

The how, the what, and the who of medical advisory boards for digital health startups

The digital health startup scene has grown up a lot over these past years. Covid has acted as a catalyst for the industry. As entrepreneurs are increasingly tackling the more significant and more complicated healthcare problems, demands on their talent base have increased significantly.

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It's becoming the norm for healthcare startups to add medical and regulatory professionals to their core team of business people and techies. Additionally, digital health companies, young and old, are increasingly establishing medical advisory boards. The reasons for it are mostly obvious: it gives you access to insider knowledge and can significantly increase market acceptance.

But is that all it can do? And how should you structure it? Who should be part of it—or not? What should be its mandate? There is no one-size-fits-all approach as the right answers to these questions highly depend on a company's business model, jurisdiction, and key products, to name just a few factors.

In this piece, four senior medical leaders working in digital health startups share their experience. We come from companies with diverse offerings: an online prescription platform, a telemedicine platform, a patient companion provider, and a venture builder.

Each company's needs towards its advisory boards are very different. However, we found essential commonalities that we desire to share with you here. We also wanted to highlight the additional elements that may not be relevant to many digital health companies.

Hence, this piece's value lies in helping you think more systematically through the how, the what, and the who of your medical advisory board.

What's the purpose of a medical advisory board in digital health startups?

Healthcare is complex. To succeed as a startup, you don't only need to be good at business and technology. You also need to understand medical science and the exact mechanics of the ecosystem you desire to disrupt. It's unlikely that you get all the talent you need for that into your core-organisation. So you will have to rely on external experts.

You will hire some of them just as consultants on a needs-basis. But when is it sensible to get someone engaged for the long-term as an advisory board member? The most obvious reason is that you might need to get people on board who have a strong standing in the ecosystem you aim to enter. Their formal engagement on your board is a strong signal to the market: they're not just advising you; they're also throwing in their social capital in support of your mission—and potentially risk a lot of criticism from their peers. Having them officially on board, therefore, gives you a trust advance in the market. This is crucial in healthcare. But there is more. Here's our list of the key activities through which they can bring value to your business:

1. Trust—Their personal brand in the industry shines on yours, building trust, reputation, and reach within the market much faster.
2. Connections—Through their years and decades of working in the field, they have robust connections that let you cut through the noise and

get instant access to relevant stakeholders.

3. Partnerships—They can help you establish partnerships within academia, care providers, and other strategic partners by choosing the right prospects and helping you craft the right approach to win them over.
4. Sounding Board—Given that your advisors are not in your business's daily grind, they are uniquely positioned to give you a fresh perspective from an 'outsider' with deep subject matter expertise. Get them engaged at a strategic level to get a deeper understanding of what evidence-based practices you need to consider, add an international perspective, and get a feeling for the roadblocks you may face.
5. Real time insights—Given that your advisors will be working in different fields of relevance to your work, they are your fingers on the ecosystem's pulse. They can quickly flag important emerging themes, regulatory changes, market trends, publications, competitive landscape developments, and technological and scientific advances to you.
6. Product development—Medical experts bring a different perspective on patient safety and effectiveness. Embed them regularly in your feature review process to build more clinical rigour into your products and services.
7. HR—Given their backgrounds, they can help you choose the right external service providers, help with interviewing and selecting critical hires (where their competence is helpful to test the candidate), and sometimes even provide short how-to / insights workshops to your team to make them more knowledgeable about the subject matter.
8. Evidence and Compliance—Your advisory board can be a key asset when it comes to making your key compliance processes a success. From giving feedback to ethics approval applications to reviewing key SOPs, fine-tuning clinical trial study plans, and challenging patent filings, getting opinions from your different trusted experts can be

super helpful.

9. Risk reporting/surveillance. If you need to do post-market surveillance, get your advisory board involved. It pays off to discuss risk and usage reports with your board. They might point you to new ways of improving your offering. Similarly, they can be drawn into 'journal clubs'. If new research is out that might affect your business, get the right experts to help you make sense of the findings in this research.

Cry in the dojo, laugh on the battlefield

We see too many founders who abuse the advisory board as an “applause board”. The worst thing you can do with the money you invest here is gathering all these renowned experts you worked so hard to gather and then spend an hour or two speaking at them rather than with them. Instead, you should give them as much time as possible to ask questions and share their honest opinions. Create a space of psychological safety for them in which they can tear your ideas apart.

There's no use in getting false confidence because you summoned an expensive audience just to shut up and listen and then applaud you for all you have achieved. Don't get defensive if they bring criticism, use their expertise to bulletproof your business model. If you don't let them show you problems, then the market will.

