



CHANGING THE FACE OF CANCER PAXMAN COOLERS

2018 Entry For Publication



The Engine Room.



EXECUTIVE SUMMARY

This award entry submission relates to a brand development project for Paxman Coolers Ltd. Founded in 1999, Paxman Coolers Ltd (Paxman) design and manufacture the Paxman Scalp Cooling System – a hair loss prevention system for cancer patients undergoing chemotherapy.

Hair loss is consistently ranked as one of the most feared and common side effects of chemotherapy treatment and often people will refuse it because they do not want to lose their hair. The damage that chemotherapy causes to the hair follicle can be alleviated by using scalp cooling treatment, also known as the 'cold cap'. It works by reducing the temperature of the scalp by a few degrees immediately before, during and after the administration of chemotherapy.

When Paxman approached us, they felt their brand needed an overhaul in order to present the business more effectively and deliver an impactful and 'stand-out' image. Their aim was to enter the US market and overtake their key competitor Dignitana, who at the time were dominating the US market. This was ambitious for Paxman. Trading in the US market in this sector relies on clinical clearance from the FDA (US Food and Drugs Administration). Dignitana had already achieved this. Paxman were still going through the clearance process and were trailing by two years. If Paxman were to catch up and overtake, **they needed to reposition the business and present a world-class brand in this marketplace** with three very clear objectives:

1

To present a serious and credible brand to investors in order to raise the additional finance required to enter the US.

2

To present an infinitely more compelling brand than that of Dignitana to clinicians and procurers in the US.

3

To increase market awareness of the existence of scalp cooling and its potential to prevent hair loss during chemotherapy to patients and the public at large, in order to widen the market demand or consumer 'pull' and to drive market growth.



"I give Paxman the highest rating in communicating with the market and with their shareholders and I can personally certify the importance of a company giving a serious overall impression to gain confidence from the investors."

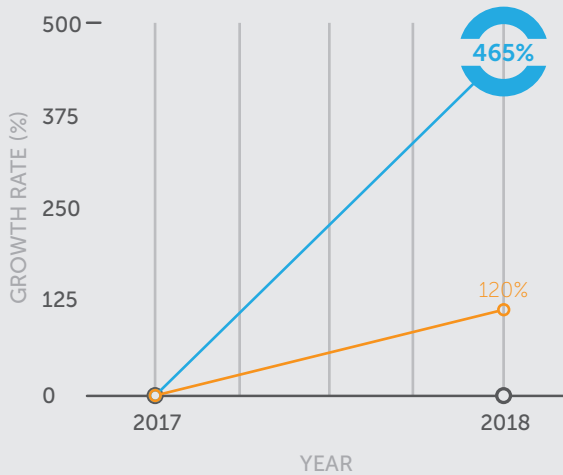
Henrik Lundström, Investor



We completed the rebrand of this business in 2015 and Paxman has since achieved the following business upturn results:

- In May 2017 Paxman raised 30.4million Swedish Krona through the issue of 3,202,500 newly issued shares directed to the public and institutional investors. It was announced that the company's share issue was subscribed to approximately 200%.
- The company received 440 new shareholders.
- Paxman now have their machines installed in 170 cancer centres in the US. Dignitana supply to just 107 centres. They have overtaken this no.1 competitor within 3 years.

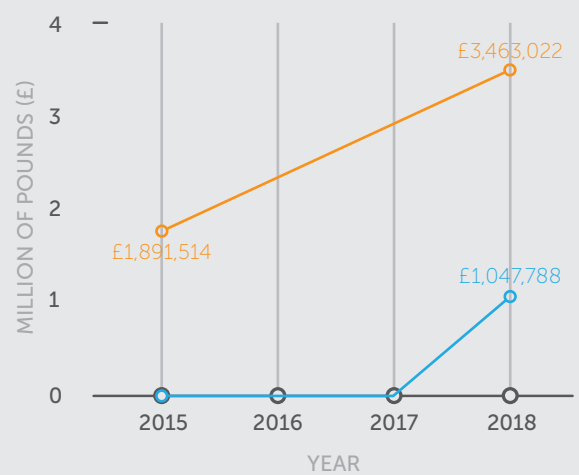
US GROWTH RATE FOR PAXMAN (2017-2018):



Paxman US Growth Rate **Global Market Growth Rate**

US growth rate for Paxman between 2017-2018 is 465% (compared to estimated total global market growth rate of 120%).

