Time for new perspectives

Steps for successful entry into international healthcare markets



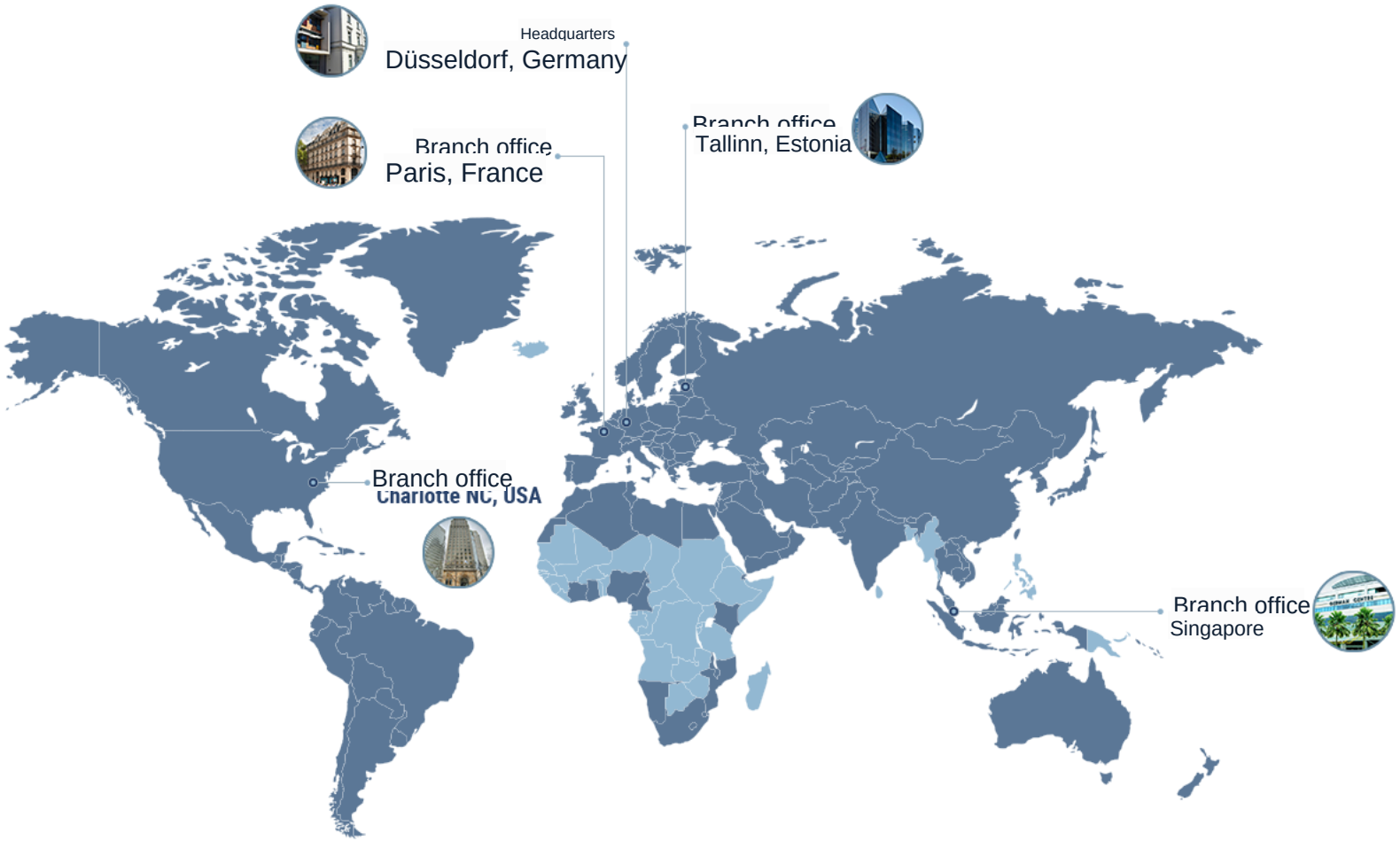
German-Chinese Healthcare Business Forum, Düsseldorf 19 September 2023

DTO
B2B Research & Strategies

Who we are

DTO Research, international specialists in B2B research and strategy consulting.

