

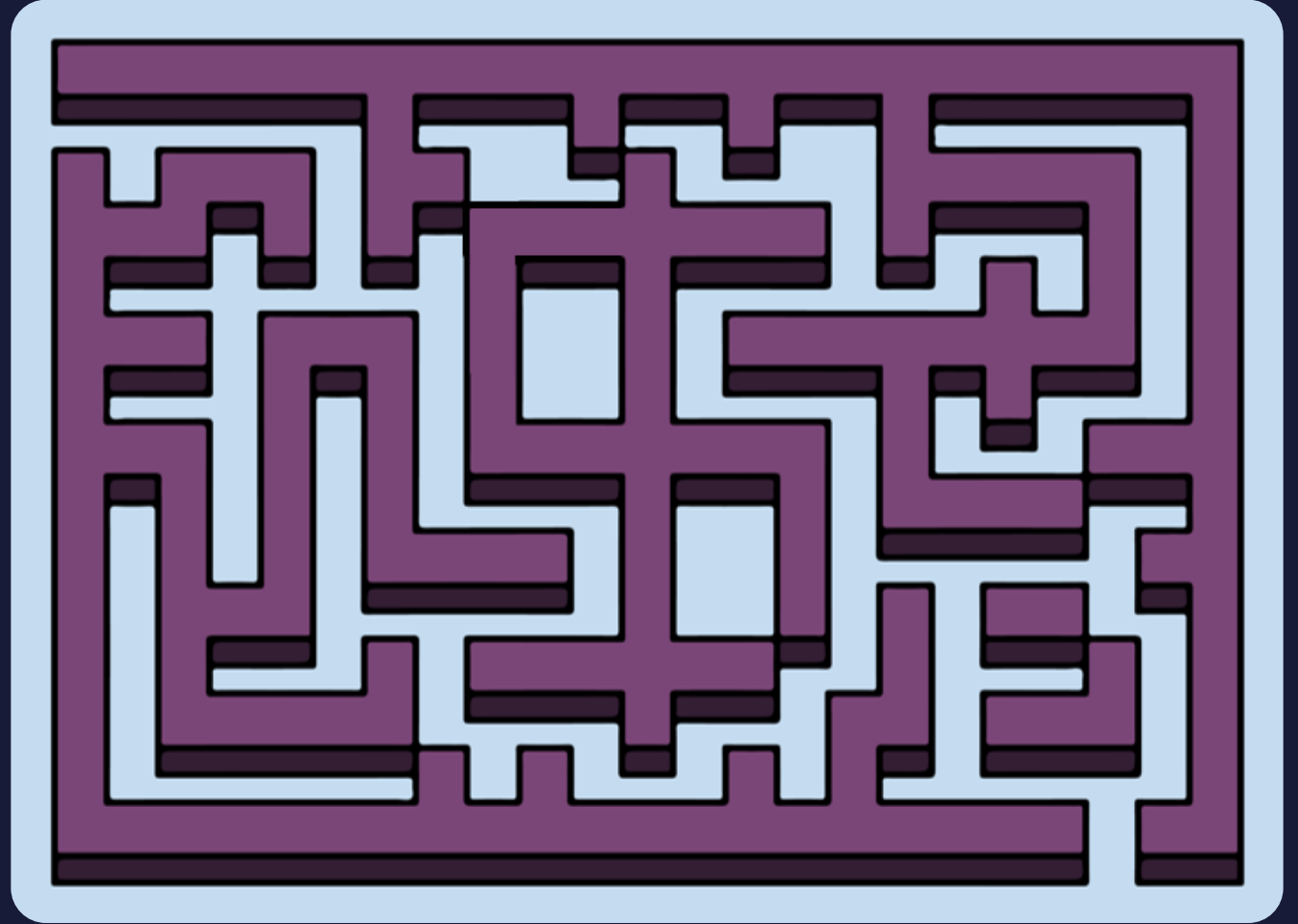
Healthcare Debugged

An Export Growth Engine for health tech scaleups

How Norway can build an export
growth system for its emerging
health tech sector

October 30th 2024

healthcaredebugged.com



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Concept outline for developing a health tech growth engine

