered an overall f 5.98 € Billion investments, for a total of 702 financing rounds tracked (this data includes eHealth + lifescience).





Source: Dealroom.co. Excludes buyouts, secondary transactions, debt, ICOs, lending capital, grants. Note: industries, business models and keywords can and do overlap.

## Digital Health put finally Europe on the map

According to Startup +Health, in the last two years, beyond US (where NY, Boston and San Francisco Bay Area alone accounted for nearly 70% of total digital health funding), new hubs are arising in different areas of the world. **London, Paris, Stockholm, Berlin and Tel Aviv are among the most active eHealth international hubs.**



Source: Startup+ Health Insights | startuphealth.com/insights | Note: Report based on public data through 12/31/2018 on seed (incl. accelerators), venture, corporate venture, and private equity funding only. © 2019 Startup+ Health LLC

# 2

## Steps for raising capital





# Steps for raising capital

Investors want big ideas. Ideas that can change the world. Ideas that change our behavior, culture or way of thinking. Ideas that can build successful companies. The risks of investing in a company are so great--and the chances of a reward so small--that investors can't afford to bet on opportunities that won't surely have huge payoffs. And one of the biggest problems when addressing opportunity is "Am I too early?" Investing in a huge opportunity five years before the market will recognize and embrace it, could turn in a big loss.

## 1. STEP: Start the process with a good timing

The process from when founders start taking meetings until close can take up to eight months for an early-stage round, and can take an average of six months for subsequent rounds. Naturally, depending on the market and how experienced founders are at fundraising, these numbers will vary.

## 2. STEP: Set-up milestones

The easiest way to communicate fundraising needs to investors is by visualizing the company's cash spend as a series of projected milestones. All investors strive to minimize risk without losing the opportunity to invest in a hot company. Investors are constantly trying to find the least risky point at which to invest. As such, some of the best times for a company to fundraise are either right before or right after the completion of a key milestone:

- **HUMAN RESOURCES:** A first milestone could be hiring key people that will make a strong impact on the company's organization. Key hires are top level professionals who will drive company's growth further.
- **PRODUCT:** Launching an innovative product or releasing new versions of existing products
- **MARKET VALIDATION:** Potential total audience is big; the product or service is useful to early adopters; the market is big enough; the company can scale.
- **FUNDING:** Talking to investors; proving the ecosystem agrees with founders' ideas (bringing respected industry advisors or partnerships on board); proving founders can manage company's finances (being cash flow positive).

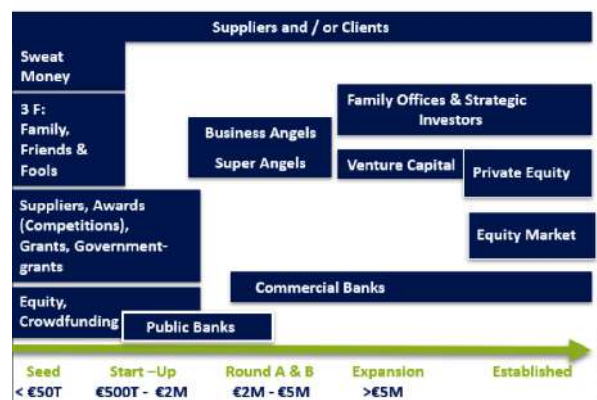
## 3. STEP: Select the right amount to raise

Founders should try to raise enough money to accomplish their next meaningful milestone. This means founders should look at a variety of points across the company's timeline to see which will be meaningful milestones for fundraising purposes. It's also worth to remember that larger amount of money could lead to more potential problems:

- More investment terms and more due diligence. The more money involved, the more control provisions investors will want, as well as more diligence to make sure their money isn't going to be misused.
- A high implied post-money valuation or alternatively, higher dilution up front. In order to accommodate a large round, investors need to adjust company's valuation accordingly if they don't want to wash founders out.
- The general fear with overfunding a company is that its founders will be tempted to expand faster than they can absorb employees into the culture, integrate new systems, or meet other needs without substantially disrupting efficient operations.

