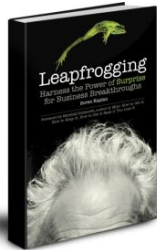


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Leapfrog Your Business into Healthcare's Future

LTC 100
LEADERSHIP & STRATEGY CONFERENCE

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FAST COMPANY



Forbes.com



monster



Objectives

- Provide insight into the dynamics of disruptive innovation & change
- Discuss specific opportunities for the future of Long Term Care



Ball Pass Ground Rules



- Get into teams
- The goal is to be the team with the fastest time
- Every player must receive the ball
- The timer starts the moment the ball is set in motion by the first team member
- You can take up to 4 attempts, however, the order of passes must stay the same (e.g., team member A to B to C must stay the same)
- If you make multiple attempts, your team's last attempt will be the time that will be used in the competition
- The activity ends in 15 minutes
- Each team needs a designated timer (they only time, they don't receive the ball)



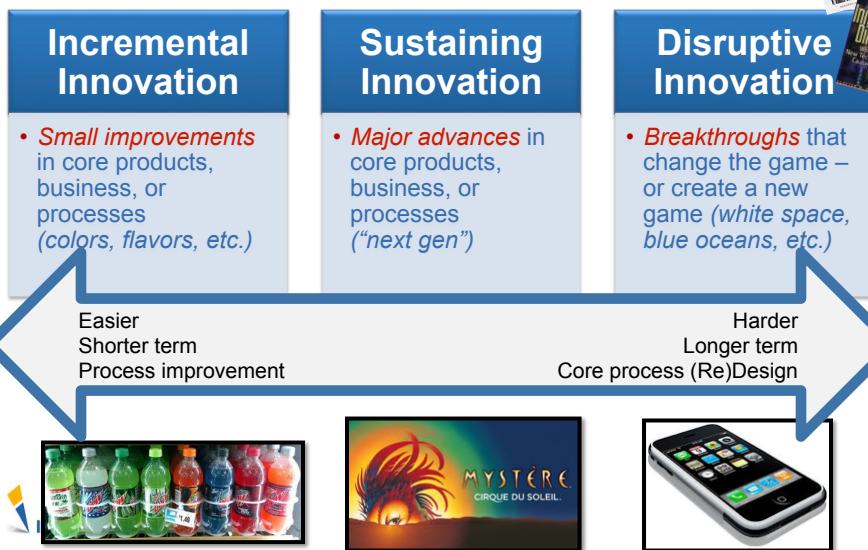
S-Curves & Disruptive Innovation

Strategic Foresight – Harnessing emerging forces

- Which obvious & non-obvious trends (inside & outside our industry) might shape our world? Do we focus too narrowly?

Industry/Market Forces Specific customer/consumer wants and needs, shopping and distribution preferences, spending habits...	Economic Conditions Macro (GNP, trade, inflation), Micro (wages, consumer spending), regional variation...	Technological Forces Emerging technologies, technological infrastructure, breakthroughs, R&D trends...
Demographic Patterns Aging populations, family/household composition, labor force composition, immigration...	International Relations Levels of conflict and wars, trade and protectionism, monetary systems and exchange rates...	Competition New competition, industry structure, product substitutes, alliances, acquisitions...
Social/Lifestyle Factors Consumer values, psychographic profiles, education levels, social issues, home ownership, lifestyle trends...	Political & Regulatory Geopolitical trends, policy shifts, government projects, deficits, emerging policies and regulations...	Value Chain Factors Consolidation/fragmentation, of supply chains & distribution channels, alternative channels ...
Physical Environment Air/water/land pollution trends, environmental protection trends, global warming effects...	Natural Resources Energy prices and availability, raw materials supplies, resource usage trends...	Wild Cards Surprise forces with major impact, lower probability but significant consequences...

