

# INDUSTRY PERSPECTIVES: WHAT WILL DRIVE GROWTH IN THE EAST MIDLANDS' HEALTHTECH SECTOR?



**TANK**

## **The UK's HealthTech sector is booming – generating £34 billion in 2022 and employing more than 150,000 people, often in high-quality jobs.**

It's already transforming how health care is delivered as demand for solutions aimed at easing pressure on services grows, partly in response to an ageing population.

Everything from telemedicine, to robot-assisted surgery and AI-enabled drug discovery and diagnostics, show us what the future of healthcare could look like – and where the biggest opportunities lie.

The Golden Triangle of London, Oxford and Cambridge is the UK leader in life sciences innovation, dominating the sector in terms of turnover, employment and sites. But outside this triangle, there's a large number of small and mid-sized HealthTech firms 'dispersed evenly' around the UK.

One region is the East Midlands, which accounts for nearly 10% of HealthTech employment – largely thanks to its universities, research facilities and start-up community.

Panellists included founders and representatives from both start-ups and established businesses, such as Nuom, Streets Heaver, Biostatus, Kaptive CX, 4D Biomaterials, Intelligent Omics Ltd and Future Health Technologies.

HealthTech leaders from across the region recently gathered in Nottingham – the city where the first MRI scanner was developed back in the '70s – to discuss how they could drive innovation and growth.

The roundtable, hosted by Tank, part of marketing collective The Boda Group, and national law firm, Shakespeare Martineau, and chaired by BioCity founder Glenn Crocker, brought together experts from the HealthTech industry. They discussed a range of topics including marketing uncertainty, targeting new customer segments, and growing talent pipelines.



## CHALLENGES IN THE HEALTH TECH SECTOR

Panellists outlined some of the major challenges facing their business, and the wider sector, particularly in the East Midlands. The uncertain regulatory and economic climate was a top concern for many, as was talent shortages, and a lack of joined-up thinking.

### *Market uncertainty*

#### **Ian Wilding, entrepreneur and biotech consultant**

I predominantly work with biotechs in the US – and our basis of approval for products has been ripped up. We have no idea what timeframe regulatory agencies are working towards. That's inevitably spooked our investors, who can no longer see exits or are anticipating delays in their exits. Management teams are now frantically looking at their cash runways and determining what experiments, studies and activities they can afford to do, and therefore you're seeing a seismic change in perceptions of biotech in the US, and that inevitably ripples to every other country, because we all have the US at the end of our food chain.

This hasn't happened overnight – there's been uncertainty in the financial markets for three or four years now but we're at the sharp end of it now. It means that HealthTech businesses have to think carefully about how they use the funds they already have in the bank, and be willing and able to change direction quicker than they historically have done.

### *Talent shortages*

#### **Martin Sandhu, Nuom**

I built my business with great graduates, nurturing them and helping them to grow. Covid had a massive impact on that because, if you want to nurture talent, people need to be in the business to learn. Speaking to other business owners, I'm finding the talent just isn't there. Places like Birmingham are getting all the headlines and rightly so because they've been doing some really good work. The question is, 'how do we motivate young people to stay here in Nottingham?'

### *Lack of joined up thinking*

#### **Benedict Heaver, Streets Heaver**

When I go to an event in Lincolnshire, nobody ever talks about what's happening in Nottinghamshire, Derbyshire or Leicestershire. Even though we're based in Lincolnshire, which is only 45 minutes down the road from Nottingham, I'd never normally come here. I'm more likely to get on a train and go to London because that's where all the private equity firms are based.

## NAVIGATING CHANGE

Not every challenge is a barrier to growth though. Economic, political, social and technological changes are creating new opportunities for those who're able to adapt quickly.

### *Stay nimble – and explore other markets*

#### **Stefan Ogrodzinski, Biostatus**

Adaptability is essential in today's global HealthTech environment. We moved part of our operations to Poland in response to Brexit limiting our access to European grants. Then, geopolitical shifts – like the war in Ukraine – diverted regional investment priorities to favour defence. We've since pivoted again towards the US, not because it's easy, but because it remains the most dynamic market for innovation funding. Staying flexible and responsive to external shocks is no longer optional, it's a core competency.