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Situation & objectives



Increase healthcare export by building on Norway's strengths

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Growth engine framework



Create a system that empowers CXOs to pursue global growth

Become a leader in health & expand global footprint

Situation as we understand it

Initial situation

- Norway is aiming to significantly boost its healthcare industry's export and development
- These initiatives aim to position Norway as a leader in sectors where the country has competitive advantages:
 1. Health innovation
 2. Digital health
 3. Sustainable pharmaceuticals
- Nordic healthcare companies have significantly higher margins compared to global peers, and are strong in digital and sustainability

Key goals include (non-exhaustive)

Double healthcare export revenues by 2030, to NOK 50bn

Focus on key markets: Europe, North America, and Asia

Public-private cooperation to boost innovation and market reach

Leverage digital health solutions and innovative technologies

Branding and marketing to enhance global awareness



Understand health tech CXOs critical challenges

Based on 20+ interviews with Nordic health tech CXOs



Health tech requires highly specialized knowledge

Based on 20+ interviews with Nordic health tech CXOs

Market access	1	Regulatory wall	New MDR regulations are very challenging to the industry, specifically for small and medium sized companies
	2	Reimbursement	Reimbursement is not aligned with digital health policies, and slow to embrace innovation
	3	Pricing strategy	Very complex to define and get buy-in for clinical benefits and transfer to pricing models
Commercial	4	Long sales cycle	Lengthy and resource intensive procurement processes, ranging from 6-12 months
	5	Securing capital	The next funding round will be harder then the last one – Especially for hardware companies
	6	Geographic expansion	Difficult to scale internationally due to very different healthcare contexts, and risk of late mover disadvantage

Focus of this document

Reasons young companies postpone expansion

Challenges related specifically to geographic expansion

Incentives &
market knowledge

I Local market focus and risk aversion

- Historically Nordic companies lag behind their global peers in revenue growth and global scale
- Different factors contribute to this, among others a strong local support structure and buying power

II Difficulty understanding the opportunity vs costs

- CEOs need real world market knowledge, beyond reports – Ideally primary research (access to KOLs)
- Geographic expansion requires significant investments and should be based on valid data

Run local
operations

III Lack capacities to run expansion operations

- Most companies find it difficult to commit operational capacities to expansion efforts
- Constitutes a huge challenge for leadership team and demands their fullest attention

IV Lack of trusted service providers and interim management

- Scarcity of good professional services providers for young growth companies (price related)
- Very difficult to identify high-value and trusted service providers for foreign markets

Create an “export system”, not just an impulse

Key objectives

Objectives	Description
a Build lasting capabilities	<ul style="list-style-type: none">• Internal teams to support companies with market research• Hire junior staff for primary research and local activities
b Establish an infrastructure	<ul style="list-style-type: none">• Create “home ports” consisting of university hospitals and clinics• These provide advice, expert networks and testing grounds
c Leverage AI & digital tools	<ul style="list-style-type: none">• Comprehensive knowledge database accessible to all companies• AI tools that help companies conduct research on key geographies
d Validated network of service providers	<ul style="list-style-type: none">• Formalize service packages with selected service providers• Including CROs, regulatory agencies, strategy consulting, etc.