US & GLOBAL TURNOVER (2015-2018):



US Turnover **Global Turnover**

US turnover has increased from £0 in 2015 to £1,047,788 in 2018 (to date). Global turnover has increased from £1,891,514 in 2015 to £3,463,022 in 2018 (to end September).

- Awareness of scalp cooling has increased from an estimated 9% to 25%.
- Return on design investment in relation to total turnover growth 35:1.
- US export return on design investment 23:1.
- Staff numbers have increased from 15 to 40, 7 of which are US recruits.

Design is now a core element of Paxman's strategy and since their rebrand they have adopted a design process through everything they do, from brand design to product design, to systems design, to service design, to recruitment.

Just over three years since their rebrand, Paxman – an SME manufacturer based in Huddersfield, Yorkshire – are now market-leading in the US and positioned as the global leader in the chemotherapy-induced alopecia market. They have overtaken Dignitana.



CASE STUDY OVERVIEW

OUTLINE OF PROJECT BRIEF

Scalp cooling is an option globally for anyone going through chemotherapy, but unfortunately, many people have never heard of it or don't have access to it. When Paxman approached us, their brief was to improve their brand and communications to support them in their efforts to overtake their key competitor, Dignitana, when entering the US market.

Key objectives were:

- To reposition the business and present a world-class brand in this marketplace.
- To present a serious and credible brand to investors in order to raise the additional finance required to enter the US.
- To present an infinitely more compelling brand than that of Dignitana to clinicians and procurers in the US.
- To increase market awareness of the existence of scalp cooling and its potential to prevent hair loss during chemotherapy to patients and the public at large, in order to widen the market demand or consumer 'pull' and to drive market growth.

Paxman wanted to ensure their brand stood head and shoulders above the rest and approached us to deliver:

- A new identity
- A new website
- A suite of communication tools

Specific as this challenge appeared at first sight in terms of deliverables, we wanted to be sure that we thoroughly investigated the brief. According to the World Health Organisation, there are around 14 million patients diagnosed with cancer each year of which 20-40% will undergo chemotherapy. As this is such an emotive subject, we were keen to understand the true potential for design within this business, to comprehensively understand the operational landscape and particularly to understand the needs, motivations and states of mind of end-users of the product.

We felt that to truly differentiate this business, we needed to get closer to those individuals. We proposed an initial research and insights stage that would enable us to make our design strategy recommendations. The findings were hugely insightful and turned this ostensibly 'tactical' brief into a strategic commission.



"The design agency changed the language and the image of an industry in a fantastic way and I must admit that I have never previously observed such a change in any other sector in which I have invested. They have changed the conversation from 'hairecare' to 'clinical excellence' and have shifted the expectations and perceptions of the medical sector and of the patients themselves."

Björn Littorin, Investor & Board Member

DESCRIPTION

We set about the research and insight for this project which included:

- Design workshops with senior team and staff interviews.
- Competitor review.
- Video interviews with clinicians and with cancer patients.
- Testing the caps ourselves to truly experience the sensation.
- Sales and customer journey mapping.

We uncovered some key brand insights. In brief, these included:

1. The End-User Experience

Chemotherapy-induced alopecia represents perhaps the most psychologically distressing side-effect of chemotherapeutic agents and is of huge concern to the vast majority of cancer patients. Much of the communication in this market place was around patients retaining their dignity during chemotherapy by not losing their hair. Yet all of our research and insights suggested that motivations were nothing to do with dignity. Patients were often offended by the images of tired-looking, woeful individuals who were in the throes of cancer. Their choice and experience of using a cold cap was about retaining a level of control in their life when experiencing treatment. Patients often feel out of control during treatment. They are told where to be, at what time, and what to expect. Making a personal choice to opt for scalp cooling had enabled them to retain a level of control in the process and influence an outcome.