Types of Innovation



Types of Innovation

Incremental Innovation

- *Small improvements* in core products, business, or processes (*colors, flavors, etc.*)



Sustaining Innovation

- *Major advances* in core products, business, or processes (*"next gen"*)



Disruptive Innovation

- *Breakthroughs* that change the game – or create a new game (*white space, blue oceans, etc.*)



27

S-Curves & innovation across the life cycle



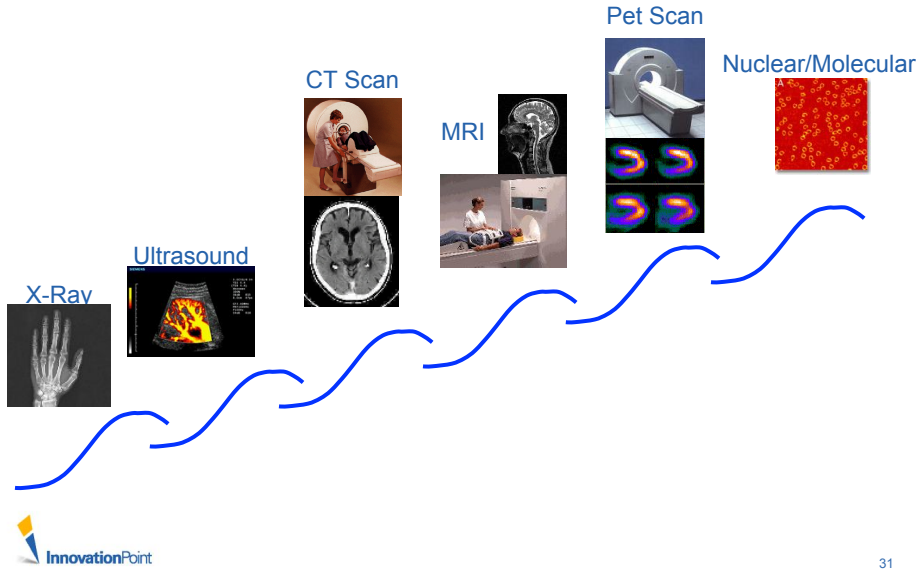
A classic example of disruptive innovation



S-Curves in “Value Exchange” Business Models



S-Curves in "Medical Imaging"



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31

Leapfrogging in Healthcare – BCG Study

Sources: BCG analysis, desk search, expert interviews, project partner organizations

Health system categories	Innovation types	Health system categories		
		A Technology	B Operating model change	C Behavior change
0 Prevention & Health promotion	Project Masiluleke	Project Masiluleke: Leverage mobile technology for HIV/AIDS and TB prevention through phone-based counseling and text message-supported self-testing.	Singapore Health Promotion Board: Invest in the maintenance of public health through a holistic approach, bringing health considerations into every aspect of people's daily lives.	Greenstar: Conduct social marketing to raise public awareness for reproductive health, leveraging private healthcare providers to act as franchisees
1 Service delivery	Proteus	Proteus Helium system: Administer hypertension therapy remotely via smart phone technology, moving care from service points to homes	Fortis & GE Healthcare tele-ICU: Reorganize delivery of critical care by connecting remote ICUs with centrally located intensivists through telemedicine	Abdul Latif Jameel Poverty Action Lab study on immunization in India: Provide non-monetary incentives for parents to immunize their children, thereby overcoming cognitive biases
2 Medical products	PHILIPS	Philips infant warmer: Provide reliable, easy-to-use, and cost-effective infant thermo-regulation to reduce neonatal mortality in low-income countries	USAID "Deliver" Project: Provide technical assistance to streamline medical supply chains in emerging economies, increasing availability and affordability of medical products	CARE hospitals: Improve equipment longevity and reduce waste by re-using devices sold as single-use products if medically safe
3 Workforce	AMREF	AMREF e-learning for nurses: Overcome workforce shortages and infrastructure problems by training and certifying nurses remotely	Pesinet: Deploy community health workers with limited expertise to detect and monitor childhood diseases with remote assistance from physicians	Narayana Health cost awareness policy: Incentivize physicians to take financially prudent decisions and make suggestions for cost savings and process improvements.
4 Information	Safaricom	Kenya Integrated Mobile MNCH Information Platform: Provide pregnant women with mobile phone-based health information to promote safe pregnancy and ensure access to maternal care	International consortium for health outcomes measurement: Define global standards for measuring health outcomes and foster better decision-making	"Traffic light" nutrition labeling in the UK: Simplify food labels to avoid obesity by helping consumers better understand
5 Financing	Changamka	Changamka: Offer mobile phone-based insurance services to bring health insurance to low-income communities	Hygeia Community Health Care (HCHC): Provide low-income populations in Nigeria with affordable health insurance covering essential treatments	Discovery Group: Reward health insurance takers for healthy lifestyles through lower premiums and other benefits
6 Leadership/ Governance	Estonian Medical Health Record System	Estonian Medical Health Record System: Create a nation-wide, integrated electronic health record system to improve the quality and efficiency of diagnosis and treatment	French National Committee on Public Health: Create an inter-ministerial committee to act as a steering body in coordinating health policies across all ministries concerned	Norwegian Generalized Sugar Tax: Charge excise tax on unhealthy food (also: tobacco, alcohol) to discourage unhealthy consumption habits

