

# Mona School of Business & Management Annual Conference

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*Panel on Entrepreneurship, Technology & Strategy:*

## Data-driven Opportunities for Innovation, Entrepreneurship and Enterprise in HealthCare in the Caribbean

*Maurice McNaughton & Perry van Rijsingen*

*November 10<sup>th</sup>, 2016, 08:30*



**Perry van Rijsingen**

**21<sup>st</sup> Century Business Growth Advisors B.V.**

Applying the Start-up Mindset and Experience to Today's Business Challenges

# Data-driven Opportunities for Innovation, Entrepreneurship and Enterprise in HealthCare in the Caribbean

## Agenda:

- Brief introduction
- A start-up in a Developed Economies / Why would VCs invest?
- Global trends shaping healthcare system in coming decade
- A framework for Business Models for Emerging Economies
- Empirical analysis & conclusions
- Implications for further research

# Brief introduction

## Perry van Rijsingen

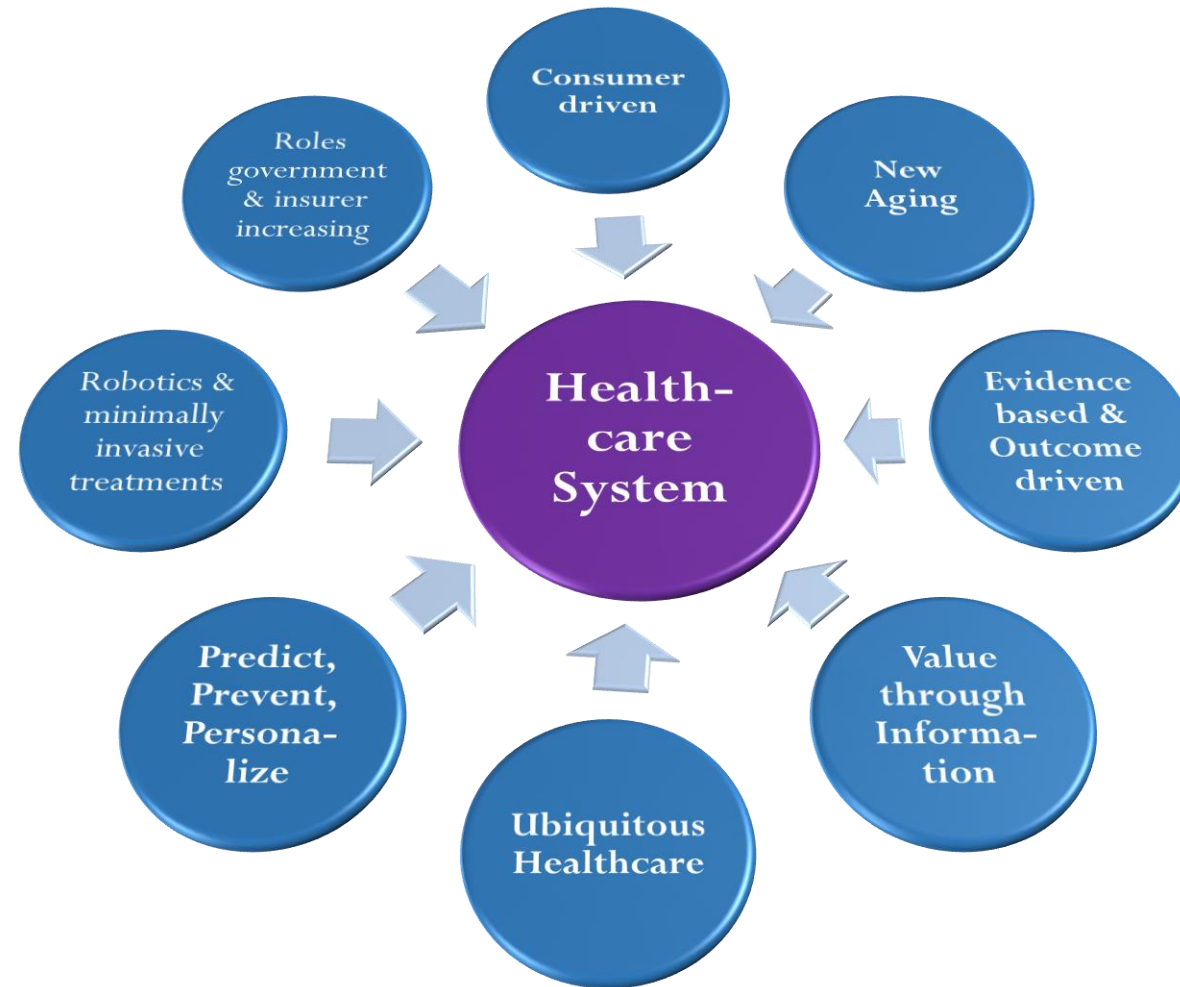
- Masters in Bio-Medical Physics at the University of Eindhoven, NL
- 1985 - 1996: Functional Leadership roles (Sales, Strategy, Operations, R&D) in Philips
- 1996 - 2005: CEO of two large Business Groups in Philips and VP
- 2006 - 2015: CEO of the Philips Corporate Venturing (Healthcare Incubator) and SVP
- 2015 - ..... : CEO and Founder: 21st Century Business Growth Advisers B.V.
- 2015 - ..... : Non-executive directorships of healthcare start-ups
- 2015 - ..... : European Commission Coach for healthcare start-ups
- 2016 - ..... : CEO: Preceyes B.V.
- Lived and worked globally in / from:  
The Netherlands, Argentina, D.D.R., P.R. of China and Hong Kong

