

Digital Health Go-To-Market

TOM Medications



The idea: build something you want to use yourself

TOM Medications is a digital health venture at seed stage, based in Switzerland. The company has developed a smartphone app enabling chronic patients to log medication intake with their smartphones and thus achieve a higher therapy adherence. For Sven Beichler, Founder & CEO, TOM was the 6th venture he founded in the past 20 years.

"Every venture I started was based on a personal need, which was not being met by any other business in the market. Before founding TOM, I realized due to a personal health topic that current options available are limited at best. Hence, I took a blank piece of paper and started drawing up a better solution. After a few sleepless nights and conversations with more than 100 clinicians who confirmed that the problem was real, I founded TOM."

The challenge: people don't take their meds

The problem of low adherence is not new. For many years, adherence has been one of the biggest challenges of Big Pharma, leading to severe negative consequences for patients and health systems - and costing the pharma industry a whopping 100 billion per year in the US alone.

Many huge and successful pharma companies have thrown eight-figure amounts at the problem, with little to show for in most cases. TOM has approached the problem from a different angle, building its strategy heavily on two key factors: user-centricity and privacy by design.

Step one: build an awesome user experience

As successful digital health scale-ups can attest, user-centricity goes way beyond following best practices in UX. True user centricity means that a company understands every relevant aspect of its customer journey - in the highest level of detail possible. For TOM Medications, this implied that the company needed to empathize with their core users - chronic patients - to an extent nobody else had done before. This took time and effort - and then more of it.

"We literally needed to think like chronic patients.", says Sven Beichler. "This implied that we had to observe and measure everything, at every point in time. Additionally, learning quickly to implement design iteration after design iteration was of the essence in this process."

The result of this painstaking effort: A large and quickly growing user base, with tens of thousands of chronic patients who actually use the app day in and day out, 10+ times per day, and over long periods of time. This is an achievement a number of large insurance and pharmaceutical companies have spent immense amounts of money on - and failed miserably to achieve such traction!

Step two: privacy as a business model

As the product was taking shape, the priorities shifted towards developing a sustainable, scalable revenue model. This task was no less daunting. While there are plenty of potential monetization opportunities from the platform, TOM needed to learn quickly about inherently complex value chains - from pharma and at-home diagnostics to insurance, hospitals, and HMO. Making the right choices early on was difficult because with privacy by design as one of its core values, TOM was not going to just sell out on user data.

"The process takes time, because the way things are prescribed, administered, and billed is extremely complex. There are plenty of siloes in this market that we can't waste time on... because our valuation, and thus our scalability moving forward will first and foremost correlate with our market traction".

Step three: go with healthcare market dynamics, not against it

To successfully build market traction, TOM Medication started working with Peak Spirit, a team of industry experts specialized in market validation and market entry for health technology ventures. Peak Spirit advised TOM Medications on how to prioritize use cases and buying centers, and helped TOM connect with organizations and industry experts so that the team at TOM could quickly learn about which approaches work, and which don't.

"The process was highly structured. Starting with an initial GAP analysis, we went building block by building block of our market entry strategy, addressing our most critical assumptions and risks. Through this collaboration, we were able to have many insightful and highly valuable conversations with industry experts and even potential clients - from Big Pharma to insurance companies."

All in all, while TOM Medications had a highly experienced founding team from the start, adding the know-how and network of Peak Spirit was, as Sven Beichler puts it, "a big step forward towards our series A round, and one of our smartest investments of the previous year".

And what's next?

"We continue to experience huge user growth month by month, and are on track to hit 200'000 users by Q2 this year. Furthermore, we now have a healthy sales pipeline with a number of different companies - from small to large, from local to global, and we are confident to hit 7-figure revenues within the next 12 months. But what's even better: we continue to be able to help chronic patients get better - by adhering to their therapy schedule; now, and in the future!"

Interested to learn more?

sven.beichler@tommedications.com | valentin@peakspirit.ch