The advantage of a trusted advisory board is that they will consistently be on this journey with you without being overly influenced by economic interests or too much in love with the features you've been thinking about all day. Engage in proactive communication, aim always to let them know what you're thinking, what your next steps are, and where your challenges lie. They might just have the solution for you at hand.

Transparency allows serendipity to happen. Vanity

makes your board worthless.

What experts you need in your medical advisory board

The advisory board is designed for professional and geographic diversity to ensure a strong foothold in your key initial markets and foster a firm's perpetual growth mindset. So how should you set up the board? What are pitfalls to avoid? Try not to recruit advisors only from your existing network. On the contrary: Use it as a means to expand your network drastically.

Of course, it's easier to get your friends on board - but be honest to yourself and the team as you want to be challenged and not only receive positive feedback. Also: Be strategic, having the scope of your roadmap in mind. This means not to overfit your initial focus area. E.g. having four gynaecologists on board knowing that you will later expand to dermatology might lead to an expensive, bloated, and difficult to manage the network. Balance out specialists and narrow expertise with generalists, which are versatile. You might even need non-physician experts, like clinical scientists, healthcare system experts, nurses, etc.

Also: it's called an advisory board and not a lobby board. Often, leaders are prone to get people who sit on the leadership team of some relevant associations to influence policies or because they think that these people will magically change everybody's perspective in your favour. While it's important to have influential people on board (because that's what they become if they're good at what they do), the most important thing is the question of:

- How much can and will they make a substantial contribution to your business, products, and services?

- Will they put in the time you need?
- Will they have the latest information?
- Are they willing to go the extra mile to help you solve problems when they arrive?

What we're saying is, in other words: when choosing your candidates, look at more than just who is currently president of society XYZ?'

Also: size matters. When the board gets too big, it becomes challenging to lead and get valuable input from every member. With boards larger than ten experts, return on investment will likely drop. Once you have a powerful core of people in your advisory board, you may not need many more board members. Instead, you can often hire subject matter experts on a daily basis and let your advisory board help you interview them and scrutinise their findings. However, if you need larger advisory boards, see if you can create sub-groups (e.g. for different regions or disease areas) or run ad-hoc task forces for deep dives.

Things might get tough: as your company grows, you may need additional experts while previously necessary expertises are becoming less relevant. It's rarely a good idea to pay your board members with equity unless you are confident that they will be mission-critical to you over the next many years. You will regret having a cap table full of individuals who contributed in the beginning but then either lost interest (but kept their shares) or became less relevant (but kept their shares). We recommend paying a reasonable retainer fee, if possible, and limiting the contract to one year to avoid much drama when you need to let go of someone.



À lire aussi

Six skills that make medical doctors indispensable for startups

What powers should the medical advisory board have?

This question created the most controversial debate amongst us. For some companies, the advisory really is just that: an advisory board with no further mandate other than to provide input and contacts. For others, the role should go much further. In fact, medical advisory boards in digital health frequently resemble proper supervisory boards.

If your company intensely challenges the status quo, you find yourself at the bleeding edge of healthcare innovation. Then, it is critical to ensure that you build clinical rigour into your organisation's DNA. In these settings, it can be advisable to have veto and clearance rights for the advisory board, especially if your core team does not consist of many

medically trained professionals. In this way, the medical board becomes your voice of the world of evidence-based care and the advocate of patient safety, effectively ensuring that you push the boundaries and disrupt the system, but in a sensible, effective, and safe way.

In some of the companies we work in, the advisory board can only share opinions but is entirely out of the responsibility to make strategic decisions or oversee their implementation. In others, we have established rules for formal approval needs. For example, $\frac{3}{4}$ of the advisory board needs to consent to a new feature (especially those with medical claims) before it can go into development. Whichever way you go, consider the potential harm and legal implications of your ventures offerings when deciding on the degree of influence your medical board should have.

Be prepared to receive questions from your board members regarding liability and work with a legal advisor to get reliable answers. Legal issues can quickly ruin a doctor's career, so take their concerns seriously.

Summary

Many healthcare entrepreneurs think that an advisory board's primary purpose is to add the credibility that they lack. This is not wrong, but you shouldn't stop there. If you move beyond merely collecting epaulettes to your webpage and pitch deck, you will be able to get much more value out of your medical advisory board.

Get the right diversity in, make sure you have members who are hungry for innovation and growth, and not merely look for an easy way to monetise their reputation and network. And keep them engaged with real tasks that are intellectually stimulating and meaningful to your company's mission.

Suppose they truly identify with what you do and why you do it. In that

case, they will go out of their ways to support you, proactively seek new opportunities for you, and often also become trusted partners you can speak to when you need an ear—like with your core team, having the right people makes all the difference. Take your time to get the advisory board right. You won't regret this investment of your time and efforts.

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