## 4. STEP 4: Understand Early-Stage Investors

Investors come in different sizes and styles. Each investor has its own expectations and consequently requirements and evaluation criteria



## 5. STEP 5: Look for the most useful resources available on-line

If you need help, just start looking what's there on-line. There are plenty of resources that could help you in the process of raising finance:

### FINANCIAL MODELS & VALUATIONS

- [ForeSight](#) – Standards-based, rock-solid financial model templates for forecasting and fundraising for any type of business.
- [CrunchBase](#) – Probably the largest database on private equity / venture capital deals.
- [Startup Financial Model](#)
- [AngelList Valuation Benchmarks](#)
- [AngelLoop](#) – Performance Tracking, Cap Table Management & Investor Engagement and Communications
- [Poindexter](#) – A Simple Business Modeling Software
- [Floatapp](#) – Automated Cashflow Forecasting & Budgeting
- [Startup Models](#) – (bit outdated) Business Plan Financial Template & Startup Models.
- [BizEquity](#) – World's largest provider of business valuations.
- [EquityNet](#) – Startup valuation calculator.
- [Equidam](#) – Calculate business value, using 5 valuation methods.
- [Owler](#) – Information on 15 million public and private companies.
- [Seed DB](#) – Data on seed accelerators, funding and exits.
- [Index \(By TNW\)](#) – Structured data on private tech companies, industries and locations across the globe.

### CAP TABLES & DILUTION

- [CapTable IO](#) – Cap tables made easy, for founders and investors
- [Eshares](#) – Cap table management and 409A valuations simplified.
- [CapShare](#) – Cap table management.
- [Gust Equity](#) – Cap tables, 409A valuations (private valuation) and options management
- [Simple 409A](#) – Affordable 409a valuations
- [Startup Value](#) – Comprehensive data-driven valuation in minutes.
- [SmartAsset](#) – Understand funding events on you and your investors.
- [Founders Workbench](#) – Capital dilution calculator.
- [Own Venture](#) – Equity dilution simulator.
- [Y Combinator List](#) – Status of YC pass outs.

### BLOGS & PODCATS

- [Blog – Fred Wilson \(VC\)](#)
- [Blog – Brad Feld](#)
- [Blog – Mark Suster](#)
- [Blog – Paul Graham](#)
- [Blog – Jose Paul Martin](#)
- [Blog – Tomaz Tungunz](#)
- [Blog – Ben Evans](#)
- [Blog – Jeff Bussgang](#)
- [Blog – Y Combinator \(The Macro\)](#) – not focused on breaking news – sharing information that is useful, thoughtful, and interesting.
- [Podcast – The Startup Chat](#)

# 3

## What we learned so far from Investors



# What we learned so far from Investors

In 2017 we conducted a survey on more than 300 European digital Health startups (<https://www.ehealth-hub.eu/thoughts-digital-health-europe-ehealth-hub-survey/>), and we found that 82% of startups stated they had either revenues under 100K € or no revenues at all. At the same time, while 83% of startups stated they were looking for funding, 37% stated that they already raised a round of external capital (38% of this subset having raised over 1M €). So this means that **raising money with little or even no revenues for digital health startup in Europe is possible!**

Investors make decisions constantly about whether or not to invest into startups. The majority of the time, the answer is no. There can be many reasons for this decision, including that the startup is not within the investors' focus or stage of desired investment.

