

## Stream of challenges facing self-funded healthcare startups

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The healthcare sector in India is emerging as one of the largest sectors in terms of employment generation and revenue. There exist enormous opportunities for all stakeholders in Indian healthcare- associations, authorities, and entities for learning and development and business interaction. However, extending health facilities to every nook and corner of the nation is a major challenge for the health setups.

According to Subhash Chandra Garg, Economic Affairs Secretary, India will be the world's third-largest economy by 2030; there lie extensive growth prospects in all sectors, including the healthcare sector. However, the present scenario depicts an entirely reverse picture with the country ranking on 145<sup>th</sup> position among 195 countries on healthcare access and Quality Index (HAQ). As per data from 2014, India spends only 4.7% of GDP on healthcare which is way far from that of China and the USA.

### **Present and future of healthcare Startups**

As of 2018, there were 4800+ Health tech startups in India. This boom in the sector is primarily because of two reasons, one being a rise in the entire startup ecosystem and another being startups creating a lot of social impacts. However, what the healthcare startups are missing is that they have been created by engineers who are completely unaware of a doctor's workload or operational methods. They are simply creating fancy EMRs based on US-based healthcare systems, which is not there in Indian Healthcare setup. They need to inculcate the real-life challenges faced by current, budding, and future entrepreneurs in the healthcare space.

### **Challenges posed for self-funded startups**

Besides the growth opportunities, India's healthcare sector faces numerous challenges to serve its population of 1.3 billion. Being service-based platforms, the healthcare startups have to undergo longer lead times to encash returns. Unlike the e-commerce businesses where a colossal marketing push can route overnight customers to the portal, Healthcare business

needs a long time to establish, flourish and land patients to its door. In the initial 5 years, the startups gain the trust of service seekers, the next 5 years are needed for their geographical expansion and then after the 10th year, they can start expecting returns reaching a wider customer base. All these years, a steady stream of funding is required to support the venture.

### **Challenges due to Covid-19**

The spread of pandemic worldwide has posed more difficulties than ever for health tech entrepreneurs. The pandemic has unleashed a wave of fear among the people and they are postponing their treatments.

### **Healthcare – Opportunities that lie within!**

*TELEMEDICINE – health care at home* with more digitized diagnosis and record-keeping methods have paved the way for greater adoption and deeper penetration of services. Telemedicine is a segment that is making deeper roots in Indian markets and needs to be focused on. In the past two decades, the advancements in technologies have changed the market dramatically, raising demands for products and services for healthcare at home. According to a recent study of DataLabs By Inc42+ on “Healthtech Landscape Post Covid-19”, the market for home healthcare is estimated to reach approximately \$837 Mn by 2025. The market will witness a growth of CAGR 20.1% for the next five years.

### **What are the opportunities that lie beneath and why should you still build a healthcare company?**

Though the article has already briefed about the challenges and issues that are faced by many startups, however, it is still the best time to build a healthcare company. Medtech industry and IT developments, along with improved data analytics and infrastructural facilities, healthcare setups can expect good revenue in the long run. New regulations and government assistance programs will offer better opportunities to share data and deliver care virtually. Self-funded Healthcare startup can be convoluted but if a company can navigate through the challenges, it can build up a precious business that will tangibly improve the lives of people.

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