4. The Paxman Family Story

We learnt that the concept of the Paxman scalp cooling device came when mother of four, Sue Paxman, experienced the trauma of chemotherapy-induced hair loss. Drawing on the expertise built up through an existing family business (the manufacture of beer cooling devices), Sue's husband Glenn and brother Neil developed the first Paxman scalp cooling device. The company has since been on a personal journey to ensure Sue's legacy lives on, helping people around the globe to keep their hair during chemotherapy treatment. This story felt like a vital part of the brand. We discovered a level of **passion** within the business relating to the family connection, along with a very **personal** approach from Paxman team members. In addition, we discovered a level of manufacturing **precision** and technical excellence that was borne from the family's years of experience in the manufacture of unrelated cooling devices.



2. The Clinicians' Reality

A key business challenge for Paxman was that they were struggling to be taken seriously as a clinical brand. As the administration of scalp cooling was not seen as a clinical or medical intervention, clinicians were not promoting the availability of scalp cooling in hospitals. By the nature of their job and pressures in their sector, they were focused purely on the administration of chemotherapy drugs. Scalp cooling was often seen as an 'additional job to do' and the 'volume' of instructions that accompanied the scalp cooling machines for use by clinicians was not supporting their time-starved working days.

3. Drivers for Technical Excellence

Findings indicated that the brand was being communicated as a 'lifestyle' brand; it looked very much like a haircare brand related to the beauty market, with lots of images of models with flowing hair. We thought it was vital that our design work should begin to shift this perception and that technical excellence should be a fundamental pillar of the brand.



The above insights changed the design opportunity. This was no longer a tactical project. We were able to reframe the brief and advise a strategy that not just repositioned Paxman, but changed the language and positioning of the entire sector. **Outputs were as follows:**

Imagery and Language

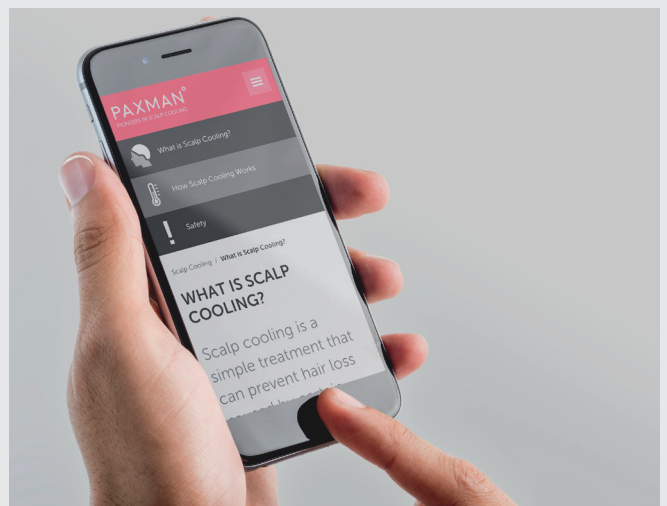
- A significant overhaul to the company's identity presenting a clean, clear, clinical brand and changing the approach to photography that better reflected the experience and personas of end-users.
- An overhaul to the use of creative language that would inform and engage both clinicians and patients; absolute clarity was introduced in terms of what scalp cooling does, who it's for and how it works.
- The creation of a brand purpose: 'chasing zero hair loss during chemotherapy', along with the statement 'pioneers in scalp cooling'.
- The development of a series of campaign headers including 'changing the face of cancer' which lent itself to both end-user communications and academic submissions.

All of the above linked back to a brand proposition which was bold, confident and inspired trust amongst all audiences, also positioning them as a clinical brand in the eyes of medical practitioners: **Suddenly this was a technology business, not a haircare business.**



Communications Tools

- We replaced the 'volumes' of instructional information for clinicians and created a clear, concise and easily digestible one page overview, using infographics, that attaches to the machine for ease of use by clinicians.
- A responsive website that now provides two different entry routes depending on the audience: a clinicians' entry point and a patients' entry point, ensuring messaging can be targeted and delivered in direct support of the needs and demands of information.
- A focus on investor communications. If Paxman were going to raise funding, they needed to look more credible and better than the competition.