After three years of activities, what we learnt is that there are a couple of key determining factors for whether an investor will or will not decide to invest in a startup:



**So, if you are raising money, you should expect these questions from any investor you get in contact.**

*BUT REMEMBER: THERE'S A DIFFERENCE BETWEEN HAVING A GREAT PRODUCT OR SERVICE AND BEING INVESTMENT-READY. THUS, EHEALTHHUB IS HELPING EUROPEAN EHEALTH STARTUPS TO UNDERSTAND WHAT IS REQUIRED FOR THEM TO ATTRACT FUNDING.*



Preparing the right set of materials for fundraising is key to showcase key numbers to investors:

1. A one-pager, in a mobile-device friendly format (most investors will likely see it for the first time on a smartphone), that contains the absolutely critical facts about the company.
2. The pitch deck.
3. The financial assumptions model, to showcase how founders are thinking to use cash.
4. The cap table, to show the equity distribution between team members.
5. Active online profiles on AngelList, Dealroom, eHealthHub platform, F6S, Twitter and other meaningful platforms that are typically used to learn more about companies.

## **One-Pager**

The one-pager should be a work of art that represents the company, the brand and founders' personality. It is the attachment that will likely follow the introductory email into the investor's inbox.

## **Pitch Deck**

The purpose of any pitch deck is to help founders to communicate their business as well as make investors ask for extra information they need to evaluate the company.

Any pitch deck should, at least, include:

1. An overview of who are the founders and what they've done.
2. An easy to get explanation of what the product/service does.
3. A market overview (market size, key players, competitors, partnerships, target market, etc.).
4. Financials (how cash will be used and how to make money).
5. Competitive differentiation (how to bring value to customers as well as how to differentiate from competitors).

There are many ways to tell stories. While pitching for fundraising will have many elements of traditional storytelling, it isn't entirely about dramatics; storytelling is also about efficiency. Keeping the technique simple is key.

Although raising finance seems challenging, there is still a lot of support and funding available to e-Health startups with the right pitch.

## **Business Plan**

Business Plans can help investors to determine:

1. The company's communication style and ability to articulate what their product or service do, clearly and succinctly.
2. The company's ability to research their market size, competitors, key industry players, distribution channels, etc. If a company has not adequately researched the size of their market, this can be a real deal-killer. The identification of key competitors is also an important detail to include. In the case of some companies, where distribution channels and key partnerships are important, identifying these and discussing them is important to provide potential investors with confidence that the founders team understands the challenges inherent to its industry.
3. The company's ability to analyze their cash needs and expectations for growth. Nothing is scarier than a company whose ambitions are huge, but whose idea of cash management is not in line.
4. The completeness and experience of the company's team.

Since 2016, eHealth Hub is connecting entrepreneurs and investors, thanks to its exclusive pitch events. To share what we learned, we decided to interview one entrepreneur and one investor about their experiences, to cover both sides of the story.



**Name of the startup/SME: IOMED**

**Name of the author/interviewed and role: Javier de Oca, CEO**

**1. Which eHealth HUB Service did you take part in? When?**

We participated in EC2VC (Investment Readiness) at Health 2.0/HIMSS in May 2018.

**2. A brief story of your idea/ startup/SME (how, when and why it was born, state of play etc):**

IOMED is a company that was born three years ago in Barcelona (2016) with the aim of putting into value the clinical information that hospital centers generate on a day-to-day basis. We are dedicated to reusing clinical information to boost clinical research in such hospitals.

We develop our own solution that uses natural language processing to ensure that all the information that hospitals gather on a day-to-day basis is truly processable and treatable for research purposes. That is, transform the information of medical records into a usable and actionable database that we deposit in the hospital. **The ability to generate a database where before there was only written text is the most innovative and important part that we are contributing.**

We received a first round of investment 6 months ago (seed) and right now we are raising a new round (Series A) that is aimed at expanding our commercial and technical capacity. Currently, we have several projects with potential clients, and obviously, we need human resources. This is what we are going to finance.

**3. Why did you take part in the eHealth HUB Service:**

We are in contact with eHealth HUB: we are subscribed to the Newsletter, we have contact with team members and a fluid relationship regarding communication. We are always very attentive to potential services and activities that are organized. To all those that generate a clear interest for the company, as was the case of the EC2VC, we attend, either as active participants (as was the case) or merely as listeners.

