



Preparing Your Business for Global Expansion

WTC Twente - Jan W. Temmink - November 2th, 2023

MedTech Twente Week- Business Day

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Trade Associate World Trade Center Twente + owner of CMP bv

Core-activities: **Business Development - advice + hands-on**

Experience in medtech / BtB, **core focus Germany < DACH**

Two recent projects:

- App + online tool + database for breast cancer therapy (measuring movement / work-out during therapy and afterwards)
- HMDL – Head Mounted Digital Loupe / a digital surgical loupe (inkl. 3D-Viewer) with many applications, e.g. E-Learning

At the moment: travel bag for medicines



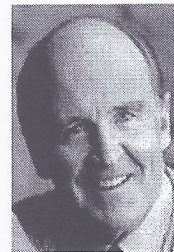
Basic requirements before starting the market entry

Successful market validation: e.g. there is a clear market fit based on 1. TCO, 2. sustainability and 3. scalability

100% Focus on PMC (Product-Market-Combination) and it's **DMU** (Decision Making Unit) - CE, MDR vs. FDA-approval is finalized!

Planning, budget and commercial objectives are aligned

The added value proposition is **CONVINCING!**

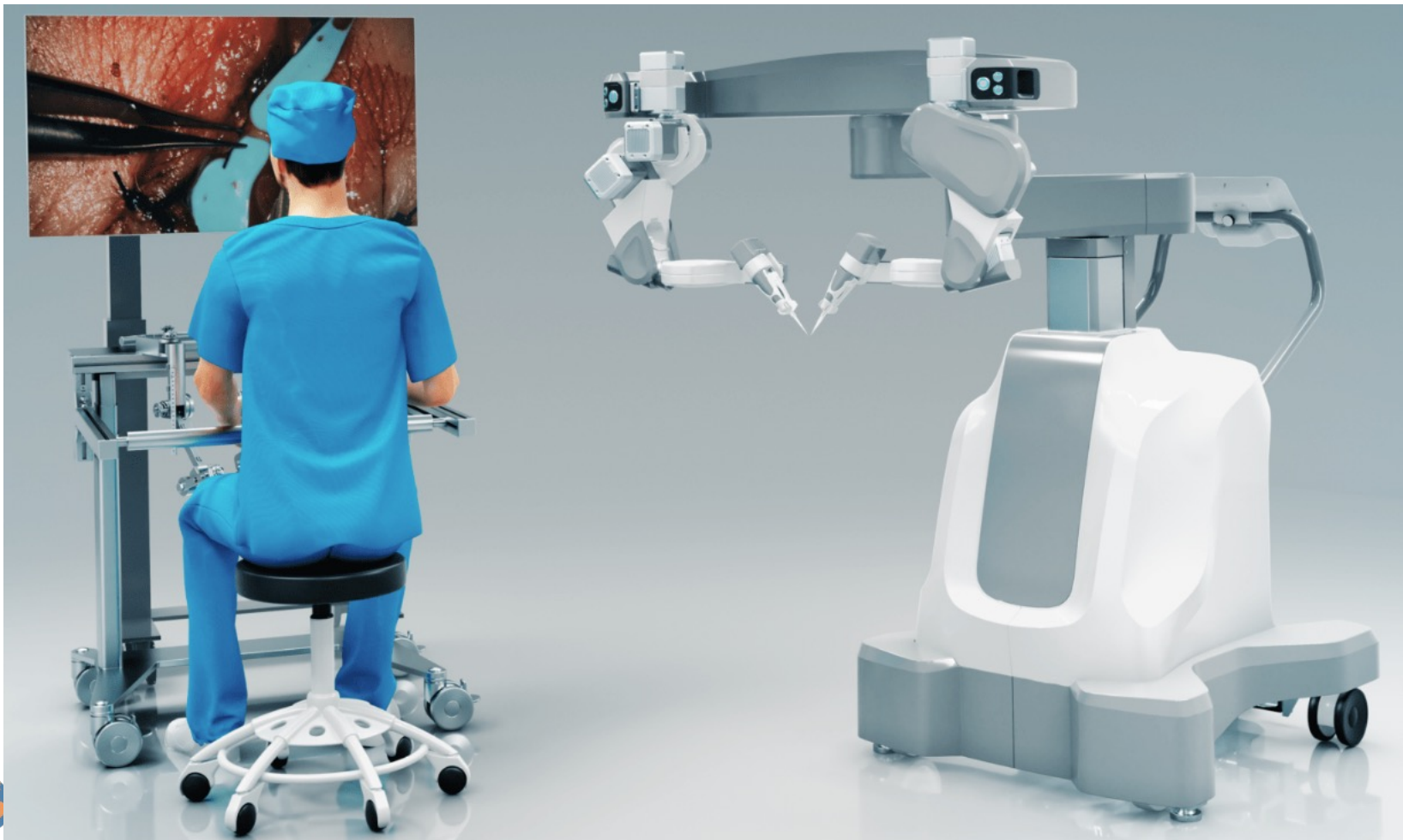


"If you don't have a competitive advantage, don't compete"