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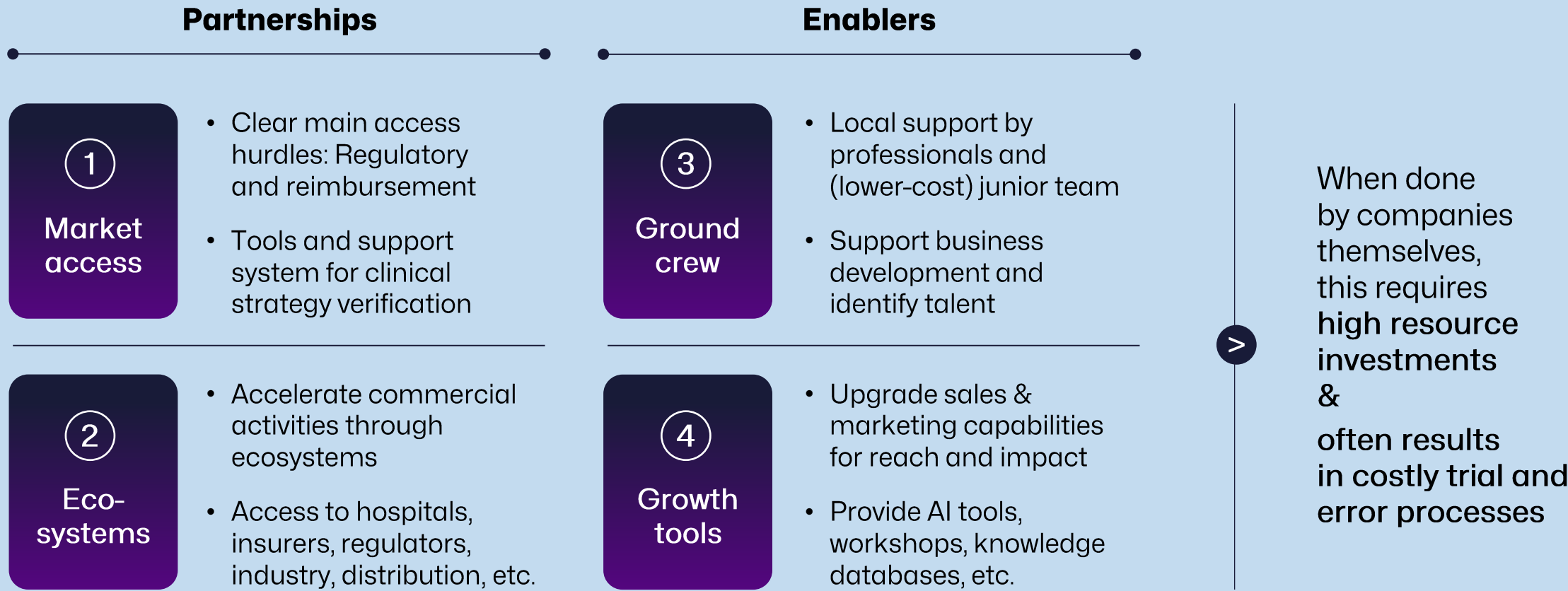
Growth engine framework

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Create a system that empowers CXOs to pursue global growth

