

SPOTLIGHT on INTERNATIONALISATION



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What is the 'secret sauce' for successful internationalisation?

You need validation, you need to do research, and you need to show that clients absolutely love your service. You need to show numbers that this product is needed and used. In our case, experience first in Estonia and validation experience in Lithuania has helped us to bigger markets such as Germany. On one hand, healthcare is very local, but on another hand, the human body is the same clinically around the world and also doctor practices are kind of the same!

First step towards internationalisation. Young start-ups struggle in establishing an internationalisation strategy, based on the available resources. What would be your tip to them, to maximise the impact of their actions?

Having an internationalisation strategy at a very early stage is important. Healthcare is very complex and building something takes much more time than in other sectors. Internationalisation could be further away, but at the same time, one needs to understand international markets. If the problem you are solving is in your home market, then it doesn't necessarily mean that it is in the other markets as well. You need to make sure that you establish well on your home market by picking the lowest grapes first and then get going. At the same time, you should build your product in a way (it goes especially to digital products) it will be ready for internationalisation.

Every healthcare system is different, and that's why the understanding of different markets is significant. It is difficult to go to several foreign markets simultaneously, so picking the right ones is very important. Going to other markets means many activities – it means you have local language issues, finding partners, legal issues, etc. The first foreign market could be smaller and more similar to your home market or bigger and more complex.

Plusses for approaching smaller and more similar markets include the fact you can test out internationalisation on a smaller scale. You can ensure that everything is set for larger markets (e.g. your support management, data management and legal compliance).

The time period for market access might be very long, so if you select too small of a market and take a lot of time and resources, it might not be worth the investment. Thus it might make sense to go first to a big and complex and high-risk market, but also a highly rewarding market in the long term. Depending on the specific case, depending on the particular solution, service or product you are providing, this criteria needs to be taken into account.

Hand-on experience. Could you please summarise the internationalisation activities of your company in few sentences?

Our experience was that we first targeted a smaller and more similar market to our market – Lithuania – and we gained the relevant validation that our product could be used in a number of different markets. So we were able to internally understand what going to another market means and what could be standardized steps of going to other markets. We also gained validation that we could use for raising investments by showing that this product CAN be launched to another markets as well. Estonia is a quite small market and home market doesn't give the full validation of the need of the product as it is easier to operate. So going to another market shows whether this product is needed or relevant.

For our product, we approached other markets first with the private paid business model and this worked in Lithuania, but it initially didn't work in Germany. So in Germany we started to find partners to approach insurances. Finally, we opted for the public payment model. It is not self-evident that higher income countries have lower readiness for private payments. Statistics show that the lower the government spending on healthcare, the higher the share of private payments. This can be the initial way to get to the market and get the product going, but in long term in especially in Europe long term benefits of different digital solutions come when insurances reimburse them.

The logo for dermtest, with 'derm' in green and 'test' in blue.

About Dermtest

Dermtest is a digital toolbox for skin and wound care. Dermtest provides a complete medical photo management toolbox, enabling quality care and asynchronous patient-to-doc and doc-to-doc telehealth. The toolbox includes decision support and patient outcome capturing functionalities. Dermtest has been built by doctors, nurses and Estonian digital health experts, covers 100% of Estonian regions, operates in 4 countries, has 55 clinics and hospitals as users and has provided 15M of value to public insurances.

<https://www.dermtest.com/en>

About CELIS Project

CELIS project combines some of the world-class life science ecosystems in Europe, where cross-sectoral fertilisation has given rise to promising new technologies and products, resulting in new value chains. The project builds on the existing Health Axis Europe Alliance, with the aim to professionalise and expand this inter-regional cooperation and increase its impact, especially for SMEs among their members.

<https://www.health-axis.eu/celis>

CELIS project can support the development of new international cooperation through travel vouchers (up to 1 100 Euro), within the so-called ClusterXchange. We can help you navigate through the process and application.

More information: <https://clustercollaboration.eu/clusterxchange>