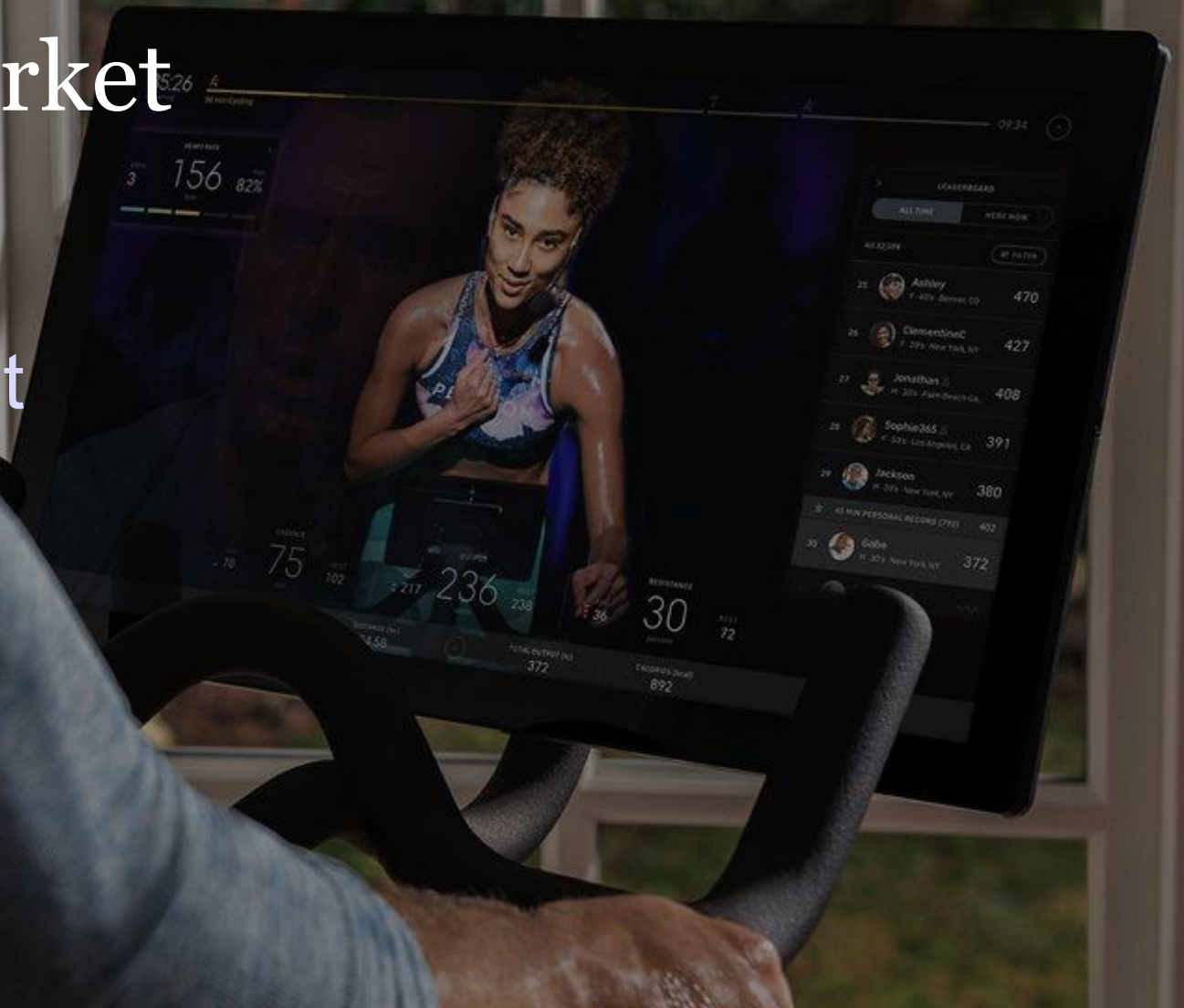


# Entering the US Market

## **Alyce** HealthCare: Motion AI Based Workout Coaching Solution

Rahul CV, Maithili Lingala, Wanheng Li,  
Xiaoyu Su, Siddhant Evre



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- 1 Overview
- 2 EAP Market Analysis
- 3 Unmet Needs: MSK and Physical Training
- 4 A Growing Trend: Telehealth
- 5 Case Study - Sword Health
- 6 Recommendations
- 7 Conclusion



# Alyce's US Market Entry Tackles Unmet Employee Wellness Needs with Innovative Solutions for Privacy and Engagement.

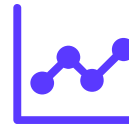
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Alyce Healthcare Addresses a \$10 bn underserved U.S. EAP Market.



