

BRANDPIE

HEALTH INSIGHTS

# Credibility crunch

Building brand reputation across MedTech

# Introduction

From mobility aids to health trackers, robotics, gene editing and AI, the medical technology industry (MedTech) is overflowing with opportunity. Several macro trends point in its favor – an ageing population, rapid adoption of new technologies, and growing access to healthcare worldwide.

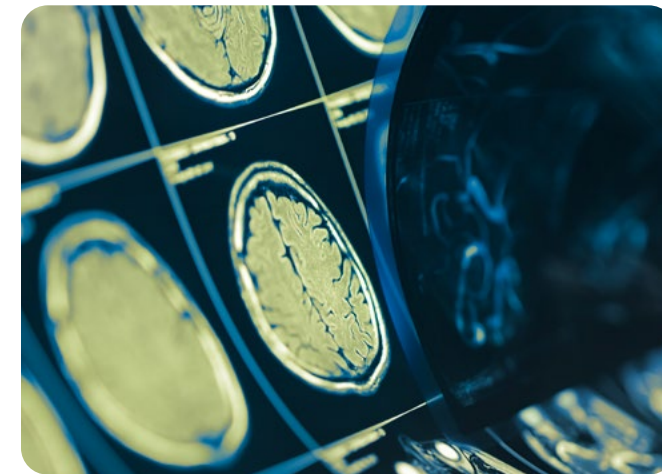
In fact, the global MedTech sector is expected to earn revenues of more than \$600bn this year. With an anticipated annual growth rate of 5.23%, analysts forecast that market volume will reach \$748bn by 2028.

But, it's also an industry of two halves. On one side are the large, established players who have driven the market's growth over the past three decades. On the other, a growing number of new players are pushing into the space, from innovative startups to consumer tech giants, like Apple and Google.

While that makes for a vibrant and competitive landscape, each side shoulders unique challenges in its pursuit of growth. Today's powerful, macroeconomic headwinds only exacerbate those mounting pressures.

However, in an industry that quite literally has people's lives in its hands, one thing remains consistent for MedTech businesses in every life stage: the power of a strong reputation, credibility, and clarity of purpose. This crucial trifecta is critical to win over customers, investors, and patients alike.

In this report, we'll explore three of the challenges MedTech firms face today, including:



## 1

### BUILDING CREDIBILITY IN THE MARKET

MedTech is a highly specialized market already dominated by legacy players. To compete, startups must establish legitimacy with a robust corporate brand, underpinned by a clear and tangible purpose.



## 2

### FENDING OFF THE COMPETITION

Large MedTech companies have their own problems – they have been struggling with growth, a challenging M&A market, and stagnant valuations. Established players must exploit their reputation and scale to keep the growing competition at bay, while optimizing synergies within their portfolios.



## 3

### THE TALENT CRISIS

Big or small, MedTech firms are grappling with a shortage of specialized talent. To attract, engage and retain staff, businesses must motivate and unite their workforce with a sense of meaning and direction.

\$600bn

expected global MedTech sector revenues this year

\$748bn

2028 market volume forecast



Having a brand that better represents who we are and where we are going will pay large dividends with employees and in the market.

**Joe Eazor**  
Former CEO of Clario

#### EMERGING PLAYERS:

## How to build credibility fast

**M**edTech startups are revolutionizing the way we approach healthcare. Whether it's developing robotics for surgeries, AI-powered diagnostic platforms, or AR and VR training tools, new entrants are constantly disrupting the status quo with fresh ideas and cutting-edge technology.

Some have been phenomenally successful. For example, the wearable health technology brand Fitbit sold to Google for \$2.1bn in 2019; elsewhere, US-based BioTech startup Biofourmis has raised nearly \$500m in investment for its AI-powered digital therapeutics platform.

However, inflation and soaring valuations have caused a slump in MedTech venture capital activity (down 19% in 2023) and an ongoing depression of M&A deals. That's a difficult environment for any startup to navigate.