Jack Welch, GE

Market Entry Strategy - A CONVINCING example

Microsure - MUSA-3 - a microsurgical robot



Market Entry Strategy - Advantages medtech

* Language

- R&D-activities are fully focused on English
- Commercialising medtech: English is leading in many countries, especially in medtech

* Network

- The medical sector is very specialized: oncology > breast cancer > chemotherapy
- (almost) each bottom line specialization has it's own international network
(e.g. R&D, publishers/press)
- So join these networks!



Market Entry Strategy - Advantages medtech

* Target markets

- Customer data are (easily) available on countries and target groups, e.g. academic hospitals
- Sources: WTC NL, RVO and online search



* Pricing

- Starting bottom up: (bill of) material + labour costs +
- Customer price and margin for reseller > compared with other sectors

Market Entry Strategy - The oil spot principle

Well known market-entry strategy - also for corporates

Product-development together with your launching customer in
.....(country/sector);

Afterwards this customer will be your
reference project for media exposure!

A typical win-win and**all for free!**



Market Entry Strategy vs. HR vs. business-partners

People are doing business with people they

- **know** - reputation in the sector - in general
- **trust** - positive experiences in the past - on a personal level

The fundamental choice for

A	Employment relationship	being in charge in a relationship of authority: you are the boss and you decide concerning all commercial activities
B	Contract relationship	with a business-partner in trade: an independent sales agent, distributor or importer

HR - Employment Relationship

The people you select will be your colleagues:

Company policy is person oriented vs. business oriented:

Person oriented cooperation

Business oriented cooperation

HR - Choosing the business oriented cooperation

Split up:

- research, production, QA, e.g. → **in Holland**
- establish a GmbH as your **German** sales company

Benefits:

Image: your medical device is



Legal: HaF-hire & fire for GmbH-companies with < 10 FTE

HR - Business oriented cooperation - most successful

GmbH is the employer of all Account Managers (max. 9) in target countries

Account Managers are selected (by head-hunting or)
for warm customer contacts with the selected target groups -
e.g. during job interviews: 'Who is Mr. Luis Madero?'



Employment agreement (for fixed term): some warm customer contacts are clearly mentioned

Market Entry Strategy - Selecting business-partners

***Sales agent** - establishes contacts between client company and foreign customer - receives commission

***Distributor / Dealer** - buys and sells for its own account in a region or

***Importer** - buys and sells for its own account in a country or



Market Entry Strategy - The best of both worlds

If the future lead generation is based on:

Online	Focus on employment of Account Managers for target countries
Exhibitions	Focus on contract relationships with importers, distributors or sales agents in target countries

An important parameter: ROAS - Return on Advertising Spend - digital marketing compared with offline

Fundraising



is a dominant success factor,
as with large budgets:

- *you can select and hire the best Account Managers
- *you can present your company on pole position at the Medica, MedFIT or
- *you start the best targeted digital campaigns

What do we learn from Dragons' Den on Dutch-TV?

Fundraising - informal investors

If you can divide, you can multiply too

Make an investment plan based on external investors, e.g.

First investment round for **20%** of shareholder value and
Second investment round for **20%** of shareholder value



As founder you want to stay in charge, buton the long run the EBITDA defines the capital value of **60% shareholder value**

Fundraising - kineo

- flexible asset financing for innovative growth companies
- marketing products as recurring services (as - a - service business model)
- goal: short-term: **accelerated growth** and market acceptance + long-term: **recurring revenues**



Export support by RVO

- SIB collectieve activiteit
- SIB individuele beursdeelname
- **SIB marktentree**
- SIB coaching
- SIB Alternatieve markten (Oekraïne + Rusland)
- SIB Kennis en vaardigheden (juridisch/fiscaal, markt-
onderzoek, **exporttraining**)
- **Σ € 6.500,-- each year**



Communication policy - free publicity

Being the **Number One**



In e.g. ‘database for world-wide Covid 19-research’

All media exposure (online, print, exhibitions, etc.) is for the first (probably the best) application to reduce or

Being **Number Two** means ‘fighting’, perhaps during the entire product life cycle (with extensive marketing costs!)