When we were preparing the Health 2.0 congress, we realized about the EC2VC opportunity. **The objective was to add investors to the round we had open at that time.**

**4. How did it help you (be as specific as possible)?**

**Thanks to eHealth HUB we made contacts with investors who are currently very interested and have analyzed IOMED as a potential investment opportunity.**

**5. Next steps (taken or planned) after having joined the eHH Service:**

After participating in EC2VC the main thing was to **keep active the communication channels that we had opened in the forum with the most interesting investors.** Therefore, there was a work to cultivate the relationship, continue talking with them, keep them aware of our changes, our growth and milestones met. Once we start with a new round of funding, we **will take advantage of the relationship we already have with them.**

**6. According to your experience as an entrepreneur, what do you think exactly makes a difference in discussing with investors?**

When you talk to an investor, **the key is preparation.** I would advice all entrepreneurs (specially those that have just started): "do not even think about talking to an investor before having thoroughly reviewed everything you want to show them. All the details of your business model, your team, your company, business plan, etc. You should have reviewed everything with a consultant or someone you trust in your environment.

The investor will be very strict and rigorous in their questions and if your answers do not meet the standards you will lose them forever.

Another tip is that **if you have to visit investors, start with those that least interest you because they will be your practice area.** Also, if you have someone from your environment or an entity such as the eHealth HUB you can access and, informally, simulate meetings. **You must do it a million times before facing the real situation.**

Finally, we would like to thank you for the initiative because it is really useful to keep updated in the ecosystem.

**Startup contacts:** <https://iomed.es>



### **1. Can you start by giving a little background info about yourself and META Ventures?**

META Ventures is an international fund manager specialized in early stage investments into high growth companies. With over 20 years of experience in fund management and running private-public financial instruments, MV has invested in more than 200 companies in Italy, Poland, Slovenia and the Netherlands. As a general partner of META Ventures, I have a track record in co-investing in the healthcare sector with Business Angels in Italy and Europe. I am Board Member and Observer of several companies specifically those with Business Angels co-investors such as **Biogenera** (Pediatric Oncology), **Angiodroid** (Medical device) and **Cellply** (Diagnostic Platform)

Since 2015 I have been a member of the Venture Capital Commission at AIFI – the Italian Private Equity and Venture Capital Association and I have been involved in business plan competitions in universities in Italy and abroad.

Since 2011 I have been focusing in the management of coinvestment funds with angel clubs and other early stage investors, targeting at SMEs in different sectors.

### **2. You review a lot of tools and solutions every year. In a startup pitch, what is more likely to draw your attention and pick your interest?**

Looking for investors is the entrepreneur's version of job interviews. Investors are not investing in a business simply because they believe in the entrepreneur vision (though I do have to believe in it to invest!), they are investing into a business to make profit. Having promising margins is going to be the best way to impress investors but having the numbers themselves is not everything. They have to be presented in a pleasing, professional manner as well.

I like to see longevity and a growing marketplace full of consumers. Investors want to see that their money is going to keep working for them, so entrepreneur should look to show them that his business can help them do that.

A successful business has a clear vision and a problem that they aim to solve with their products or services. This problem should be something that affects a large group of people, as a niche problem will have fewer business opportunities or room for growth. But regardless of the size of the target market, it's imperative to have a clearly defined problem and a product that promises to solve it.

Having repeat customers is a good sign of a successful business, in addition to this, having personal connections with customers through all avenues is always a good sign to attract potential investor. Prove to potential investors that the product/service has loyal fans that will always be there for the brand!

### **3. what would you consider a red flag, the one thing that tells you "I don't want to investigate any further"?**

Investors don't make money until there's a liquidity event. That's why we always talk about exit strategies. You can have in front of you the world's happiest, healthiest, most cash-independent company, but investors won't be happy until you get them cash back. The win is getting money back out of the company in a reasonable length of time!

