

Why partnership, not profit, is key to landing health tech investment in 2023

As European VC deals hit a three-year low, competition for startups seeking funding has significantly tightened. VCs are focusing on portfolio companies and taking fewer risks with new ventures. Those who are making new investments are looking for watertight evidence of reliable routes to long-term, sustainable revenue and growth.

Demonstrating this is vital for health tech startups looking to secure investment in 2023. But how can this be achieved? The answer lies in one of the greatest pillars of successful health tech innovation: building meaningful partnerships with your customers.

Strong, collaborative partnership sits at the root of every stage of health tech product delivery: from ensuring your solution effectively addresses the range of challenges healthcare workers are experiencing, to navigating complex procurement processes and providing end-users with comprehensive implementation and onboarding support. Partnership can ultimately make or break the success of a health tech solution. It is an inimitable indicator of long-

term potential impact, growth and success.

Prioritising partnership has been at the foundation of our work at *Patchwork Health* since we launched in 2016. It has helped us grow to support over 100 UK healthcare sites and successfully secure £25M in funding to date. This investment is enabling us to continue working with our existing partners to strengthen and evolve our product, while expanding to support a growing number of healthcare teams across the UK. Below, I share the key ways that have helped us to build and demonstrate strong, successful partnership, to fuel growth and land VC investment.

1. Create a culture of genuine collaboration

Health tech solutions fail to have impact when designed and built in silos, and without the wider input of clinicians and end-users. Cultivating effective, consistent collaboration is therefore crucial. Demonstrating a commitment to engaging with key stakeholders throughout your entire product development process – and ensuring their needs are consistently addressed and met – will not only increase the success of your solution in the short-term, but will help signify long-term potential to investors.

At *Patchwork*, we *prioritise collaboration* by working closely with end-users from day one, to understand the nuanced pain points they are facing and ensure that these are reflected in our solution. Consistent communication with our partners helps us to stay dynamic and adapt our solution to ensure it remains effective over time. By instilling this culture of collaboration in everything we do, we've been able to reliably prove the sustainability of our product growth. We have channelled this same level of collaboration into the partnerships we've formed with our investors, too – working together to optimise our solution and ensure it continues to deliver genuine, targeted impact.

2. Celebrate your current customer champions

In an increasingly competitive and crowded market, it's impossible to overstate the power of your existing customers' voices to help communicate the value of your product offering to prospective partners. This is particularly important in

healthcare, where high patient risk understandably means evidence of safe, successful adoption elsewhere carries even more weight for those in charge of procurement.

Celebrating your existing customer “champions” will help you to showcase the impact of your product and the effective collaboration you are able to build with your partners. Engage with these customers to gather consistent feedback and data on the impact your solution is having. This will enable you to prove the safety and value of your solution, and identify any areas for further development or improvement. Presenting these in an open, collaborative and transparent way will help you to strengthen your existing partnerships, while unlocking trust and belief in your offering from prospective customers and investors alike.

3. Present a clear road-map to scale

Demonstrating that your solution has the ability to evolve and adapt to deliver impact on a much larger scale is a vital indicator of how sustainable your routes to revenue and growth really are. Making your path to scalability as clear as possible, with an honest appreciation of the challenges ahead, will help you gain the confidence and trust of investors in your company’s long-term potential.

Make sure you can confidently answer the questions investors will inevitably be asking. How well can your solution be adapted to meet different and evolving needs? What onboarding and technical support are you providing to end-users to ensure a quick, smooth implementation? And how well positioned is your team to respond to the growing pains of scaling and expanding to new products and markets? Presenting a clear roadmap of scalability will help investors envision and trust in your future value and delivery, helping you secure the investment needed to continue delivering impactful solutions for your growing customer base.

For health tech innovators, securing funding in an increasingly competitive market means investing in strong, sustainable partnership. Providing investors with a clear map paved with consistent collaboration, buy-in and proof of scalability will help demonstrate that you have the resources, talent and momentum to drive long-term, real-world success.

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