Leveraging Telehealth to Tackle the \$980 bn MSK problem Affecting 1 in 2 Adults in the U.S.



The growing adoption of digital wellness and telehealth highlights a positive trend towards innovative healthcare solutions.

Alyce Healthcare  
Addresses a \$10B  
underserved U.S. EAP  
Market.

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Low Entry Costs, Fragmented  
Competition, and Limited Innovation  
Define the EAP Market Landscape.



Current EAP Services Focus on Mental  
Health and Nutrition, Yet Lack  
Adequate Physical Training.

# Low Entry Costs, Fragmented Competition, and Limited Innovation Define the Market Landscape

## Industry Forces

Characteristic	Level	Trend
Concentration	Low	
Barriers to Entry	Moderate	Steady
Regulation and Policy	Low	Steady
Capital Intensity	Low	
Assistance	Low	
Competition	Moderate	Increasing
Innovation	Low	

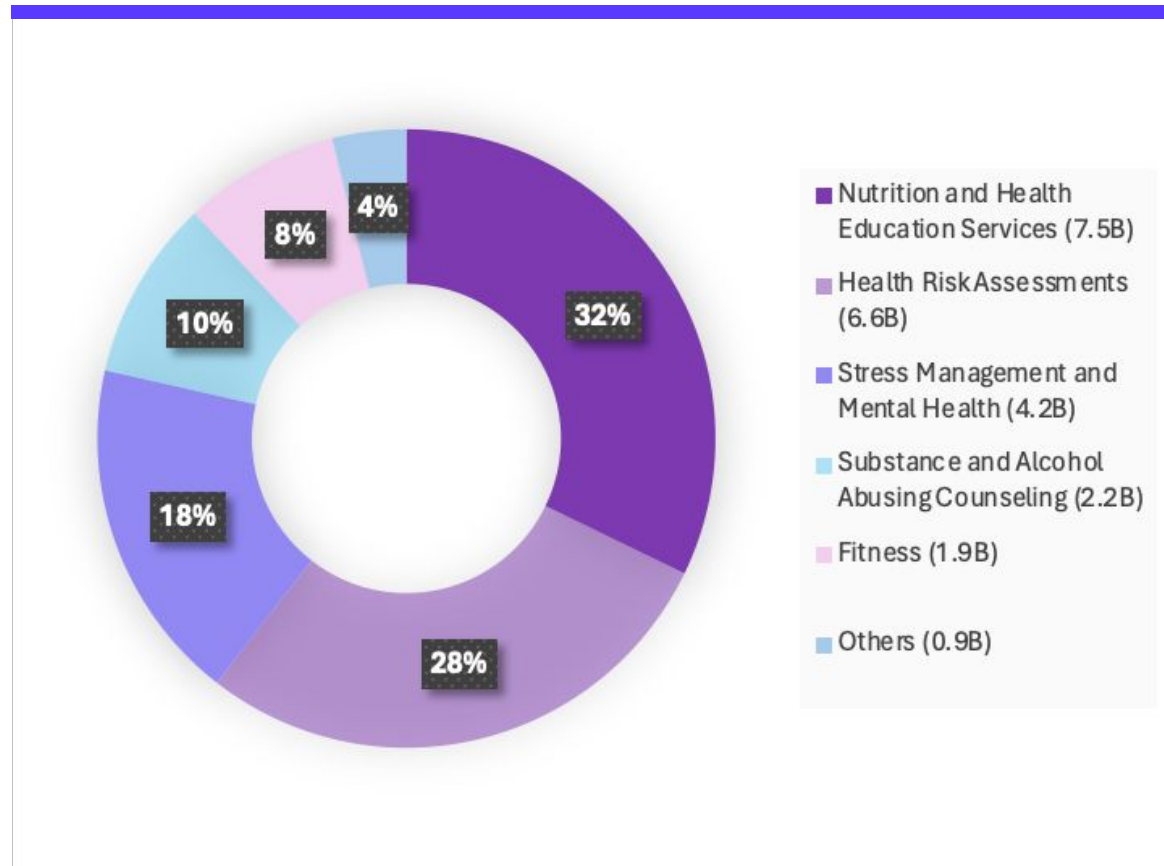
Entry into the EAP industry is less capital-intensive, which allows new entrants like Alyce Healthcare to prioritize investment in specialized knowledge and the integration of advanced technologies, rather than in substantial physical assets.

The market is characterized by a lack of dominance by any single or group of companies, fostering a competitive environment where a multitude of firms contributes to a dynamic and diverse industry landscape.