# There are more changes expected in healthcare in the coming decade than in the past five decades



*"Henry, it's for you -  
apparently your heart is  
about to fail..."*

# Trends shaping healthcare system in coming decade



Unprecedented changes in the landscape will drive the entire healthcare system to reinvent itself fundamentally

This offers many threats and opportunities to healthcare industry

This will drive the emergence of new business models.

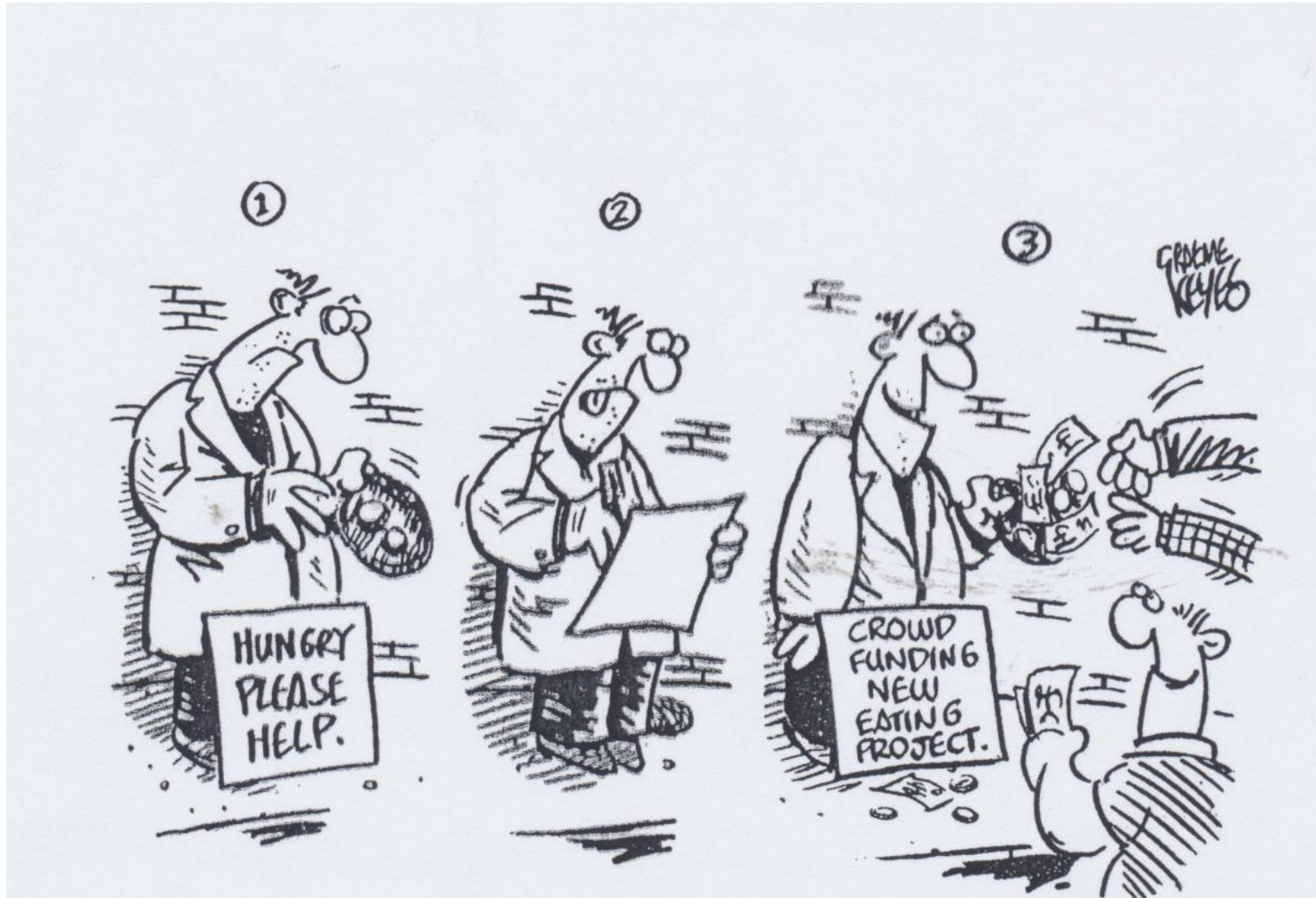
Many of these new business models are **digital health** related