General information about DTO



About us

Year founded: 2008

Industry focus

Industry, medical devices, logistics, commercial machinery and hygiene/cleaning

Core business

1. Strategy development based on professional market analyses
2. Building international business relationships (B2B meetings)

Selected references

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Typical market analysis process

A market analysis consists of several project stages, as illustrated on the right.

Market analysis methodology

1

Secondary research

Trade publications, databases, competitor information, etc.

2

Primary research

Interviews with competitors, customers, associations and market experts

3

Consolidation of findings

Cross-checking and verification of findings

4

Preparation of the results presentation

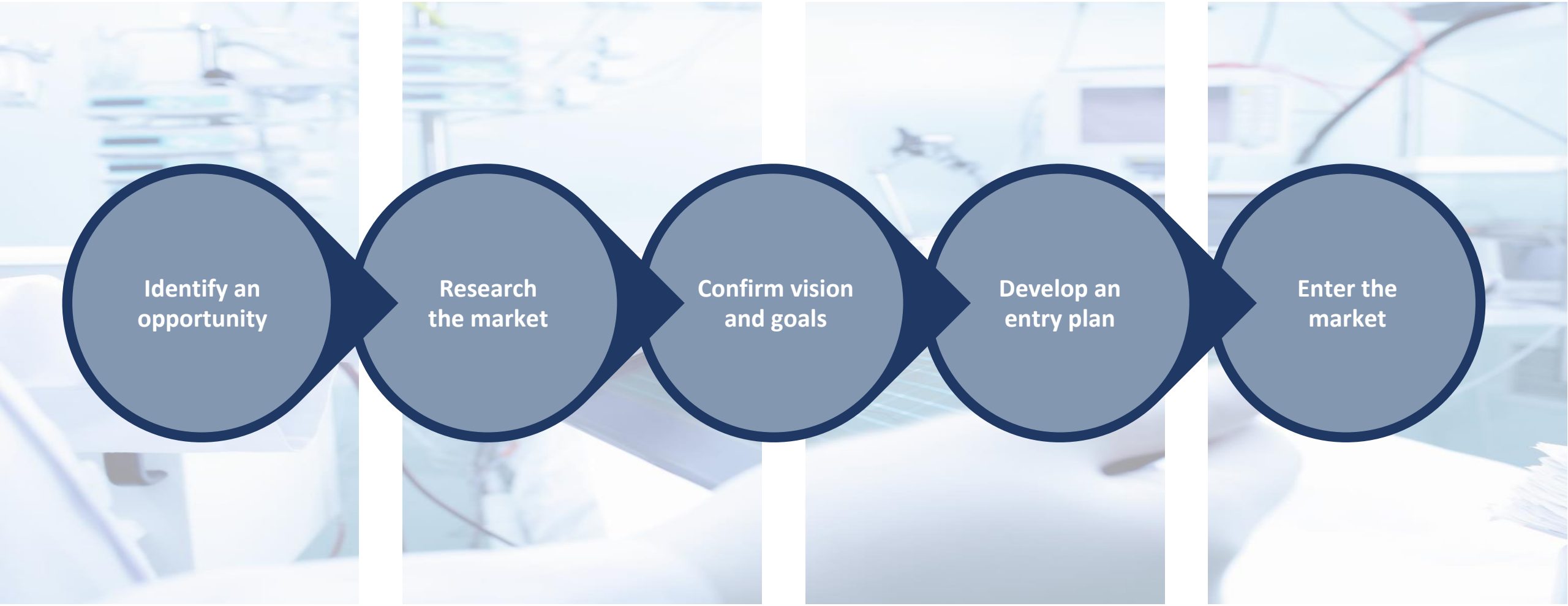
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Entering new markets

Approach and challenges.

Entering new markets

How do you approach market entry?



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Entering new markets

Typical challenges when entering new B2B markets



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Entering new markets

Reasons why market entry may fail

- Poor timing
- Internal conflicts
- Cultural barriers
- Wrong target groups
- Challenging market dynamics
- Insufficient financial resources

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Entering new markets

China from the perspective of a German SME

Opportunities

- Highly attractive market with strong potential for medical devices from Germany
- Culture that is very receptive to technology
- Very rapid technological development and adoption
- Strong potential for long-term partnerships and equity investments



Challenges / Key considerations

- A very large market with uneven levels of development
- Major cities and special economic zones tend to offer the greatest appeal
- Market entry is unlikely to succeed without local partners
- Many German SMEs have only limited intercultural expertise
- Companies often focus solely on market potential, while entering poorly prepared and without the right strategy
- Supply chain problems and negative company examples are currently very prominent

Entering new markets

What matters when encouraging German SMEs to enter the Chinese market?