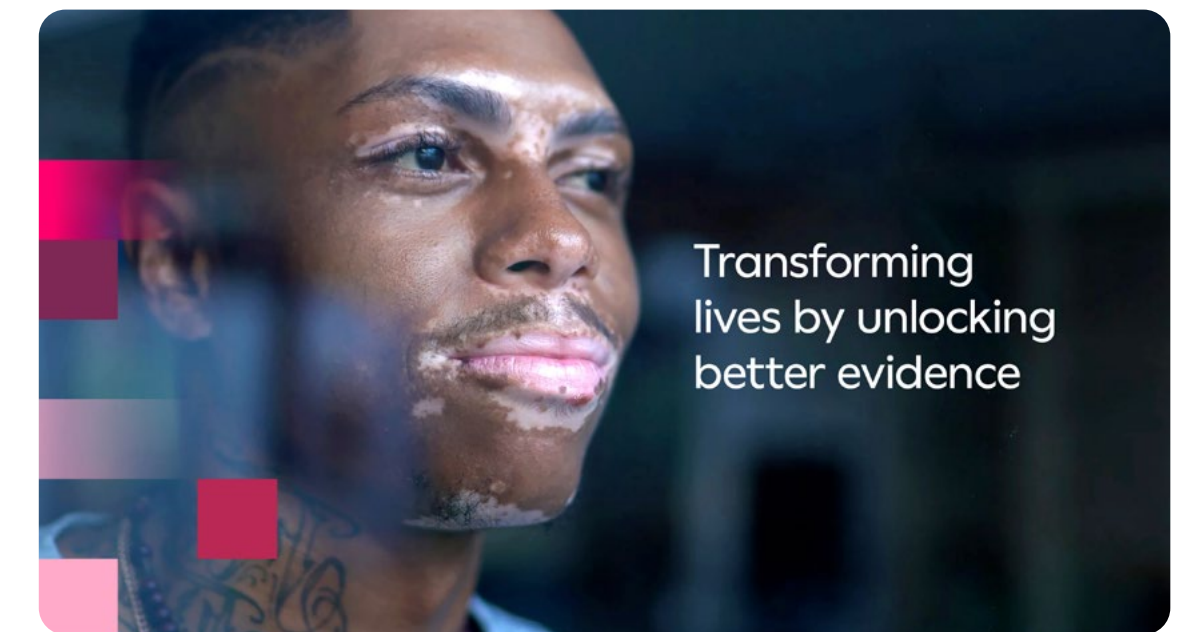
In this dynamic and high-stakes market, reputation and credibility are everything. Customers, investors, and patients must know they can trust a business to deliver what they need. Without that trust, startups cannot compete with more established

players, so it's imperative that new entrants go to market with a clear strategy and defined message from the start.

A robust corporate brand with a transparent and tangible purpose is, therefore, paramount. Studies have shown the impact a purpose-driven culture has on a brand's growth rate; research from Chief Executives for Corporate Purpose (CECP) and Fortuna Advisors found that high-purpose brands double their market value more than four times faster than low-purpose brands, and deliver far higher returns for shareholders.

Establishing credibility fast was one of the top concerns for clinical evidence and medical devices firm Clario when it launched as a new company in 2021, resulting from a merger between ERT and Bioclinica. Conscious of the rising competition, Clario needed to effectively communicate its value as a combined entity and paint an unambiguous picture of its plans.

Working with Brandpie, the company took on an extensive transformation programme. To foster confidence in the market, we crafted a new, distinct purpose to define



[Read the Clario story >](#)

Clario's story and value: "To transform lives by unlocking better evidence".

From this purpose, we developed a core brand idea: "The power of certainty". Through expertise, experience and technology, better evidence results in absolute confidence in clinical trial results. We wove this brand idea through the business's new visual identity and tone-of-voice, and used it to develop the Clario brand name. Externally and internally, the response was overwhelmingly positive.

LEVERAGING LEGACY:

# How to exploit reputation and scale

For established businesses in the MedTech sector, the question is how to fend off this growing competition. How do you stay agile and ahead?

These organizations have a considerable advantage. They can leverage their existing reputation and credibility, as well as their extensive experience and proven quality, to win over customers and keep the startup competition at bay.

However, according to McKinsey data, creating value in the MedTech industry has become more challenging for larger and diversified businesses over the past six years. These organizations are suffering under the drag of legacy, the burden of scale, diverse portfolios and the lure of short-term returns over long-term growth.

Portfolio expansion certainly can be lucrative. Before the pandemic, M&A was a valuable source of growth for cash-rich MedTech giants. Although the macroeconomic environment today has caused M&A to slow, analysts expect it to pick up if interest rates decline in the year ahead.

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But it also has its drawbacks. Buying up and absorbing businesses can easily create a clash of cultures and organizational inefficiencies; companies need their brands and employees to pull together in one direction to realize their commercial ambitions. So, as MedTech companies mature, they must streamline their portfolios, clarify their offer, and create optimum synergy between their brands.

It's a challenge pharmaceutical firm Galderma had to manage when it recently acquiring a smaller firm. As Galderma's Chief Human Resources Officer, Allison Pinkham, explained in a recent Brandpie webinar:

"[The company] was a great fit with our portfolio, but they had such an entrepreneurial spirit. [...] We really had to ensure that we didn't impede their speed to market or their ability to capitalize on their skills and capabilities. We had to ensure we could compliment them and not override them."

