

Building Strategic Partnerships in the U.S. for Smoother Entry into the Healthcare Market

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"I think the whole way of building companies and building a business today is becoming network-driven [in the U.S.], meaning that we end up having many specialized companies that are good at one thing and partnering with other companies to manufacture, deliver, and service."

- Ari Tulla, Co-founder of Elo Health.

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Ari Tulla is the CEO and Co-founder of **Elo Health**, a smart nutrition healthcare company, and an Investor at byFounders Collective, a community-powered early-stage VC. He is also a mentor at Techstars, a global network that helps entrepreneurs in tech understand the industry landscape. He has fifteen years of experience in the U.S. tech and healthcare industries from an international perspective.



Coming to the U.S. as an “outsider” gave Tulla a unique perspective on how complicated the U.S. healthcare system is compared to other countries and how difficult it is to enter. Tulla claims, *“if you succeed in some other country, you can't take that idea, bring it to the U.S., and sell it because it has to be molded for the U.S. market. You need to spend a lot of time in the U.S. with your feet on the ground,”* says Tulla. For this reason, international companies must establish a presence in the U.S. to understand the landscape and industry gaps and build connections.

One strategic way to establish trust-based connections is to form a partnership with someone, such as a distributor or a developer, that provides adjacent, complementary solutions to your offering. Tulla explains that in the U.S., *“we end up having many more very specialized businesses that are really good at one thing, and then they partner with other companies who are becoming kind of the delivery arms for fulfillment arms, or products and arms. Apple doesn't really produce any of the devices themselves; they use Foxconn and many others now to build those [smart products].”*



Tulla says that at his company, Elo Health, *“we are trying to build a very lean company in a way that the core focus we have is to build the best brain in the world that can take body bodily data (blood biomarkers, questionnaires, wearable device data, your health record) and turning it into the right molecules that can help you. So we want to be good at that middle part, that translation of the AI—we don't need to be inventing a new way of testing and collecting blood or testing and collecting DNA, or even finding a new way to look at the health datae.”* Thus, Elo Health is strategic in leveraging partnerships to obtain the desired outcome for the U.S. market.

International companies can leverage similar strategies, partnering with companies that have complementary offerings to theirs. To do that, they must first work on building relationships in the U.S. correctly, meaning not forming relationships based solely on benefits but also on open trust and communication. *“In the end, all about relationships, having a network and being able to communicate with people. And what that underlies is all about trust,”* he says. *“There has to be trust involved. Trust in the products, trust in the people, trust in the delivery.”*

Moreover, it is much easier for the U.S. companies to buy and partner with other U.S. companies because they are conveniently close. International companies must provide a unique benefit to potential U.S. partners when launching in the healthcare market and also establish a U.S. office and team members to brand themselves as a U.S. company.

Tulla provides his personal experience as an example. Having spent years in the U.S. observing and researching the industry upon his entry, Tulla found that "75% of people adult population are overweight" and almost "50% today are obese." He leveraged his insights to collaborate on new, innovative solutions by making use of "all the data from Apple Health and other places" that will "automatically design the right protein product" for U.S. citizens to recover and start on a healthier path. International companies can create similar opportunities by collaborating with U.S.-based healthcare researchers.

Tulla suggests several entry points for international healthcare companies to consider in the U.S. market. For instance, Mayo Clinic, United Healthcare, Humana, Cigna, CVS, and other similar big players are looking for "innovative ideas globally." Tulla recommends international companies seek events such as HIMMS, HLTH, and CES to establish a presence and develop connections in U.S. healthcare. However, global companies should ultimately decide based on the profiles of attending companies and how aligned they are with their given GTM.



Ari Tulla, Co-founder of **Elo Health**

Meanwhile, the U.S. hospital system has lost a lucrative income as it continues to move all its support and shared resources to combat COVID-19. Starting this year, the demand for transparency from health care service buyers has given patients new protections (No Surprise Act) they have never experienced before. In the current US medical technology environment, major investments and mergers and acquisitions are accelerating entry of new companies, including telemedicine and end-to-end portals. Many start-ups have been established to challenge the most expensive and inefficient health care system, and billion-dollar unicorns are currently operating in this space.

Tulla predicts that the next 20 years will be the most exciting time in the U.S. healthcare system, as it will develop digitally. International companies looking to join the industry should ensure U.S. presence at the forefront when this transformation begins, partnering with healthcare companies that fail to meet patients' needs with innovative solutions that offer unique benefits.

-Content by Emily Curtis, Junior Marketing Associate at BDMT Global

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