



Sweden & the Netherlands – a dual first market for digital health

#dualmarketentry

Swedish start-up companies with solutions for digital health often see the Netherlands as their first foreign market, and vice versa. Some start in both markets simultaneously. We are promoting the idea of adopting a dual market entry strategy and provide the rationale behind entering both the Netherlands and Sweden at the same time for companies in digital health.

Rationale

There are a number of strong reasons why Sweden and the Netherlands are a good place to start as primary markets. Both countries have a high degree of digital readiness in healthcare, have a good market size and culturally, the Swedes and the Dutch collaborate easily. In addition, the procurement systems differ between the countries. In Sweden the regions are responsible for procurement and use public tenders, whereas in the Netherlands hospitals and insurance companies procure directly. A dual market entry will allow companies to test their business models in two compatible yet different markets.

The main reason for going into two markets instead of one at a time is the time it takes to get in contact with and bring the right key opinion leaders (KOLs) on board, and where applicable get the products reimbursed, while de-risking the market entry in one country alone. A further advantage is that there will be increased sales at an early stage.

Start-ups can execute the dual market entry strategy by designing early tests and undertaking clinical trials in both countries from the beginning. This will bring a greater understanding of how the device will be used in two different healthcare systems, minimizing the risk of profiling the offer for one country only. By setting up clinical trials at sites in both countries and linking both Swedish and Dutch KOLs to the company, product awareness will spread more quickly.

All of this will speed up market entry, and market validation in two different procurement systems will be achieved very early once getting the CE mark.

Target medtech companies in digital health

The target group is medical device companies in digital health preparing a market entry strategy and planning regulatory work, 1-2 years before becoming CE marked. This means also targeting incubators and science parks helping these start-ups. Regulatory or clinical trials consultants are also likely to be among the first external stakeholders to come in contact with the companies.

The predominant argument why companies tend not to go into two countries at the same time is a lack of resources. For a medical device to get a CE mark under MDR, proper finance is required. The product is validated clinically and the time to market is critical. Since digital devices have a relatively short life cycle where updates and upgrades are required, market penetration needs to be swift.



By subscribing to this idea of dual market entry, the digital medical device companies will benefit by lowering the market risk and increasing early sales. When seeking capital, this narrative should increase the attractiveness of the company for investors.

Executing the project

The platform will be a network where many different initiatives run under the same hash tag “#dualmarketentry”. This narrative will be brought forward by organizations in Sweden such as Business Sweden, Swecare and VINNOVA and in the Netherlands by Taskforce Healthcare, Health~Holland, Netherlands Foreign Investment Agency (NFIA) and Netherlands Enterprise Agency (RVO).

Service providers from both the Netherlands and Sweden, national and regional agencies, science parks and incubators will be approached to hold seminars, breakfast meetings and the like, promoting the hash tag and providing information about the initiative. Any company or organization can use #dualmarketentry with the narrative described in their own marketing.

Start-ups will need greater assistance in market access in both countries, as well as in the design and running of clinical trials there. Service providers should see “#dualmarketentry” as a benefit to their own company since it will generate more business. This should also encourage service providers in the Netherlands and Sweden to collaborate and to get customers from both countries.

Win-win-win

If companies subscribe to this concept there will be many winners. The digital medtech companies will greatly improve their chances of a successful market entry, investors will see their asset grow faster, service providers will generate more business, patients and the healthcare system in the Netherlands and Sweden will have better access to the latest technology.

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Björn Ursing, PhD

Senior Project Manager Life Science & Health

Embassy of the Kingdom of the Netherlands