If it's not scalable, forget it. The real growth opportunities are scalable. It used to be products only, but now there are some scalable services, like web services, for example. But if doubling your sales means doubling your headcount (that's called a body shop), then investors aren't going to be interested.

If it's not defensible, it's tough going at best. if anybody can do it, then investors aren't interested. Of course, there are always exceptions.

### **4. Through META Ventures you already made a few investments on eHealth companies. Can you say a few words about what made you choose these companies you invested in?**

Investors and founders should share the same vision and must have the same expectations or, at least, they should be able, from the very beginning, to find a common way to align their own interests. Because of that it is crucial to select the right team and the best CEO.

The team was always the positive factor both in Angiodroid and Cellply together with a sustainable and scalable business model:

- Angiodroid has developed and patented an innovative medical device for peripheral interventional angiography based on carbon dioxide controlled injection. The company is the first one substituting traditional iodinated contrast media in angiography procedures eliminating all related side effects associated with renal or diabetic vascular disease.
- Cellply has developed the first diagnostic platform to predict the efficacy of the therapy.
- through the ex-vivo analysis of pharmacological response of patient cells and tissue.

# 4

## Find (and be found by) investors in the Digital Health sector





# Find (and be found by) investors in the Digital Health sector

## How to Look for an Investor

**If you are looking for an investor in the digital health sector we can help!**

The eHealth Hub Platform maps different types of European actors active in the European eHealth sector: SMEs, investors, healthcare organizations, legal and regulatory service providers, pharmaceutical companies, business supporters.

The Platform supports eHealth SMEs to easily identify relevant investors per geography or investment stage. As an added value, it also supports investors (eg. Business Angels and Venture Capital funds) to identify suitable co-investors based on their track record.



**EHEALTH HUB PLATFORM**

**Join now more than 2000 stakeholders!**  
**Go on-line and register on website**



“ This quick scan tool saved us several hours doing research and gave us a quick idea on which were the European investors interested in eHealth ”

Josep Carbó - Mediktor



“ If you are active in digital healthcare in Europe, be sure to have your organisation profiled on the eHealth Hub platform ”

Marc Lambrechts - Senior Investment Manager, Capricorn Venture Partners



“ Fantastic tool for solutions scouting. Sometimes it is not so easy for us healthcare professionals to know what's in the market. ”

Gorka Sánchez - Innovation Manager, Servicio Murciano de Salud

## ● What's the added value of the platform?

### ● eHealth SMEs can:

- identify their most suitable potential investors more easily;
- gain visibility among investors that have explicitly stated their interest in digital health;
- save time by connecting only with those investors that match their funding needs.

### ● Investors can:

- meet interesting co-funding opportunities;
- be informed on what is going on in the eHealth sector;
- gain visibility and recognition in quality of top performers, increasing their reach.

### ● Other stakeholders can:

- spot potential vendors;
- get in touch with relevant expertise;
- identify what are the relevant trends.

## ● While looking for potential investors, keep an eye out for these variables; the more of these your prospective investor has, the better off you will likely be as a founder.

1. Has a great network. The biggest value-add that an investor can bring to the table is their network. The larger their network, the more doors they can open.
2. Has a great brand name. This helps with introductions.
3. Has sufficient levels of capital to support the company. It is a good thing to have an investor who can invest in a company throughout its lifecycle.
4. Has sector expertise. One way that investors can differentiate themselves as a top-tier investor from the usual suspects is by having focused experience in your sector. This is because they will likely have a large network in their sector of expertise.
5. Has deal experience. It really helps to have someone who has gone through the process before and can help smooth things out between all parties involved if needed.
6. Has a big vision. This means not only having an attitude of can-do vs can-not, but also having the experience to coach founders through this type of thinking.