Paxman Pioneers

The concept of the 'Paxman Pioneers' was designed: a series of individuals who would tell their stories about their experiences of using the cold cap to enable an approach to social media that became extremely powerful.



OVERVIEW OF THE MARKET

The potential size of the market for global scalp cooling systems is vast. Each year around 14 million patients are diagnosed with cancer, of whom 20-40% will undergo chemotherapy. The key suppliers in the market have been around for many years, but growth is in its relative infancy. Advancements in technology over much more recent years and subsequent improvements in efficacy, have led to an increasing interest in the field.

The key suppliers in the market are cited to be Paxman, Dignitana, Penguin Cold Caps, Chemotherapy Cold Caps and Medline Industries, with Paxman and Dignitana together having the biggest market share.

Given the relative market infancy, it is difficult to provide data on the overall market size. That said, the combined turnovers of Paxman and Dignitana (the world's leading players) have increased from £4,819,564 in 2017 to £5,806,919 in 2018 (to end September). This suggests a market growth rate of 120% over this year. Paxman's worldwide sales growth rate during this period is 124%, so exceeds this figure. More impressively, their US growth rate 2017-2018 is 465%.

Companies in the field work in partnership with research centres, charities, cancer support groups, medical professionals to raise awareness and education in the field.

KEY FACTS

The new brand was launched in **October 2015**.
Design fees totaled **£44,875.00**.

"Paxman have raised the bar in terms of positioning this sector as a serious, technology-driven market that influences not only patients' cancer journeys, but their lives and their resulting mental health."

Maria Bech, Investor & Board Member





RESULTS

"It is without a shadow of a doubt that our new brand - and how it influences our communications, our sales approach, our product design and our staff attitude – has provided us with the vehicle that has enabled us to overtake Dignitana in the US market within a very short period of time. This is evidenced by the overwhelming and ongoing feedback we receive from our new customers in the US as to why they choose Paxman. Most importantly, it has given us an authenticity and a leap in credibility that unquestionably influenced the level of confidence in investors."

Richard Paxman, CEO, Paxman

Results are stated below in direction relation to the following initial objectives:

- 1** To present a serious and credible brand to investors in order to raise the additional finance required to enter the US.
- 2** To present an infinitely more compelling brand than that of Dignitana to clinicians and procurers in the US.
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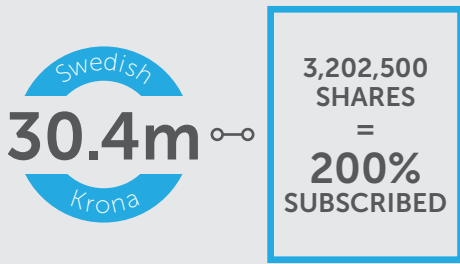
Paxman have achieved their objective to enter the US market with a world-class brand, overtaking Dignitana in the US. Current figures show that in 2018 to date, Paxman have their machines installed in 170 centres in the US. Dignitana supply to just 107 centres (according to their Interim Report to end-September 2018). It is without doubt that the stronger and more compelling brand of Paxman, along with their awareness raising support tools for clinicians and patients, have given them a significant edge over Dignitana and it is the addition of design that has enabled them to move into the lead within this very short space of time.

Their brand was more engaging, more authoritative and more credible than that of Dignitana. Dignitana themselves acknowledged this when, in 2017, a Dignitana shareholder wrote in the company's chat forum: "Just compare the two companies' recent Q-reports - design as well as contents - such a huge difference. Dignitana's report looks like a student's homework from the nineties, whereas Paxman's is of Apple standard. Such things really make a difference."

It is worth noting that Dignitana have now rebranded, very much following the style and tone of voice of Paxman.