Legend: ■ Proven example ■ Nascent example

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Break Outs (20 minutes)



Identify a series of “S-Curves” that demonstrate how “long term care” has evolved over time (think about trends)

Create a minimum of three S-Curves that represent the past, present, & future

Capture your work visually and be prepared to share your ideas with the larger group.



S-Curves in Home Care

- Long Term Care Technology
- Long Term Care Business Models
- Post Acute Care
- Care Continuum
- Patient Care
- Patient Experience
- Clinical Processes
- Patient “market segments” (general vs. niche)
- Wellness models
- Others?



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Leading Disruptive Innovation & Change

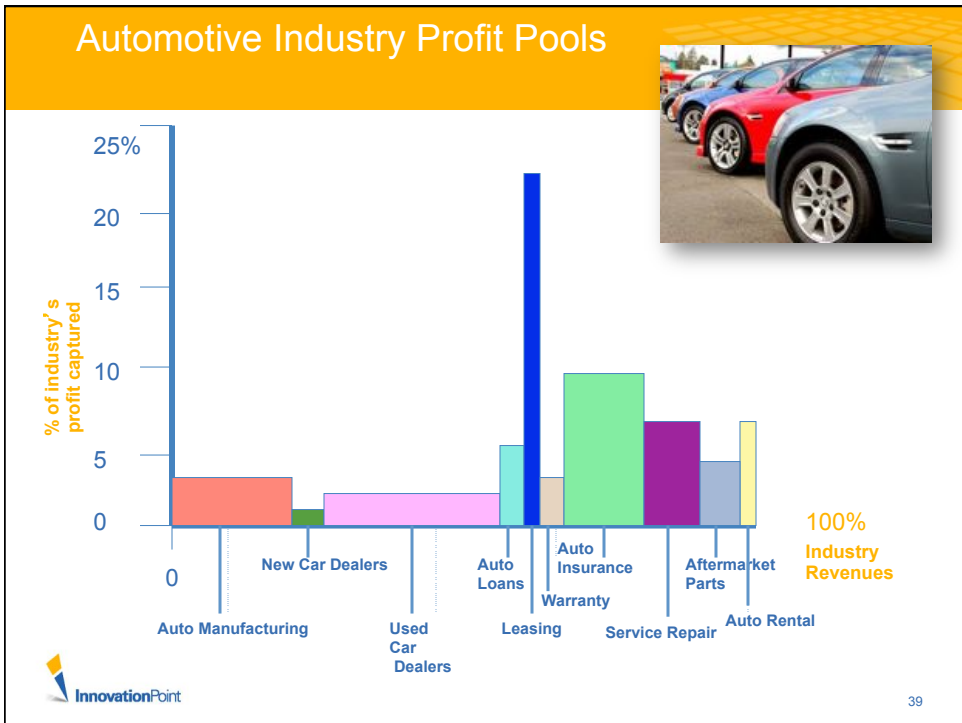
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3 Strategies for Disruptive Innovation



1. Rethink Your Role
2. Create New Business Models
3. Disrupt Yourself





THE LIFE CARE
RETIREMENT COMMUNITY
 **The Village**
at Penn State



40



in Fall





What business are you in?



- Rehabilitation?
- Patient logistics?
- Health care navigation?
- Niche care experiences? (ethnic, conditions, etc.)
- Enhancing quality of life & longevity?
- Creating quality of life for families?
- In a facility, outside, and in the home?

Who do we serve? (and what are their unique needs?)

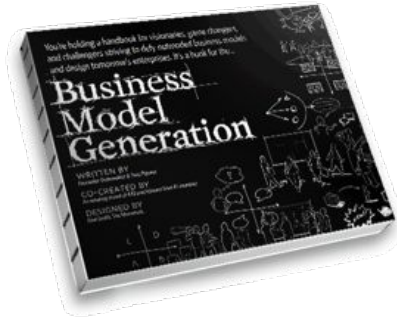


3 Strategies for Disruptive Innovation



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Business Models



A business model describes the rationale of how an organization creates, delivers, and captures value (economic, social, cultural, or other forms of value).