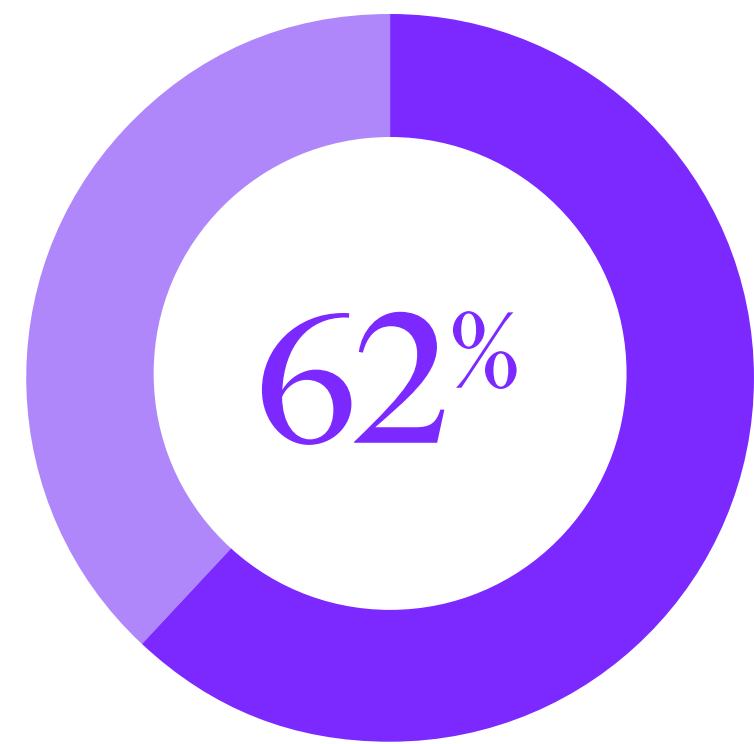
Aligning the entire business around Galderma's corporate purpose – "Advancing dermatology for every skin story" – was critical in this journey, bringing unity across the organization while giving its new acquisition the freedom to operate in its own way. According to Pinkham, this has "worked out beautifully".

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**Allison Pinkham**  
CHRO, Galderma

# Attracting top talent



of employees now consider an organization's purpose before joining

There's one challenge all MedTech firms face, no matter their size or life stage: talent. Like the entire healthcare industry, MedTech is struggling to build the workforce it needs. According to data from Brandpie's CEO Purpose Report 2023, attracting and retaining talent is a top concern for almost half of healthcare CEOs over the next year.

The challenge is two-fold. Firstly, a shrinking pool of highly specialized talent, from legal experts to skilled technicians. Secondly, as MedTech becomes an increasingly digital industry, it lacks the capabilities it needs. With AI set to lead the next wave of disruption, businesses must upskill their existing employees while attracting new digital specialists.

Startups and big corporations may have very different value propositions as employers, but what's vital for both is that they can offer a cohesive corporate culture, engaging employer brand, and clarity of vision, brand

and culture. More and more people are looking to deliver a positive impact through their work; recent research by Deloitte found that 62% of employees now consider an organization's purpose before joining, and over a third say it is just as essential as their salary and benefits package.

A company's purpose can also serve as a guiding force to improve productivity, employee engagement, and, ultimately, business outcomes. We recently worked with AstraZeneca to free up its employees' time so they could focus on what really matters to both the organization and themselves: improving lives.

Using our real-time online crowdsourcing solution, VYTALS, employees helped us identify where crucial hours could be saved. Together, we reclaimed over two million hours and achieved nearly \$1bn in productivity savings, helping to improve the lives of an additional four million patients.

## IN SUMMARY:

# The crucial trifecta

Reputation, credibility, and purpose are the trio that will separate the winners and losers of the MedTech industry as it evolves in the coming years. Whether a startup or an industry giant, evaluating the strength of your corporate brand and how effectively you are communicating your strategy internally and externally will be an essential starting point for all players.

On top of Clario and AstraZeneca, Brandpie has helped clients such as Hikma, ScionHealth, and SCYNEXIS transform their businesses by instilling clarity of purpose, building compelling brands, driving cultural innovation, and introducing new creative strategies to unlock growth.

Whether it's your vision, brand or culture that needs revitalizing, we act fast to uncover critical areas of opportunity. For example, we can help you identify:

- How well your purpose inspires your people and drives your business.
- How you can put your corporate brand to work.
- How to streamline your portfolio and create synergies within it.

We would be delighted to have a conversation to expand on our approach and explain how it could make a difference to your business. And for further insights about the MedTech sector and beyond, please [sign up here](#).



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