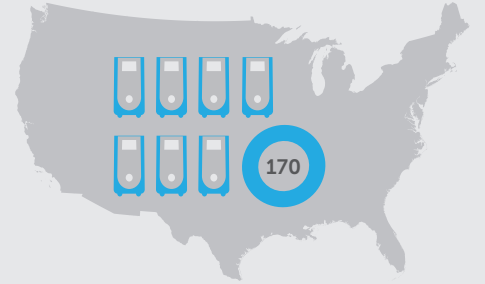
QUANTITATIVE RESULTS in direct relation to objectives include:



In May 2017 Paxman raised 30.4million Swedish Krona through the issue of 3,202,500 newly issued shares directed to the public and institutional investors. It was announced that the company's share issue was subscribed to approximately 200%.

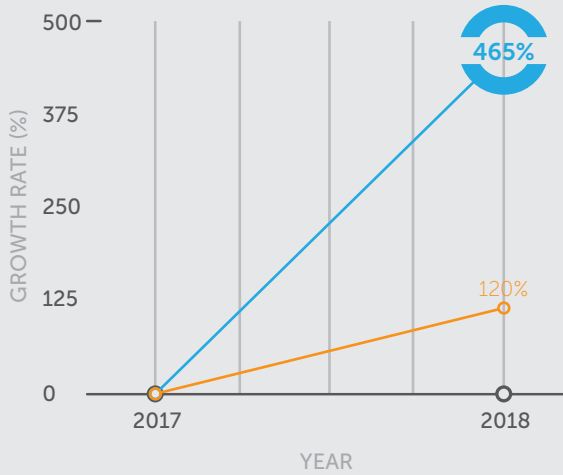


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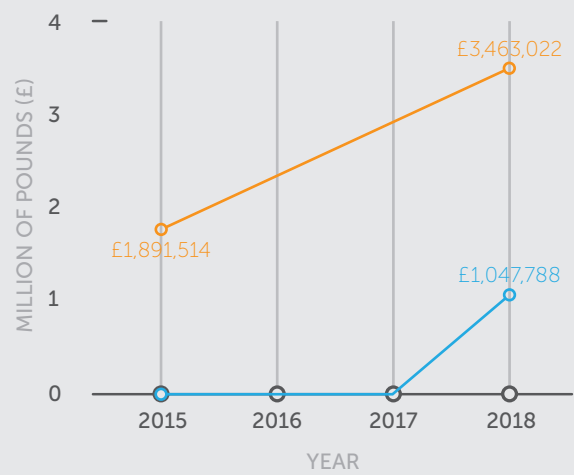
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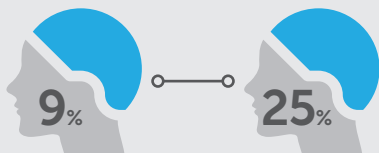
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■ US Turnover ■ Global Turnover

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Awareness of scalp cooling has increased from an estimated 9% to 25%*



Staff numbers have increased from 15 to 40, 7 of which are US recruits.

* The 9% was an estimate from Paxman at the point of project commission. The 25% statistic is based on research conducted by The University of Huddersfield ("Establishing levels of public awareness of scalp cooling and brand awareness"), published March 2017.

Paxman have also received the following awards since their rebrand:

2018

2018 The British American Business TransAtlantic Growth (TAG) Award: Small Gold Export Award for our US success.
2018 The Yorkshire Post Excellence in Business Awards: Export.

2017

2017 Times Higher Education (THE) Awards:
Most Innovative Contribution to Business-University Collaboration.

2016

2016 Made in Yorkshire Healthcare Manufacturing Award.
2016 Medilink Yorkshire Partner with Academia Award.

QUALITATIVE EVIDENCE to support the causal effect of design on the lead up to these results includes:

"For us, who are shareholders in a listed company, it is vital that the company gives a professional and serious impression. ...Especially at the beginning when I compared Paxman's reports with the closest competitor, I became more and more convinced by the fact that it was Paxman that I should focus on. The competitor's reports were, at that time, without pictures, had no background I really felt that the companies played in different leagues ...I give Paxman the highest rating in communicating with the market and with their shareholders and I can personally certify the importance of a company giving a serious overall impression to gain confidence from the investors."