Business Models

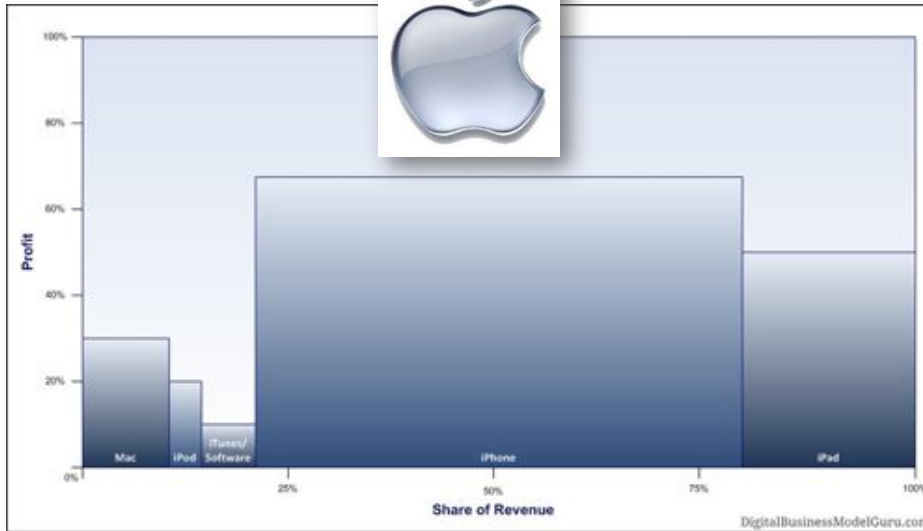
- Business models answer three questions:
 1. How do we add the most value?
 2. How do we make money?
 3. How do we create competitive differentiation?






 What is a “business model”?

Business Model Profit Pools (Apple, today)



How to Make Money – Business Model Drivers

Products	Product Bundles	Product / Service Solutions	Service (Access)	License	Membership / Subscription	Time
Price per unit <ul style="list-style-type: none"> Liter of gas Toothbrush Laptop computer 	Price per set of complementary products <ul style="list-style-type: none"> Grooming travel kits Tool kits Printers with ink & paper 	Price for product and a supporting service <ul style="list-style-type: none"> Support Training Consulting (Network server coupled with LAN set-up) 	Price based on access to something <ul style="list-style-type: none"> Bed for a night (hotel, hospital) Per incident (IT services) Per admission (movie, concert, ball game, theme park) Season pass (theme park) 	Use of intellectual property / technology <ul style="list-style-type: none"> For a given time period Unlimited amount of time For unlimited features For limited features Tiered levels 	Price based on ongoing or longer-term access <ul style="list-style-type: none"> Time period (monthly, yearly, lifetime) Number of units For unlimited features For limited features Tiered levels 	Price per specific time period of value delivery <ul style="list-style-type: none"> Per minute (mobile phone) Per six minute increments (attorneys) Per hour (consultants) Per day (rental cars, hotels) Per month (apartments) Per year (insurance)

What else can you offer?

- Reimbursable services (diagnostics, pharmacy, dieticians, rehab, weight loss coaches, etc.)
- Out of pocket services (spa, bistro dining, entertainment, transportation, etc.)
- Products? (e.g., gift shops, medical supplies, etc.)
- Partnerships (e.g., local merchants, healthcare, etc.)
- Clinical Trial Support?
- Medical Device Product Development?
- Market Research Data?
- Family Support Services?
- Etc.

3 Strategies for Disruptive Innovation



1. Rethink Your Role
2. Create New Business Models
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What do X-Box and Coke dispensing have in common?