Four capabilities to tackle CXO's growth hurdles

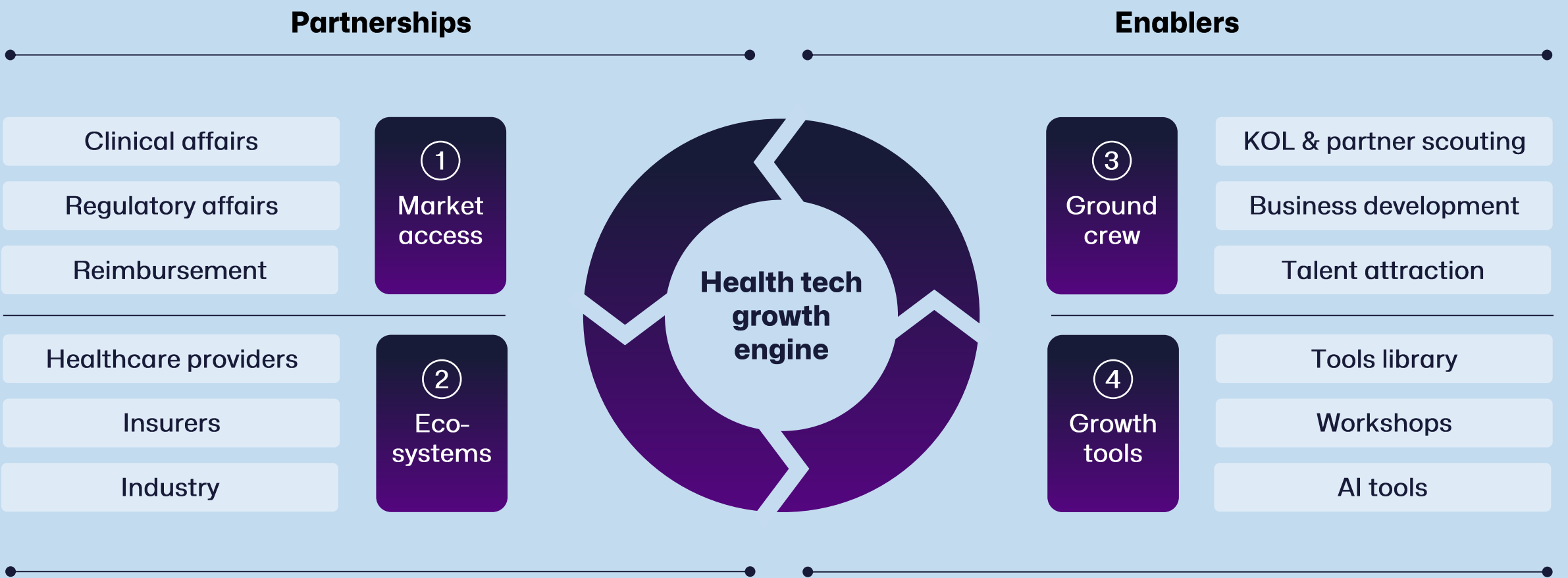
How Team Norway could accelerate export



Market access in healthcare incorporates 1) regulatory clearance, 2) clinical evidence required and 3) path to reimbursement – This is needed to gain “access to payers/providers”
Sources: Interviews with 10+ Nordic Health Tech CXOs (primarily with growth companies) – This needs to be widened to cover challenges of established industry players