At association level

- Communicate more examples of successful Chinese-German cooperation
- Build a better shared cultural understanding
- Create platforms for closer networking

At company level

- Enter the Chinese market as a well-prepared German SME
- Identify suitable local partners in advance
- Start by focusing on one city or region rather than targeting the entire market
- Adapt products and services to local conditions where necessary
- Assess whether China could also serve as a hub for entry into other markets in the region



A project example

Extract from a global market analysis covering tracheostomy and laryngectomy.

Project example: Tracheostomy and laryngectomy products

A global market analysis of tracheostomy and laryngectomy products for a German medical technology manufacturer

Results

- Assessment of market potential and key competitors in the regions studied
- Presentation of new strategic concepts





Project example: Tracheostomy and laryngectomy products

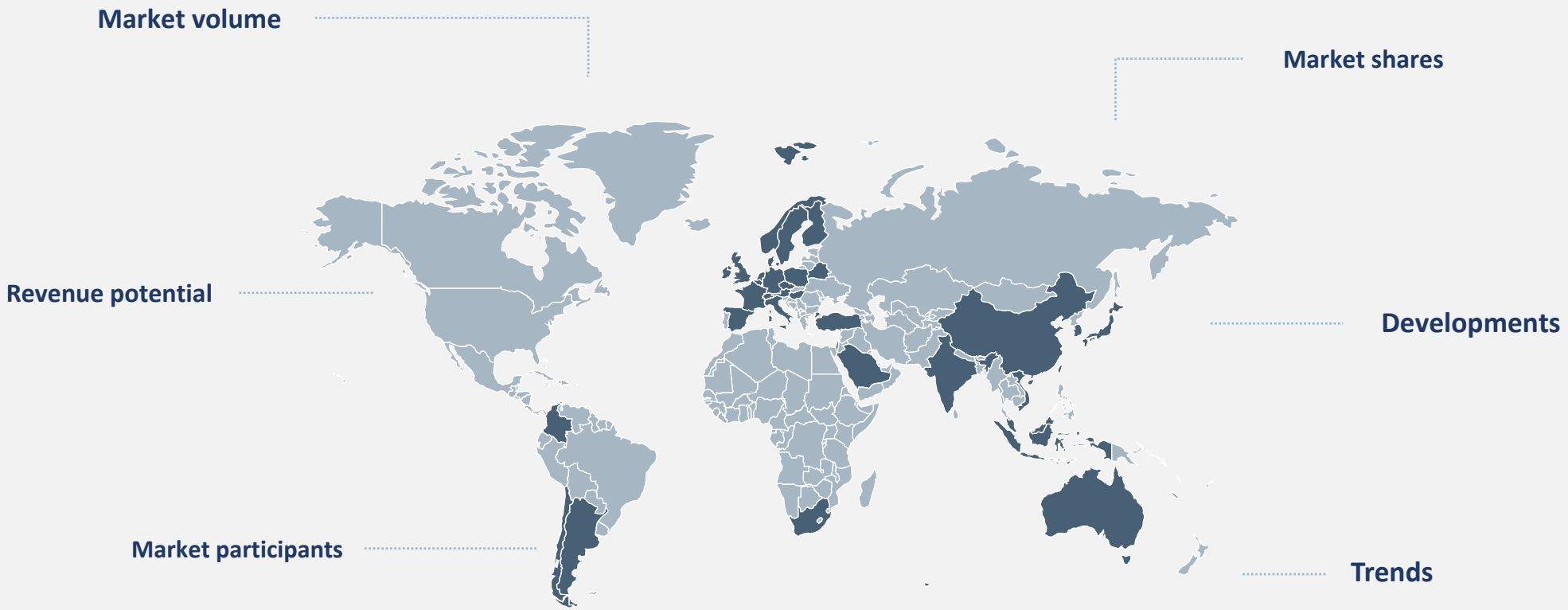
Starting point

Assessment of global product availability and key competitors in the market to develop potential strategic concepts for market planning.