## ● What is the best way to know where if you are dealing with the right investor? Do your research.

1. Historical Research—on CrunchBase, AngelList, Dealroom, eHealthHub platform etc. Find out what they've done, who they've done it with, and how they've done it.
2. Portfolio. Research their portfolio of companies and see if you know any of the CEOs of those companies; if you do, or know someone who does, have a chat with them to understand how the fund works and how their investment decision process works.
3. People. Research the partner and associate that you will be talking to. The more you know about them, the better you can tailor your message to their area of investment interest. You also want to get a feel for whether you want to work with them in the first place!
4. Competitor. Find out if they have invested in your competitors.
5. Find out how old their fund is, as older funds will likely be less willing to take very high risk investments or might be out of cash entirely.

# 5

## Three things to remember if you want to raise money



# Three things to remember if you want to raise money

To conclude this eHealth Hub guide, we would like to highlight the 3 key things to remember for any European entrepreneur in the digital health field willing to raise money:

## Data are important as much as your startup

Digital Health is a tricky field. Establishing how much interest there is for your offering, as well as how much people would pay for it, how long they need your product or service, and how you might build a customers' base, is necessary for most investors.

Surveys, studies, and focus groups are all good ways to gather this data, but one to one interviews with people who've already bought into your concept (eg. doctors, hospitals, insurances) and share the same problem can also yield great information.

Having a great idea is the first step to startup success, but it can't be the entire foundation. If you want to succeed in the digital health landscape, you need to learn about the market, and prove there's demand for your idea. Without these things, you can't succeed, but with them, you just might.

## Don't look too much at the success stories media are highlighting

Most new businesses and startups fail. So, don't fall victim to sensationalized stories in the media about billion-plus exits or news of companies raising astronomical amounts of capital. Success doesn't come overnight.

Raising capital should not be an end goal, but just one step in the journey.

## Don't worry about failures

Everyone gets rejected. You can easily find on-line thousands of stories of both large and small companies facing rejection in one form or another -- whether it occurred in raising funds, acquiring or retaining customers, hiring rock star employees or negotiating acquisitions. You just need to pivot!



# 6

## Need for more support?



# Need for more support?

eHealth Hub stands for European SMEs and startups in the digital health sector.

We know that raising capital is a tough journey, and that when dealing with Investors (but not only) there could be several issues to be assessed. For this reason, we designed a suite of ad-hoc services for entrepreneurs.

## Legal support:

The aim of the eHealth Hub Legal Network is to offer good quality, affordable legal advice for eHealth SMEs. SMEs first submit enquiries to the legal service. A dedicated professional will then contact them in order to assess their legal needs and suggest partners within the network who may be able to help with paid-for legal assistance. Selected legal advisers will be specialized in those areas SMEs require assistance with.

In case of legal issues related to UK or Dutch law, the eHealth Hub legal network may be in a position to help for free, subject to capacity. eHealth Hub also delivers free workshops detailing current legal issues of eHealth SMEs interest.

By joining the eHealth Legal Support service, SMEs gain assurance of high quality legal service related to sector-specific challenges they are facing.

## Regulatory guidance:

Obtaining CE certification and reimbursement for innovative medical devices are crucial challenges that have to be met by digital health SMEs. eHealth Hub Regulatory Network helps European eHealth SMEs to be compliant with regulatory requirements and develop reimbursement strategies across the EU.

Through a network of European experts in medical device regulation and reimbursement, the service supports SMEs in obtaining market authorization and market access. Regulatory service is not free of charge: SMEs will negotiate the conditions with the regulatory service provider.

With our support SMEs can:

- overcome challenges in CE certification and reimbursement;
- develop and commercialize new medical devices in various European countries.

## Don't worry about failures

Everyone gets rejected. You can easily find on-line thousands of stories of both large and small companies facing rejection in one form or another -- whether it occurred in raising funds, acquiring or retaining customers, hiring rock star employees or negotiating acquisitions. You just need to pivot!



**WANT TO GET IN TOUCH WITH US?**



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