Henrik Lundström, Investor

"I don't accept Board positions lightly, but it is without doubt that my decision to join the Board of Paxman in 2016 was influenced significantly by the presentation this company makes in the marketplace. The brand of Paxman, and how it communicates to the outside world, has been a game-changer in the scalp cooling market. Paxman have raised the bar in terms of positioning this sector as a serious, technology-driven market that influences not only patients' cancer journeys, but their lives and their resulting mental health. The difficult process of raising investment funding for a business such as Paxman, has been made unequivocally easier by being able to present a compelling, authoritative brand and narrative that is credible, robust and based on the delivery of social good as well as investor financial return. I now observe Paxman's competitors following suit and this can only be a positive sign to drive growth in this sector."

Maria Bech, Investor & Board Member

"Paxman have led the way in a seismic industry shift. The image of the scalp cooling market today is unrecognisable. The design agency changed the language and the image of an industry in a fantastic way and I must admit that I have never previously observed such a change in any other sector in which I have invested. They have changed the conversation from 'haircare' to 'clinical excellence' and have shifted the expectations and perceptions of the medical sector and of the patients themselves. My confidence in this market is extremely positive. I am proud to be one of the biggest owners in Paxman and I look with fresh eyes at the opportunities ahead."

Björn Littorin, Investor & Board Member

REDACTED CONFIDENTIAL DATA

"It is without a shadow of a doubt that our new brand - and how it influences our communications, our sales approach, our product design and our staff attitude - has provided us with the vehicle that has enabled us to overtake Dignitana in the US market within a very short period of time. This is evidenced by the overwhelming and ongoing feedback we receive from our new customers in the US as to why they choose Paxman. Most importantly, it has given us an authenticity and a leap in credibility that unquestionably influenced the level of confidence in investors. Without this I know we would not have been able to raise the funds that we have. In addition, the design insight back in 2015 that lifted the communication of our technical excellence has been another influencing factor. This industry - with so few competitors - has to be seen to be advancing its technology and investing in development. This is a given for Paxman, but had previously not been something that we or any of our competitors articulated through our brands."

Richard Paxman, CEO, Paxman

BEHAVIOURAL AND SOCIETAL IMPACT

In terms of behavioural and societal change as a direct result of the rebrand, the increased awareness of scalp cooling, through the social media campaigns and the 'Paxman Pioneers', has generated significant interest in scalp cooling and raised awareness in both the UK and the US.

Contributing to this behavioural and societal change is the use of brave language such as a 'degree of control' and 'pioneers'. This has inspired patients to share their stories - a move away from language such as 'retaining dignity' and photography showing patients looking sad and poorly. It supports the move to a patient-centric approach, which has aligned well with the NHS and medical professions in the UK and overseas, who have started to recognise that the patient should be at the heart of the care pathway and **the protection and support of their mental health during treatment is a significant contributory factor in their road to recovery**. Retaining a degree of control during their otherwise 'uncontrollable' chemotherapy journey significantly helps neurological conditions during both treatment and recovery. In fact, the report: Scalp Cooling Systems Market: Global Industry Trend Analysis 2012 to 2017 and Forecast 2017 – 2025 has itself adopted this language – previously unseen in this marketplace: "For cancer patients, scalp cooling systems give an opportunity to regain some control over alopecia."

OTHER RESULTS

In addition to the above results, Paxman, as a business, has changed their view on the value of design. With a brand platform in place, Paxman went on to design an internal recruitment and training process that was informed by the brand pillars of 'passionate', 'personal' and 'precision'. Proud of the authenticity of their brand, they now recognise the value of the role of design across their organisation. They went on to recruit a product designer internally, placing design at the core of all of their R&D and introducing design as a regular tabled agenda in the Paxman boardroom.

All elements of the business are now thought about in terms of how they are designed: their products, their communications, their service (informed by a new sales and patient journey and supporting communications) and their behaviour and attitudes.