Approach

- Workshop with the client to define objectives
- Secondary research
- Telephone interviews with experts
- Evaluation of potential strategic concepts

Project example: Tracheostomy and laryngectomy products

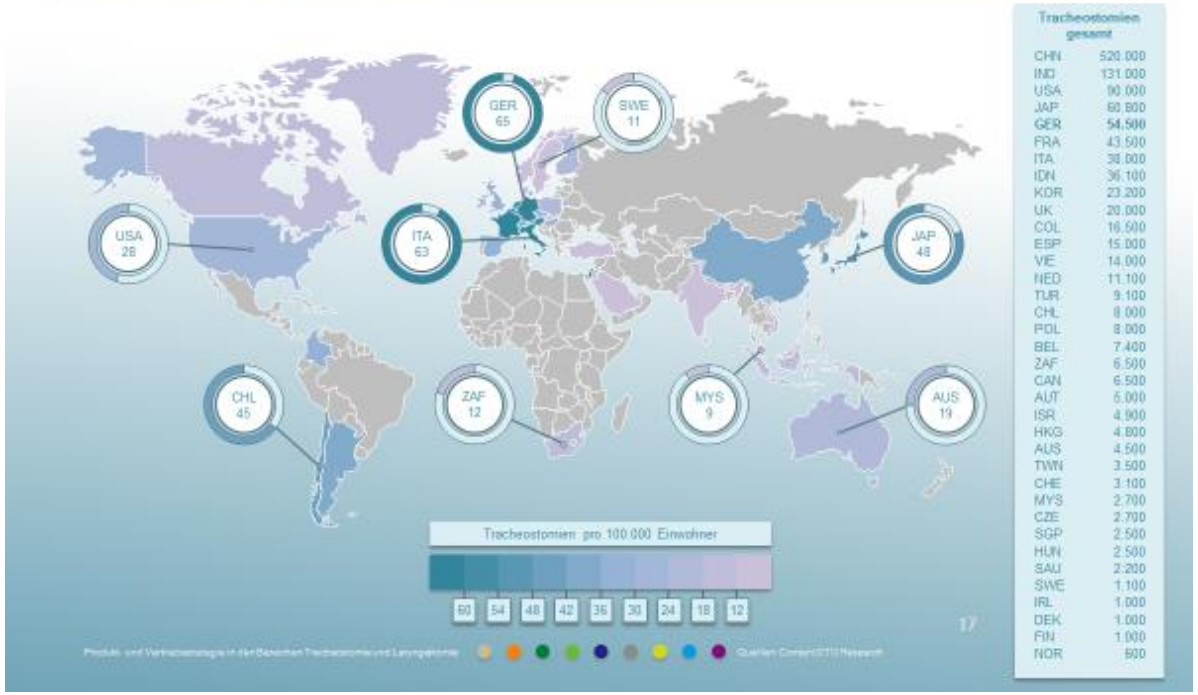


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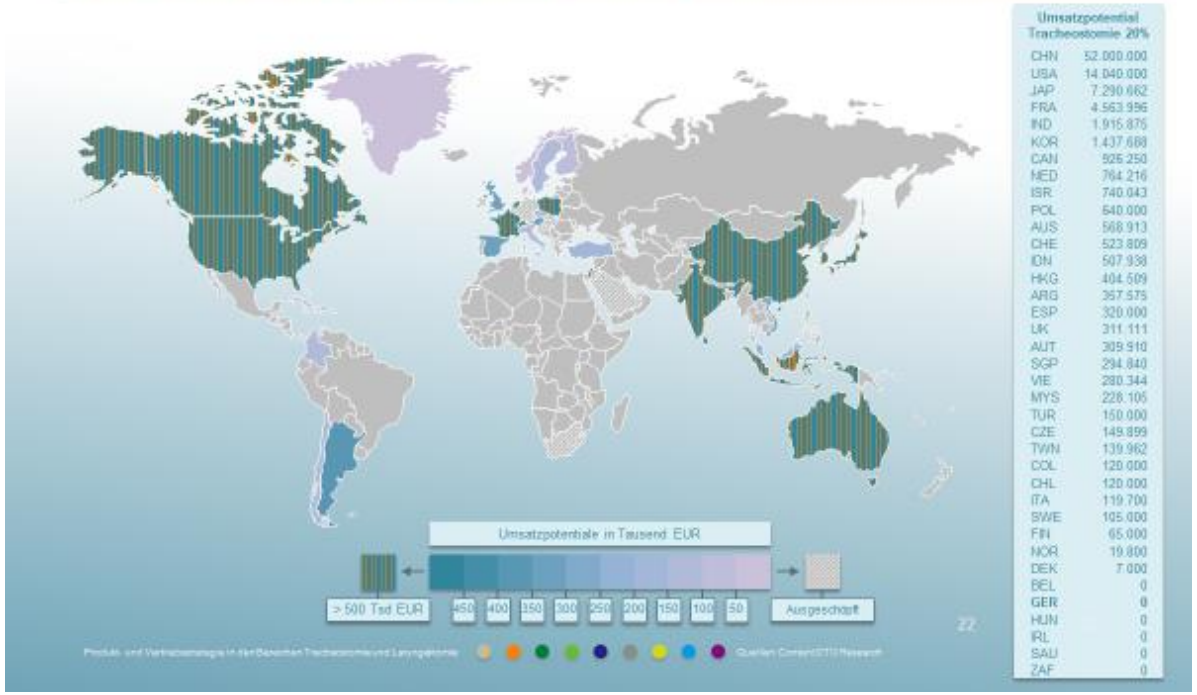
Sample slides from the project