Just compare the ABBA-song ‘The winner takes it all’

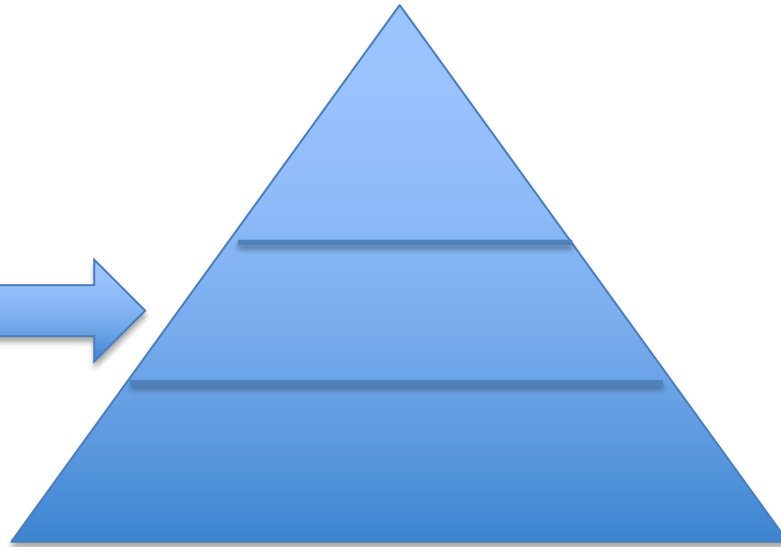
Communication policy - sales cycle

Especially during the productlaunch:

choose medical practices with short sales cycles e.g. lead times;

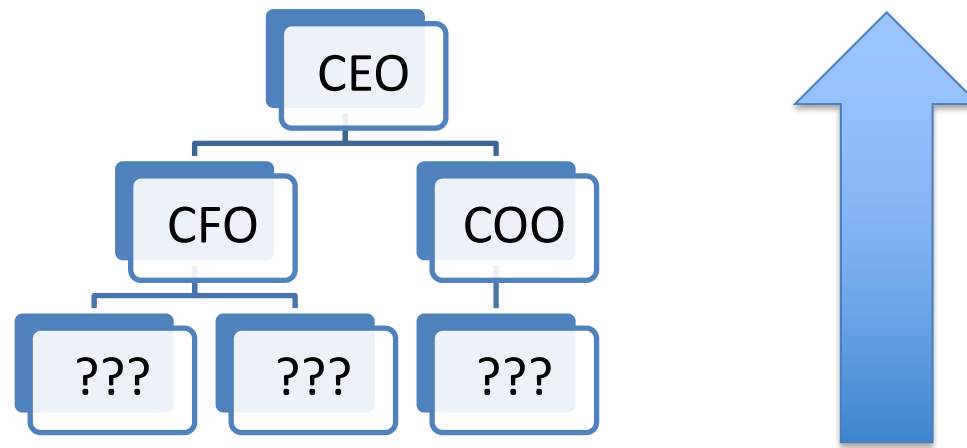
e.g. dentists compared to large hospitals (with several locations).

Prime target
groups



Communication Policy - Decision Making Unit

In IT-software: choose C-level decision makers, because most IT-investments will lead to labour savings; so don't present your application to people who will – after investing - lose their job!



even in times of labour market shortages, everyone fights for his own job!

Communication Policy - latest state-of-art in online

Using 3D- and AR-technology in your own website without any app-downloads - for realtime customer-experience



Statistics: companies using AR have a 41% higher hit rate in the customer journey.

Thanks for your attention

and success in the
international
medtech - business!



Any
questions?



More information about trade services:

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Services for international medtech companies

The World Trade Center Twente gives support to companies in East-Netherlands and The German border area in their international activities and successful expansion to new markets by offering a large variety of services. And the World Trade Center Twente supports foreign companies to find business partners in The Netherlands.



SPECIALISED TRADE SERVICES:

Connecting worldwide **supply and demand**

The WTC Twente supports companies to find quickly trustworthy trade partners. Within our large regional and international network we have access to the most recent information about local markets and the right and reliable contacts.