Building a health tech growth engine

Growth engine architecture

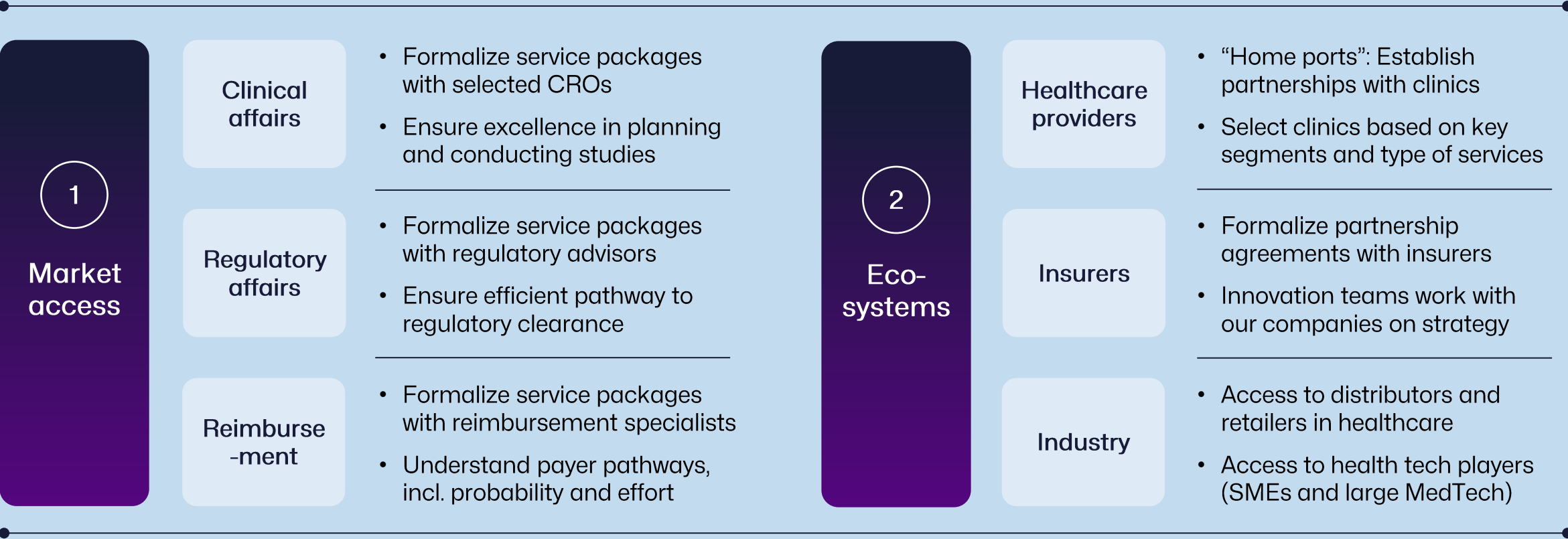


Guide companies through a complex maze

Partnerships

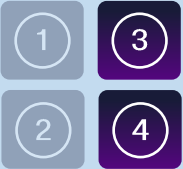


Partnerships

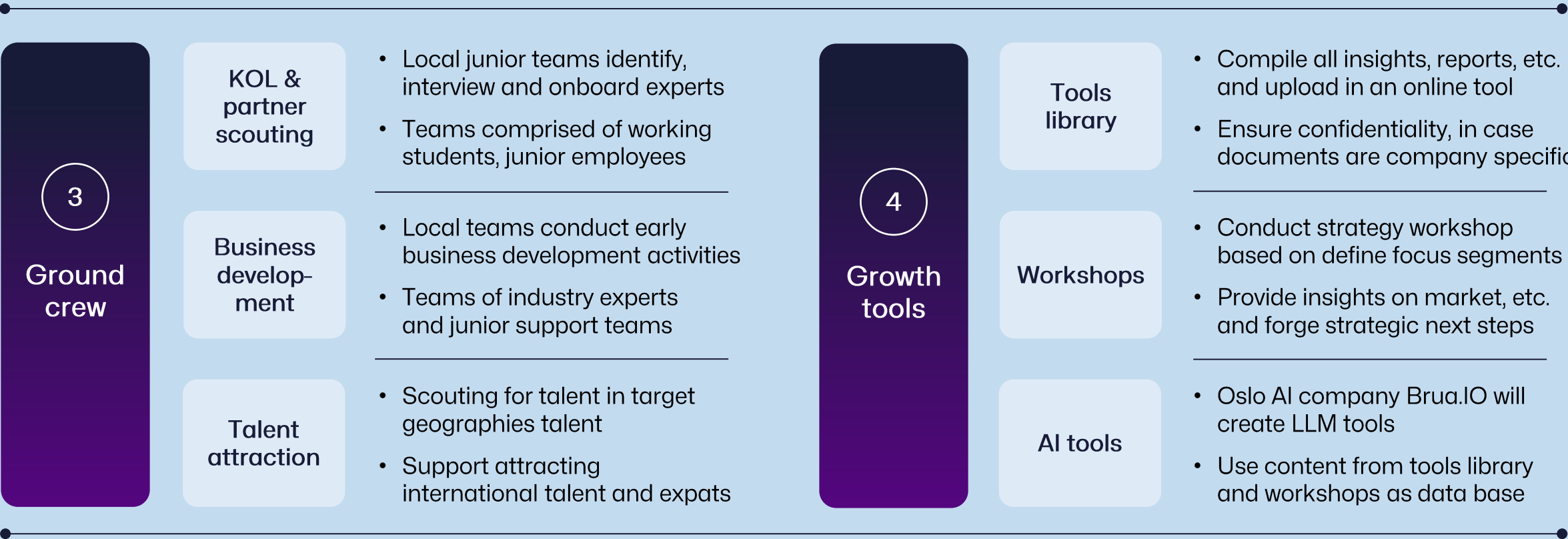


Equip companies with go-to-market power

Enablers

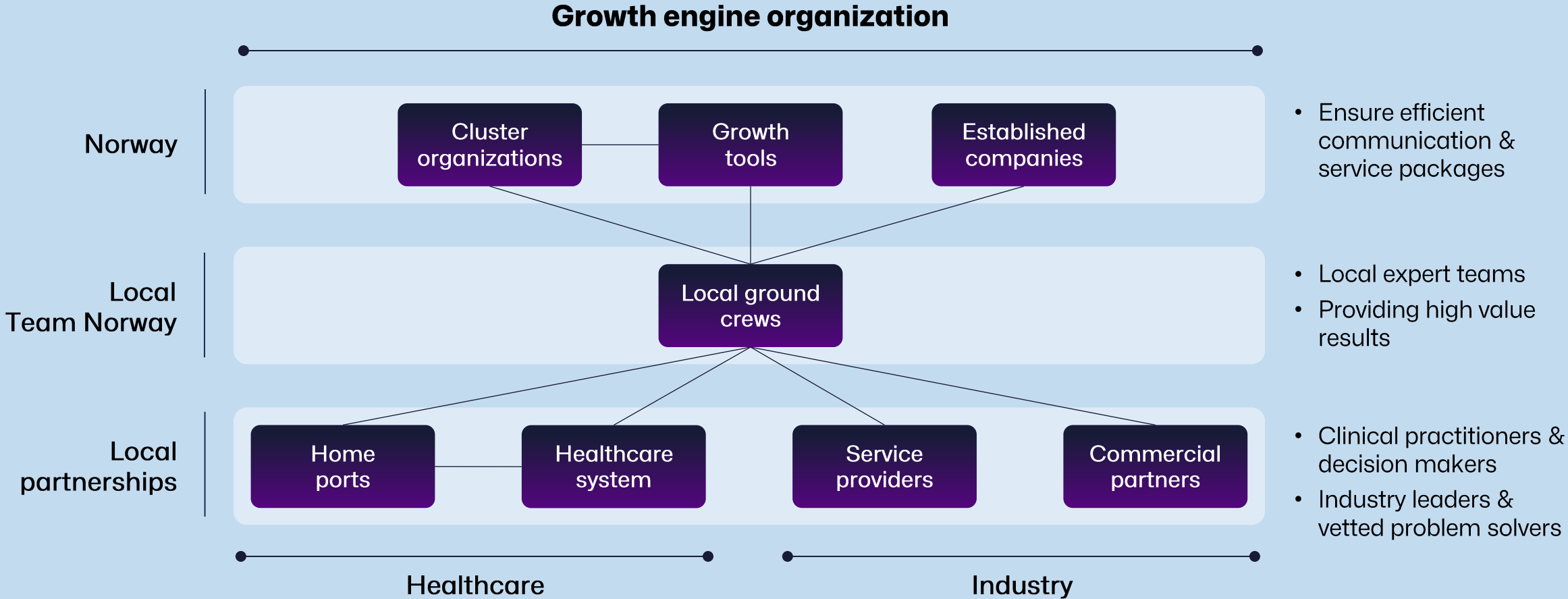


Enablers



Ground crews are central for building the engine