1. Identify potential

Tracheostomy per 100,000 inhabitants



Tracheostomy revenue potential at 20% market share (EUR)

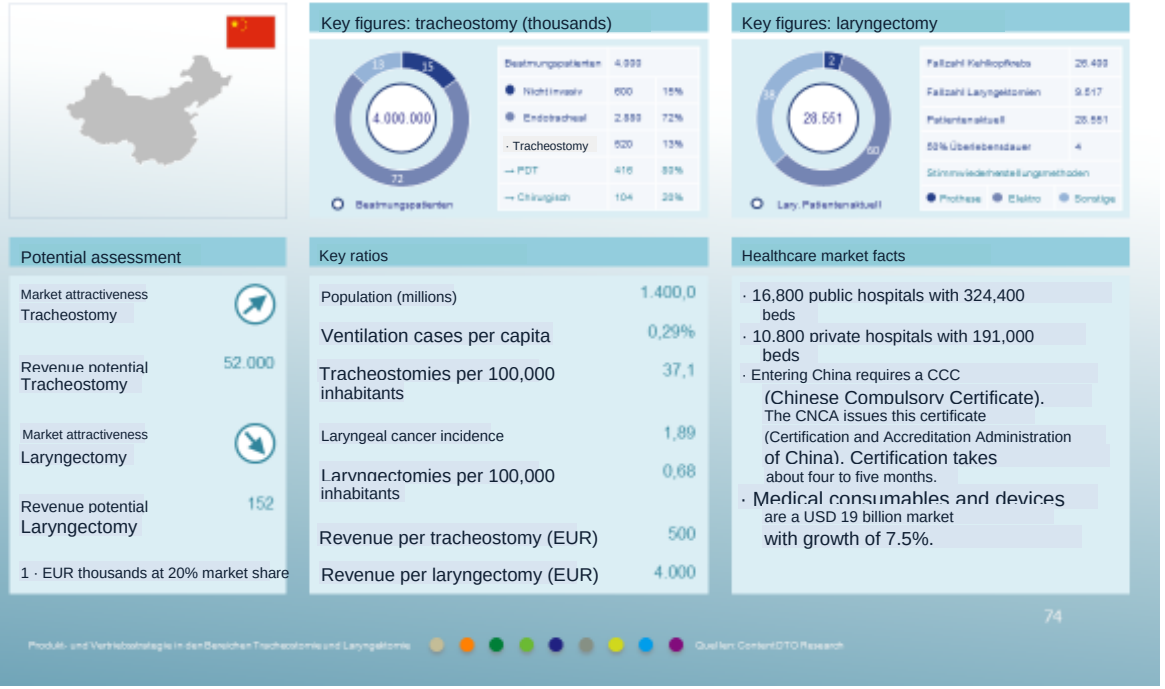


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Sample slides from the project

2. Understand the market structure

Detailed dossier on the medical market in China (CHN)