63

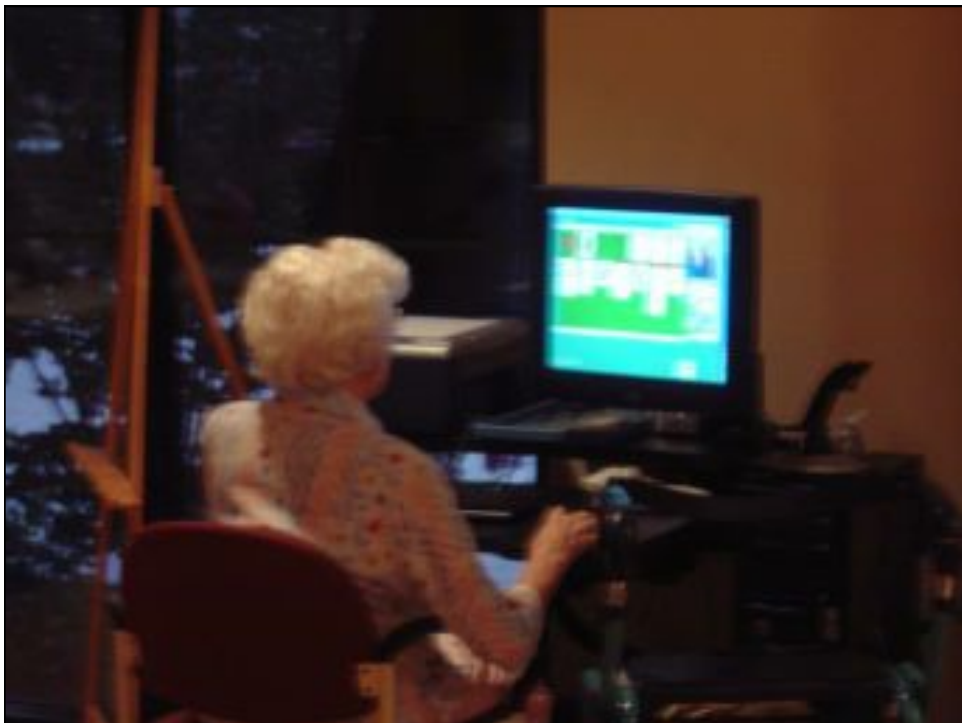


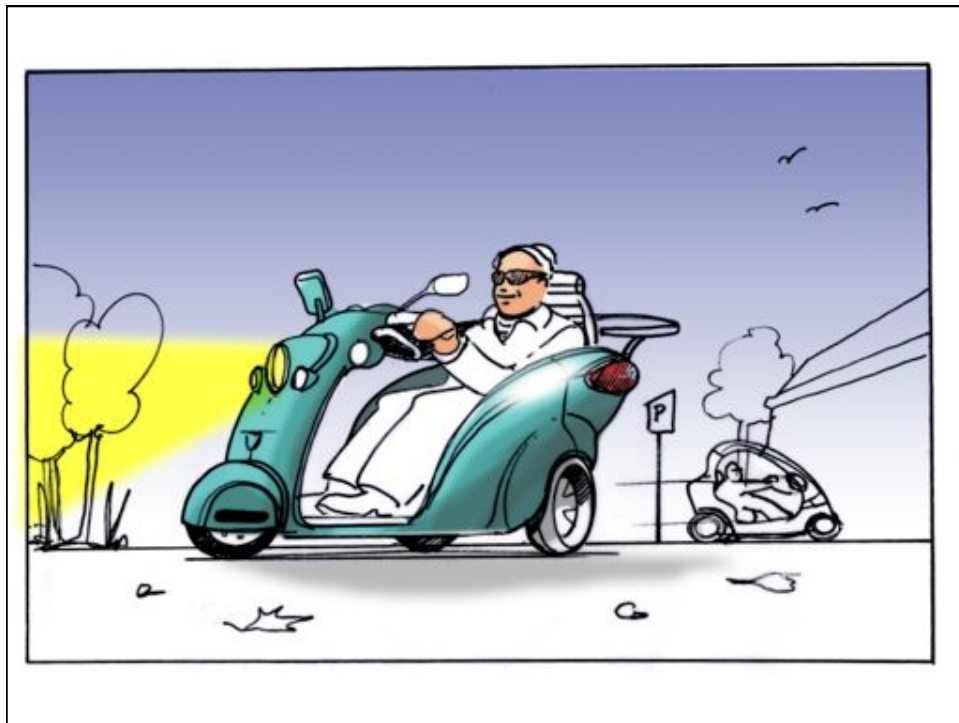
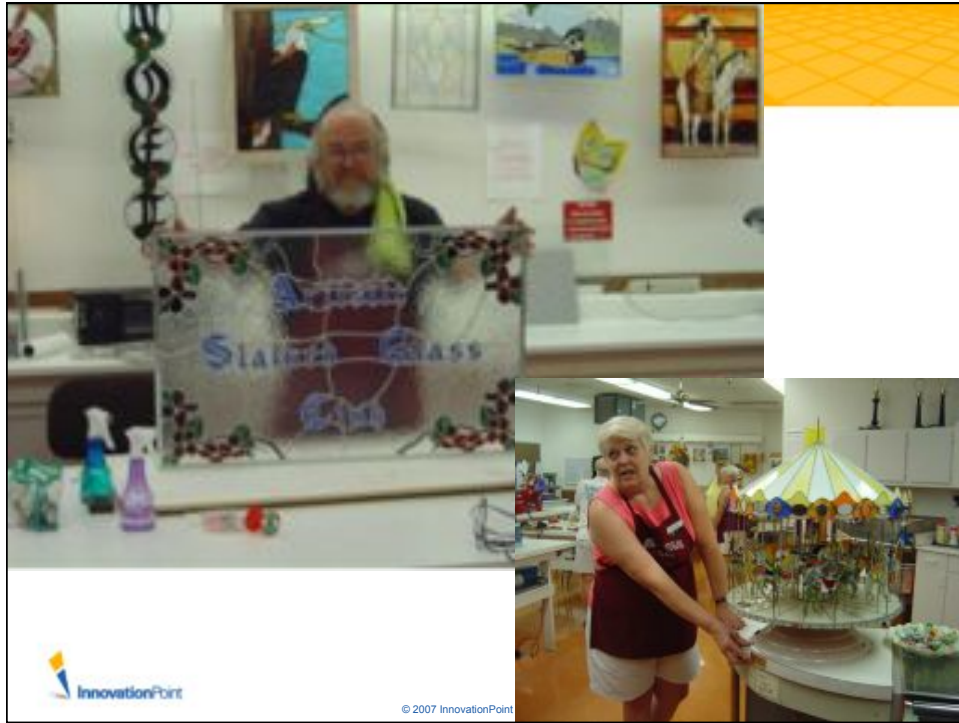