“Digital Health”: Initiatives that are based on or enabled by some combination of “cloud”, “mobile” and “analytics”




# Business Model is the blueprint of how a company does business (and thereby creates value)

Source: Osterwalder et al. (2005)



# A framework for successful start-ups in emerging economies

Business Model Canvas,  
Osterwalder & Pigneur,  
  
Source:  **Strategyzer**  
strategyzer.com

<b>Key Partners</b>  <b>Business Opportunities:</b> That allow to start and stay asset light	<b>Key Activities</b>  Laser like focus on value add activities that are driving the sustainable uniqueness of the business model	<b>Value Proposition</b>  <b>Business Opportunities:</b> That help the healthcare system  <b>Business Opportunities:</b> That enable the key trends in healthcare <div>  </div>	<b>Customer Relationships</b>  <b>Business Opportunities:</b> Not depending on an expensive sales force to achieve intimacy leadership	<b>Customer Segments</b>  <b>Local beachhead customers to test value proposition &amp; business model and quickly pivot (Lean start-up)</b>  <b>Select follow-on markets and customers that would benefit</b>  <b>Broaden value proposition and market scope through a similar approach</b>
	<b>Key Resources</b>  Small team to perform key activities  Global advisors with deep local knowledge		<b>Channels</b>  <b>Business Opportunities:</b> That do not depend on expensive distribution	
<b>Cost Structure</b>  <b>Business Opportunities:</b> That allow to make use of local low cost basis		<b>Revenue Streams / Value Drivers</b>  <b>Business Opportunities:</b> That use the proven sources of sustainable value creation:		

# Summary of Findings and Conclusions

## Methodology

- Empirical analysis of 24 of the most promising healthcare start-ups in China, India, Africa
- We used the business model framework for start-ups in emerging economies for the analysis
- We looked at: (1) at ability to scale globally (2) to which extent the business model leaned on “Digital Health”

## Findings

- 20 probably have potential to scale globally, whereby 6 already made significant steps towards global expansion
- All 20 followed the guidelines of the business model framework for start-ups in emerging economies
- Of the 20, as much as 19 had a business model that leaned heavily on “Digital Health”
- Of these 19, as much as 18 leaned on “Mobile technology”, 13 on “(Big) Data & Analytics”, 12 on both

## Conclusions

- For healthcare start-ups in emerging economies two things seem to come together:
  - The current trends shaping healthcare are driving and enabled by “Digital Health”
  - The business model framework for start-ups in emerging market are favouring “Digital Health”
- “Digital Health” is democratizing healthcare innovation across the globe
- “Digital Health” means that innovation is no longer a prerogative for the “large” and the “rich”



# Changes in healthcare as part of global industry changes

Industry margins increased from 7.6% to 9.8% of GDP from 1980 through 2013

(Source: McKinsey Global Institute - The new global competition for Corporate Profits)



Industry margins expected to decrease from 9.8% to 7.9% of GDP by 2025

(Source: McKinsey Global Institute - The new global competition for Corporate Profits)



- "The winner takes it all" in most business areas
- Specialization will result in more narrowly defined business areas

# An example of a Caribbean healthcare start-up

## MediRevu (Barbados)

- **Site:** <https://www.medirevu.com/>
- **Mission:** Helping doctors with a better way to engage patients and manage patient records
- **Vision:** Improve productivity by replacing phone-calls and faxes with automated and scheduled (mobile phone based) text messaging to patients and other providers

## Analysis using the framework

- MediRevu addresses the poorly met global need to give cost efficient & high quality care to chronically ill people
- The MediRevu solutions fit in global trends such as “New aging”, “Value through information”, “Ubiquitous healthcare ” and “Evidence based & Outcome driven”
- MediRevu already is preparing international expansion, both in analysing market and funding opportunities
- MediRevu has local beachhead customers to test and pivot the business model
- MediRevu works asset light, both on the technology, the customer relationship and the channel side
- MediRevu is lean and has a very small team with a laser like focus
- MediRevu has the option to branch off into Big Data & Analytics in an asset light and lean way

# Implications for further research

**The entrepreneurial role**

**Role of the public sector**

# Implications for further research

## The entrepreneurial role

- Which portion of the start-ups in emerging markets that follow the framework are indeed successful on the long run?
- What made these successful?

## Role of the public sector

- What are role models for the public sector enabling, facilitating and supporting the entrepreneurs?
- How could such role models be “localized” to an Emerging Economy?
- How is the public sector helping the long term successful start-ups and what can be improved?

# Thank you very much!



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