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Direct To Consumer Approach Underscores Femtech's Disruptive Potential

New Accelerator Looks To Fill Information Gaps About Femtech Market And Support Start-Ups

by **Lucie Ellis-Taitt**

A new technology accelerator, FemTech Lab, will support the scale-up of at least 10 firms in 2021 that have innovative solutions for issues affecting women's health and wellbeing. The founders talk to *In Vivo* about their view of the femtech market and how it will impact traditional health care.

The first of its kind in Europe, FemTech Lab launched in London at the end of 2020 as a new accelerator to help femtech entrepreneurs get their companies investment ready. It offers a 3-month program – enrolling 10 start-ups in the first cohort – to assist new companies in getting their products to market. During the program, the start-ups have access to world-class experts and resources to scale their product development, they can utilize relevant go-to-market channels, and receive advice on how to raise the necessary funds to get from innovative idea to fully fledged company.

Alongside business growth, FemTech Lab helps start-up founders to grow as leaders – addressing a talent gap in the European ecosystem for first-time and repeat female entrepreneurs.

In an exclusive interview with *In Vivo*, FemTech Lab founders Katia Lang and Karina Vazirova explained more about the accelerator and their vision for the greater use of technology to improve women's health and wellbeing.

Lang, a serial entrepreneur who has set up and sold four tech companies, told *In Vivo* that rather than focusing on one start-up at a time, she wants to share her knowledge and participate in the creation of 10 or 20 businesses at once.

Meanwhile, her co-founder Vazirova, who has a background in financial and legal technology, brings expertise on product strategy. “I’ve worked with start-ups from series A and scaling up further, helping them to build product roadmaps, raise capital, find a product market fit, work with users, and build out a long-term product strategy,” she explained. Vazirova became more interested in the femtech space a couple of years ago, being inspired by the technology and how “user-centric” the sector is. “It’s really amazing how many founders are coming through, passionate about their ideas and how to build incredible solutions.”

Vazirova said FemTech Lab combines her strong product interest in femtech with Lang’s appetite for building an accelerator program. The pair are also passionate about expanding the definition of femtech. “We started by just saying, okay, everything to do with female health and wellness,” said Lang. However, they believe the term should also cover products and research that recognize how diseases affect women differently. “We’ve just been ignoring the fact that women and men are different ... But, for example, mental health in women works differently, or even heart diseases are different for women and men.”

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How It Works

FemTech Lab is an independent accelerator, it is not connected to a venture capital group, fund, company or academic center. It is looking for innovative companies that are preparing their go-to-market strategies and are ready to conduct pre-seed or seed level funding. Companies do not need to have angel investment in place or have revenues. Also, it is not a requirement that company founders are women, but the products must be for women's health, wellness and empowerment.

While there is no fee to apply, for those companies accepted into the program FemTech Lab takes warrants for 5% of the fully diluted equity of the company, with a fair market value exercise price. The accelerator may offer a couple of paid places to companies that pass its selection process, but do not match its investment strategy. “Essentially, we are holding their hand all the way to their first VC round. That’s our pledge to the start-up founders,” Vazirova said.

To be accepted, start-ups must be developing software, diagnostics or products for:

- female specific health issues, such as hormonal disorders or fertility and birth control;
- emerging health spaces that recognize gender specific health care, wellness and mental health such as osteoporosis, breast cancer or autoimmune conditions; or

- products that empower women, in areas such as personal finance and education.

Advisors working with the accelerator come from product, market, and finance and legal backgrounds. They include members from firms like Maven Clinic, Babylon Health, Imperial College Health Partners, Google and Silicon Valley Bank. Lang said, “We have a lot of brilliant people who have joined our team as advisors and experts and mentors for the start-ups. It's been quite an incredible journey for us in terms of how many people were happy to give that time to support the growing femtech movement. That made us realize, ‘Okay, we're definitely doing something right!’”

The program is based in London, UK, but also operates virtually. The companies included in the first cohort cover a wide geographic footprint. Applicants for this round included start-ups in Germany, Sweden, Hungary, the US, Singapore and the UK.

Disruption In Health Care

For the first cohort, which will begin working with FemTech Lab in the coming weeks, Vazirova said the accelerator received more applications than anticipated. “The quality has been incredible. We're trying really hard to select only 10.” The companies cover areas such as nutrition, infertility, and menopause.

Looking at how femtech fits into the broader health care sector, Vazirova said, “As with any sector that gets used to operating in a certain way, disruption often comes from products that go directly to consumers and create amazing consumer experiences. It disrupts the entire chain that way.” She noted that a lot of early femtech movers are filling in the gaps around treatment for infertility, with offerings that go directly to consumers before they reach the clinic.

Lang added that she sees the infertility sector as “overpriced” and “inefficient.” It is a product market that has been “ripe for disruption for a while,” she added. She likened the impact of femtech on the clinical fertility sector to the effects of fintech on traditional banks.

Lang also noted that femtech products are targeting areas of women's health that have been overlooked, such as menopause. “There's no program, no comprehensive idea of how to deal with menopause. I think this is also ripe for disruption; and disruption will fit in because this gap is unfulfilled.”

Another area where femtechs will see growth is in their use of big data, Lang believes. She highlighted how fertility trackers had collected a lot of data and now need to answer the question of how to use that information. “We need to understand what to do with it, how to turn it into something useful, how to turn it into a product or service ... These fertility trackers of the past, they haven't been understanding quite how complicated female hormonal systems are. And

everybody has hormones, it's not just about fertility or ovulation. There are wonderful start-ups in this area coming into power right now." Lang added, "Hormones affect us every step of the way, since we were 12 years old, there is a lot more to it than reproduction."

Financing Female Entrepreneurs

In the biotech world, the number of female CEOs is limited and for repeat entrepreneurs the figures are even smaller. But, looking at the femtech space, Lang believes it is less about the founders of start-ups being female and more to do with how investors understand the technology. "Investors don't always understand the problem and how the product can then offer a solution." She said that if male investors cannot relate to a problem, they do not always see the market potential. FemTech Lab provides information to investors, "to make sure they understand that it is not just something one woman has experienced, that it's actually a problem and that the product has market potential by offering a solution." The group launched the femtech.live platform in February 2021 to 'provide the femtech business sector with a voice.'

"What is needed for femtech founders, be they male or female, is more awareness of the sector from a business perspective," Lang said.

Vazirova added that another problem for some femtech start-ups is their focus on providing a solution to a very specific issue. "What we see is that a lot of early-stage companies obsess about the end user and build very, very good products. But they tend to be very specific and focused products. While they solve that problem really well, when they go to try and raise funding, especially with VCs, investors are looking for a scale and ask, 'How can this grow?'"

The Bigger Picture

The founders of FemTech Lab have a grand vision for its future. "We have a three-stage approach to taking over the world," Lang said. The first is the accelerator, which is independent and directly linked to the success of the start-ups it fosters.

The second stage is the femtech.live platform, which is a vehicle to promote and educate about the femtech market and its potential. Femtech "is not just a bunch of women complaining about their lives, it's a proper business sector opportunity," Lang emphasized.

Finally, the third stage will be to create an investment vehicle that can provide seed funding to fill the gap between very early-stage start-ups and those ready to do a first VC round. "We want to fill this gap, not just with the program, not just with the publicity, but also with actual money," Lang said. She expects to reach this phase in 2022.