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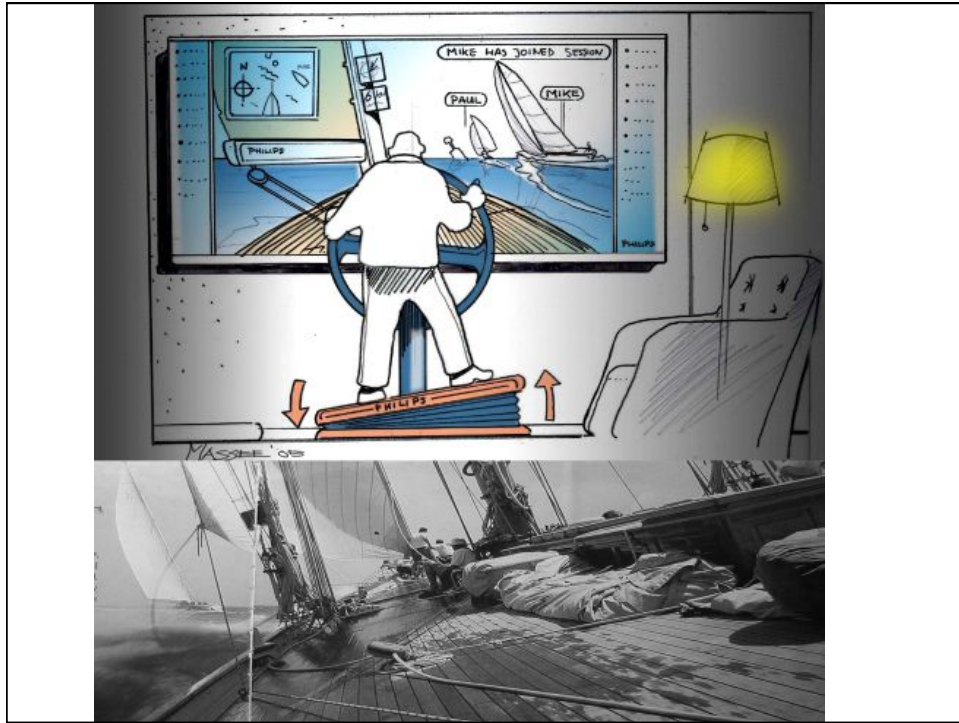
Get REALLY close to the customer