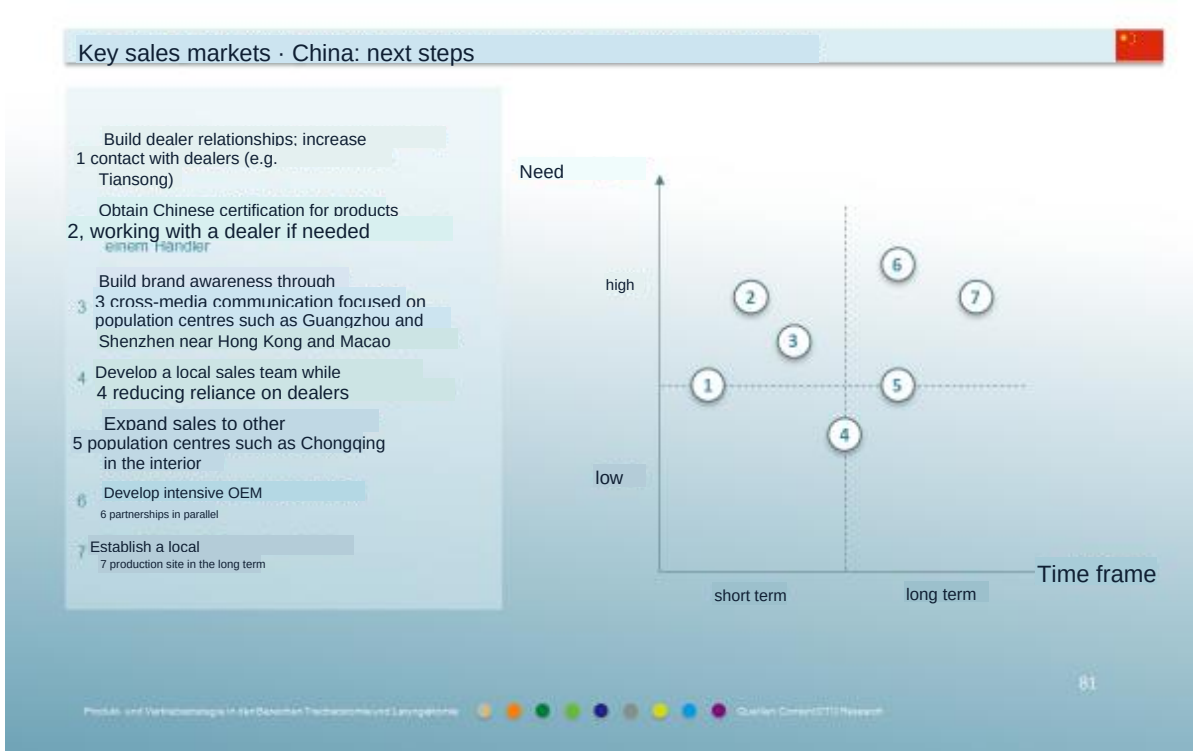


Key sales markets · dealers and potential partners



Sample slides from the project

3. Develop a concrete action plan for market entry



Conclusions and outlook

What we have learned about successful market entry.

Conclusions and outlook

Why China is an attractive market for German medical device manufacturers

- A very large market with substantial need and demand
- Excellent reputation of German medical devices
- Capital and willingness to cooperate are available on the Chinese side
- Highly attractive regional conditions for market entry
- German SMEs offer many products and services that are of interest to China



Content: DTO (2023)

Contact

Our locations

DTO
B2B Research & Strategies

Headquarters
Düsseldorf



DTO Consulting GmbH

Benrather Schloßallee 33
40597 Düsseldorf
Germany

Phone: +49 (0)211 17966 00
E-mail: info@dto-research.de

DTO America
Charlotte, NC



DTO B2B Research & Strategies Inc.

112 S Tryon St. STE 1130
Charlotte, North Carolina 28284
USA

Phone: +1 (704) 333-7790
E-mail: info@dto-research.com

DTO France
Paris



DTO B2B Research & Strategies

10 Avenue Kleber
75116 Paris
France

Phone: +33 1 56 03 65 45
E-mail: info@dto-research.fr

DTO Baltic
Tallinn



DTO B2B Research & Strategies

Laeva 2
Tallinn 10111
Estonia

Phone: +372 5069 137
E-mail: info@dto-research.ee

DTO Asia
Singapore



DTO B2B Research & Strategies Ltd. Pte.

German Centre for Industry and Trade
25 International Business Park Rd
Singapore 609916

Phone: +65 9773 9088
E-mail: info@dto-research.sg