### *Think creatively*

#### **Deborah Knight, Kaptive CX**

A business I previously worked with was fundraising – and the US was a big and desirable market but investment was also getting more expensive. We realised that if we wanted to enter the market we'd need to raise more funds and increase our targets. So we decided to focus our efforts on different markets – we were already in the UAE but doubled down on the medical tourism market over there, started to grow our presence in Germany, and launched in Australia. We didn't have to take the States off the agenda either but instead think creatively about how we could target via partnerships with clients.

### *Diversify*

#### **Phil Smith, 4D Biomaterials**

As a MedTech business, our challenge is, how do we talk to the med tech people and demonstrate vertical focus and how we are going to deliver while keeping the breadth relevant? By focusing on three strategic projects in different markets, we've been able to cope well with the seismic shocks that could damage our relationships with investors. We're able to show them that we've got other things going on but we're not spread too thinly that we're not focused.

## *Jump on emerging technologies*

### **Martin Sandhu**

Right now, we're operating in a Web2 environment, but Web3 is emerging and we've only just begun to explore its potential. Many young people are getting into crypto – not just for a quick buck, but also because they distrust traditional financial institutions. That world is changing, and I'm actively engaging with it. I'm particularly interested in how Web3 technologies could be connected to the health sector.

Communication is key, especially when it comes to getting in front of the right people. Right now, we're mainly using LinkedIn, but there's a lot of noise on that platform. We need to explore other channels to reach these audiences more effectively. As you mentioned, many of them are mavericks – it's part of the culture here. We're a rebel city, and we need to tap into that energy.



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## WHAT'S NEEDED TO DRIVE GROWTH?

Panellists outlined what businesses need to do to attract the talent and customers they need to grow – and cement the East Midlands' position as a thriving HealthTech hub.

They agreed that building communities, both online channels and in-person, was critical to persuading the next generation to stay, as was showcasing the quality of life they could enjoy in the region. Having underlined the importance of flexibility, panellists also highlighted the importance of being able to quickly adapt their communications to different markets.

### *Communities that nurture talent*

#### **Graham Ball, Intelligent Omics Ltd**

The networking environment is key. If you go to Cambridge, and I spent a few years in the city, you see so many networking events organised by colleges, institutes and companies. I could probably go to three a week, and that means you become embedded in that ecosystem. Here, it might be once every three months.

#### **Deborah Knight**

What attracts people to London are the big communities – we need to replicate that here.

Building connections between businesses and communities is important – especially for new employees entering the industry. For example, if someone stays in Nottingham after university, many of their friends may have moved away. So if they return or choose to stay, it's crucial to help them build new networks. We can do this by introducing them to other businesses through a gradual, structured networking approach – perhaps a programme that connects them with professionals across the wider East Midlands. This gives them the exposure and learning opportunities they might otherwise miss.

#### **Phil Smith**

I'm originally a Londoner but I've been in Derbyshire for 35 years. In our case, our success has been partly due to our network – the serendipitous coincidence of a printing expert who lived in the same town as me. I didn't know, but turned out to be a key member of our team. He was connected into this whole world, and that was a very fortuitous network connection.

We are recruiting very able young people, and we're growing their talent, growing their skills, by giving them the opportunities to solve problems and grow our expertise in our technology. We're not outsourcing anything – deliberately to control our IP and to grow our own talent. One: because it's the cheapest way of doing it. Two: because it's the best way of keeping control over IP. In our case, it's a low capital intensity because it's a very high value market, very low volume market. We don't have to invest in big plants to make tons and tons of material, which most young polymer companies have to do. So we're in a very fortunate branch of the polymer chemistry industry in that we can do it ourselves, and it's not a problem.