INFLUENCING FACTORS

1. A market in growth. The scalp cooling market is in growth. Therefore there is an argument to suggest that growth will automatically follow for any suppliers in the field. However, the combined turnovers of Paxman and Dignitana (the world's leading players) have increased from £4,819,564 in 2017 to £5,806,919 in 2018 (to end September). This shows an estimated market growth rate of 120% over this year. Paxman's worldwide sales growth rate during this period is 124%, so exceeds this figure. **More impressively, their US growth rate 2017-2018 is 465%.**

Paxman are clear that without the addition of design to their business strategy, they would never have had the strength, as a newcomer to the territory, to overtake Dignitana so quickly and so effectively. Yes, they may have made inroads to the US, but to overthrow the market leader in such a difficult-to-enter market and in such a short space of time has been phenomenal. Dignitana themselves have publicly accepted the strength of the Paxman brand. In 2017, a Dignitana shareholder wrote in the company's chat forum: "Just compare the two companies' recent Q-reports - design as well as contents - such a huge difference. Dignitana's report looks like a student's homework from the nineties, whereas Paxman's is of Apple standard. Such things really make a difference." Since this arguably selfless public comment, Dignitana have since gone on to rebrand, following the lead of Paxman. Their approach has followed the approach of Paxman, placing the user at the centre of the approach. Paxman feel they are truly influencing the face of the sector, not just the face of cancer. Paxman see Dignitana's rebrand as positive competition, driving market growth and development – good for Paxman, good for the competition and ultimately supporting their purpose of 'chasing zero hair loss during chemotherapy'.

2. FDA. Please note that in order to operate in the healthcare market in the US, manufacturers need to undergo extensive clinical trials to gain clearance from the US Food and Drug Administration (FDA). Dignitana achieved FDA clearance in 2015 and they had stolen a march in the territory. Paxman did not achieve clearance until 2017. Clearly, the clearance of FDA in the US for Paxman has enabled the growth in that territory. Without it, market penetration would not have been possible. However, it is emphasised that Dignitana received FDA clearance 2 years in advance of Paxman and so had already begun to penetrate the market. Paxman were trailing, but one year on, they are now leading in the territory and indeed have their machines in the ten highest ranked cancer centres in the US, and in 170 centres US-wide, compared to just 107 for Dignitana. The presentation of their brand and the volume they have turned up on the technological excellence of their devices, has given them a significant edge.

3. Social media and wider media coverage. Clearly social media and wider media coverage helps to drive awareness of scalp cooling. In terms of social media, Paxman have not increased the number of posts they administer and their followers have not increased significantly. However they have changed the content that they publish, communicating confidently using the language of the new brand.

This has had an influence on the language that others use to tell their stories. For example, the late Rachael Bland (BBC News Reporter) gained enormous coverage through her blog 'Big C, Little Me', telling her inspirational story about her experience of cancer and scalp cooling. She has a significant following and Paxman and the scalp cooling market have benefitted from this increased exposure and its contribution to awareness raising. We consider that the concept of the Paxman Pioneers and the brave approach to users telling their stories has contributed to a shift in culture and a shift in the language used in the wider marketplace. Rachael Bland requested that all donations in her memory should be given to Paxman.



4. Financial Investment. Paxman has made considerable financial investment in order to support their export strategy. Without it they would not have been able to enter the market regardless of the strength of the brand. Richard Paxman, Managing Director of Paxman, has a view on this: "It is without a shadow of a doubt that our new brand - and how it influences our communications, our sales approach, our product design and our staff attitude - has provided us with the vehicle that has enabled us to overtake Dignitana in the US market within a very short period of time. This is evidenced by the overwhelming and ongoing feedback we receive from our new customers in the US as to why they choose Paxman. Most importantly, it has given us an authenticity and a leap in credibility that unquestionably influenced the level of confidence in investors. Without this I know we would not have been able to raise the funds that we have. In addition, the design insight back in 2015 that lifted our communication of our technical excellence has been another influencing factor. This industry - with so few competitors - has to be seen to be advancing its technology and investing in development. This is a given for Paxman, but had previously not been something that we or any of our competitors articulated through our brands."

5. Awards. It could be argued that the awards received by Paxman have helped contribute to their successes. However, this is not deemed to have had an influence on their US growth. The awards they have received have largely been regional or UK focused.