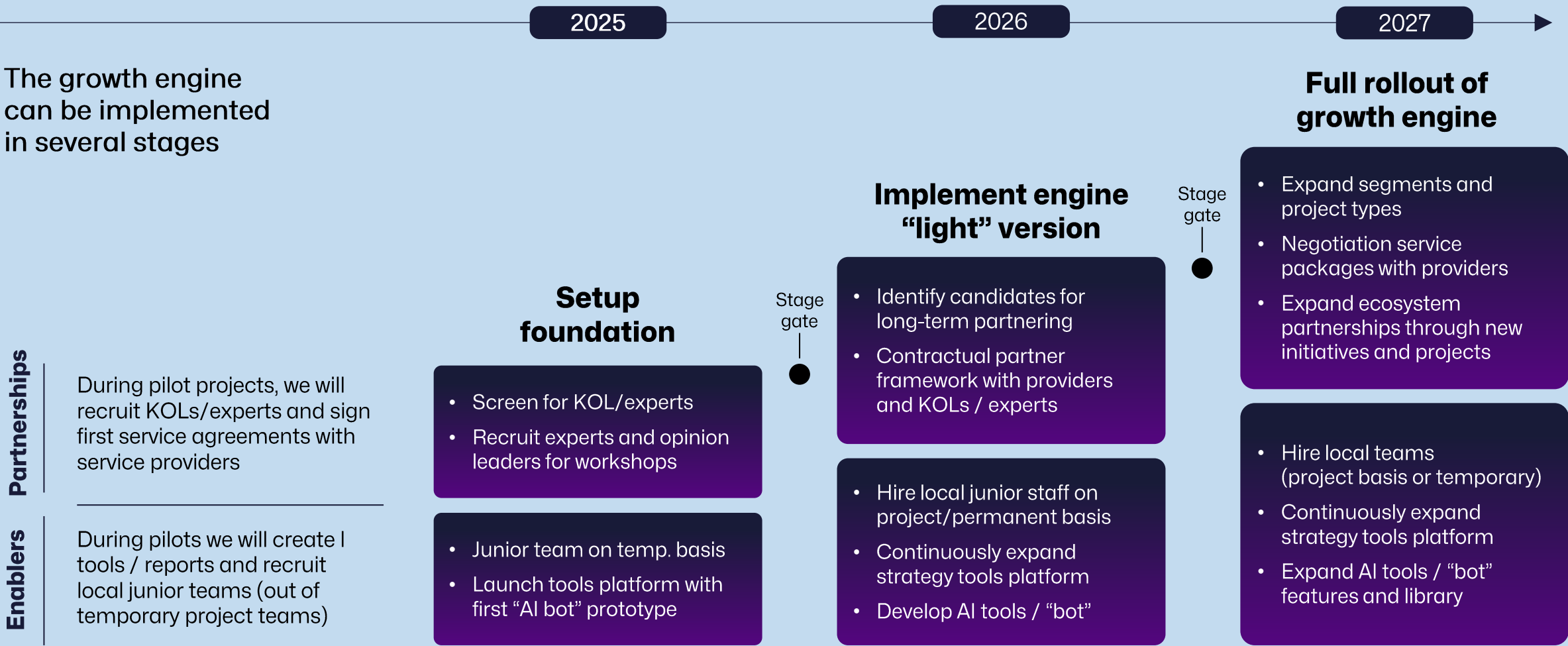
Target organizational structure



This is still work in progress and constitutes a draft – Actual operating model and roles will be defined in inception phase

Start by setting the foundation for the engine

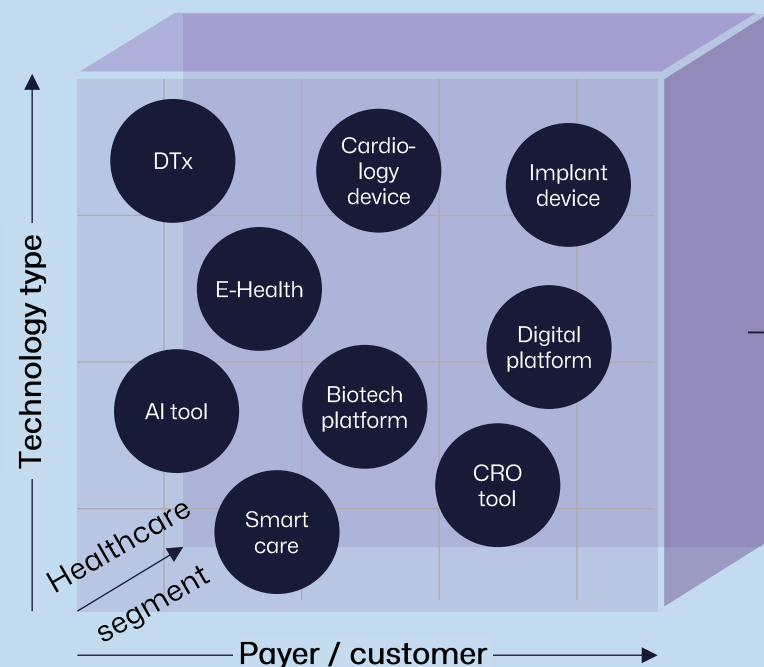
Implementing the growth engine



Prioritize groups for defining shared capabilities

Define groups based on operational level and customers/payers

Grouping based on 3 dimensions



Derive strategic groups

Digital health

Digital health outpatient services targeting doctors (B2B) and/or patients (B2C)

Inpatient services

Healthcare technology / inpatient services targeting hospitals as the primary audience

Elderly care

Elderly care targeting nursing homes/care services (B2B) and/or caregiving relatives (B2C)

Don't be a stranger!
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