**Martin Sandhu**

Cities like Birmingham are doing amazing work and attracting investment – and I believe we can do the same here.

The first thing we need to do is build stronger communities. At the moment, many businesses are working in isolation, often just trying to stay afloat which is understandable. But we have to invest in the next generation by giving them opportunities to create businesses here and contribute to the local economy.

I'm building a community called Made in Notts on Discord – our goal now is to convert that online audience into an offline one. We're going to be creating content that drives traffic to it, including podcasts and YouTube videos. Our goal is to have face-to-face monthly meetings, and hackathons as an offshoot of that.

**Stefan Ogrodzinski**

We need to rethink how we build meaningful networks in HealthTech. The traditional models no longer fit a digitally native generation. What I am reminded of daily – even on the tram ride here – is that people connect differently now. We must embrace a digital-first, decentralised and perhaps even disruptive way of fostering collaborations if we want to unlock the sector's full potential.

**Benedict Heaver**

We've invested a lot into recruitment, and if you look at our website, you'll see a major focus on our company culture. That commitment has also pushed us towards things like becoming a B Corp and focusing heavily on internal learning and development.

It's become about more than just the product – it's about purpose and doing the right thing by people. This approach has worked really well for us. We're based in Lincoln and our employees have moved from cities like Newcastle, Nottingham, and Sheffield to work with us. We even have people commuting from London to Lincoln – something that was unheard of before. Sure, we may not match FinTech salaries, but we're competitive, and once the salary is at a decent level, people care more about everything else we offer.

## Communications to engage different markets

### Nicolas Linardos, Future Health Technologies

Nottingham allows us to operate efficiently because rents and salaries aren't as high as they are in London. But we're not really bound by geography – around 20-30% of our business comes from the UK and only a small part of this is from the Midlands. We operate internationally so we have to adapt our approach. In the UK, we communicate via social media direct-to-consumer (D2C). However, in countries like Italy or Greece, we go through doctors who're able to provide information to patients who prefer a more personal approach.

### Deborah Knight

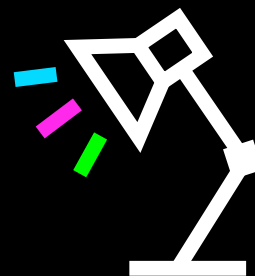
One HealthTech company I worked with had three distinct audiences – hospitals, private doctors and patients. Patients were critical in generating demand for the service by proactively looking for feedback on their medical conditions and the treatments available. The same is true with pharmacies. Trying to target pharmacists is a challenge because the UK network is very fragmented – but you can go straight to the end-consumers, namely, the patients who go into pharmacies and generate demand.

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# CONCLUSION

**While there are certainly challenges for the HealthTech sector, in the East Midlands and other regions across the UK, panellists are optimistic that they can be overcome. They're already laying the groundwork, bringing together universities, innovation hubs, businesses and the tech community to create an environment where established and emerging entrepreneurs can thrive – both professionally and personally. As we have seen, communities and communication are key to ensuring a strong supply of both talent and business.**

## **Embrace a maverick spirit – and build communities**

HealthTech shouldn't stand back while graduates head to other cities. Instead they need to build and tap into communities in the city, engaging the next generation of talent on the channels they're using and taking online conversations into the real world.

## **Communicate clearly and consistently**

It's not enough to diversify into new markets and customer segments – businesses must adapt their communications to reflect their requirements too. This means laying a strong brand foundation, with clear and consistent messaging that underpins their values. But it should also be flexible enough that it can be tailored to different stakeholders, including national and global customers, as well as support a strong employer brand.

## **Understand multiple customer journeys**

In today's fast-moving world, HealthTech leaders will need to be quick to move into new markets and customer segments – which means understanding multiple customer journeys. Major healthcare providers, like the NHS, still have the biggest buying power. However, the D2C market offers significant growth opportunities as more people take control of their own health and wellbeing via apps and wearables – monitoring glucose levels, blood pressure, heart rate, sleep and more.

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