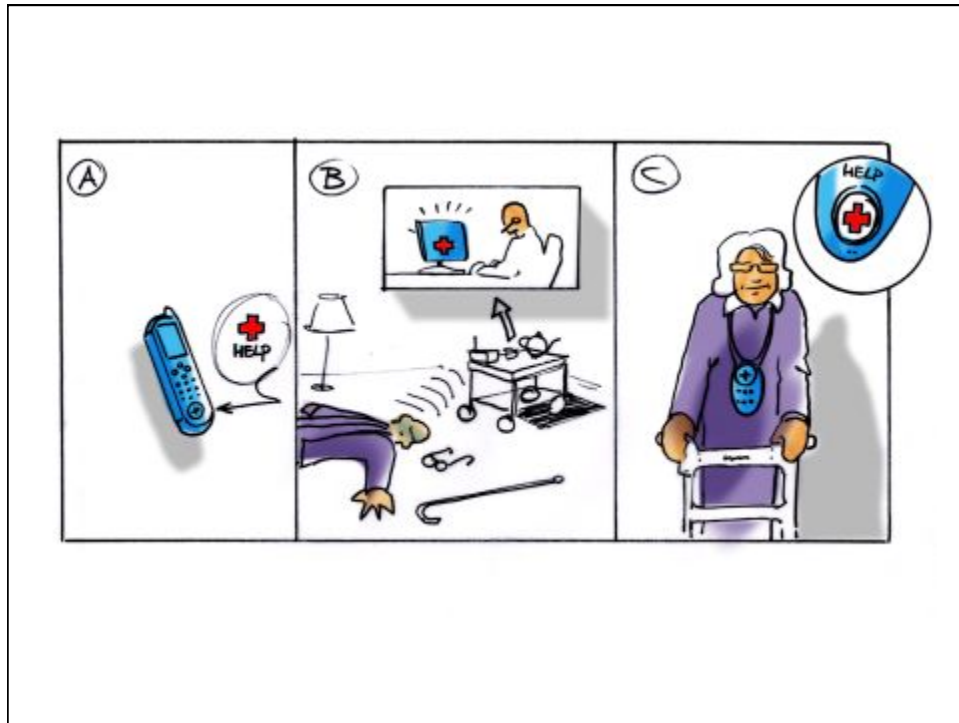









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Lifeline is a good starting Point to deliver on the “Sweet Spot”

Lifeline is a good starting Point to deliver on the “Sweet Spot”



I live alone and anytime I need you, the Lifeline provides help and that's what's important to me, knowing I can reach emergency and I don't have to place a call for help. - Lusille B.

First: Choose a Communicator

- Basic Unit**
[click here for more info](#)
- Voice Extension**
[click here for more info](#)
- Telephone w/ Reminders**
[click here for more info](#)

Second: Choose a Personal Help Button

- Classic Pendant**
[click here for more info](#)
- Slimline Pendant**
[click here for more info](#)
- Tempo Watch**
[click here for more info](#)

Engage Customers (and Non-Customers)

intuit. Office Hours





Go Outside to Stretch the Inside External Thought Leaders Push Thinking



Leapfrogging Innovation Session



Creating an Innovative Environment



Do Things that Disrupt Yourself

Disrupt Yourself	How
External Talent	Hire people from outside your industry / market
Customer Office Hours	Bring patients, caregivers, and others “inside” to generate ideas and test opportunities
Market Safaris	Tag along with care providers to discover new needs & problems
Leadership Development	Give hi-potential employees specific business challenges as part of their development
Leapfrogging Sessions	Bring employees together with outside experts for future-focused strategy & innovation
Culture of Innovation	Create an environment that fosters new ideas & experiments

82

3 Strategies for Disruptive Innovation



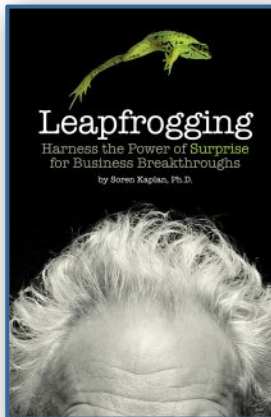
1. **Rethink Your Role**
2. **Create New Business Models**
3. **Disrupt Yourself**

Table Discussions:

What is one key insight from these three strategies?

What is one thing you can start doing right away?

Discussion & Q&A



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