The sector has largely been following traditional service delivery models, signaling an opportunity for innovation. Innovative solutions, particularly those that leverage technology, could redefine service standards and capture market share.

# Current EAP Services Focus on Mental Health and Nutrition, Yet Lack Adequate Physical Training

Products and Services Segmentation



- The nutrition and health education services include nutritional information, weight loss support services and department-wide initiatives to increase health consciousness.
- Traditional EAP providers concentrate on mental health and nutrition services, yet they miss a critical area of physical coaching, which is essential for preventing musculoskeletal issues and promoting overall employee health.

Leveraging Telehealth to Tackle the \$980 bn MSK problem Affecting 1 in 2 Adults in the U.S.

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Musculoskeletal Conditions are a Leading Healthcare Expense for US Companies and Affect Workplace Productivity



Employers Value Employee Health and Demand Increased Remote Healthcare Solutions.



Employees find telehealth services and EAP services addressing MSK conditions to be highly valuable.

# Musculoskeletal Conditions are a Leading Healthcare Expense for US Companies and Affect Workplace Productivity

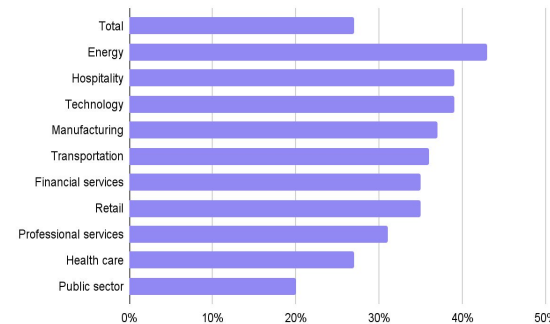
## Widespread Impact of MSK

- **1.71 billion people experience MSK conditions worldwide**
- **1 in 2 American adults experience musculoskeletal pain**

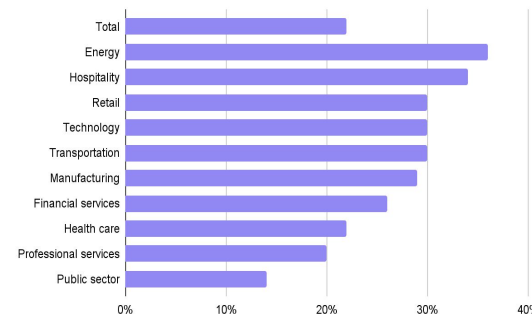


## MSK Reduce Workplace Productivity

MSK pain decreased productivity at work across sectors



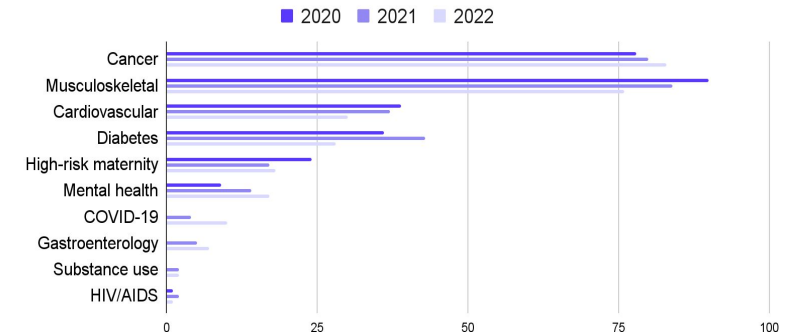
MSK pain made employees consider leaving their job



**MSK pain decreases work productivity and makes employees consider leaving their job across various industry.**

## Significant Costs with MSK

Top Conditions Driving Cost Reported by Large Employers, 2020-2022

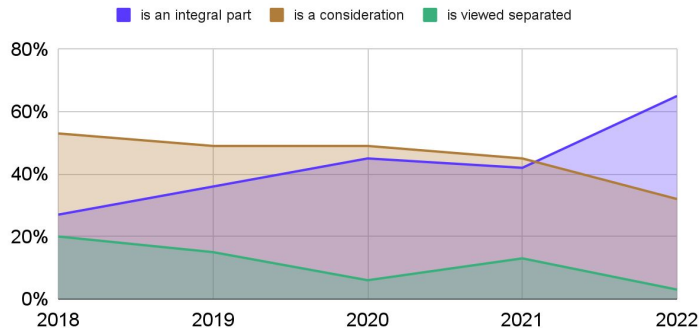


- **MSK is one of the top driving cost conditions for US companies**
- **\$381 billion annual spend on MSK in the US**
- **\$980 billion annual MSK treatment cost and wage loss in the US**

# Employers Value Employee Health and Demand Increased Remote Healthcare Solutions

## Employer's Workforce Strategy

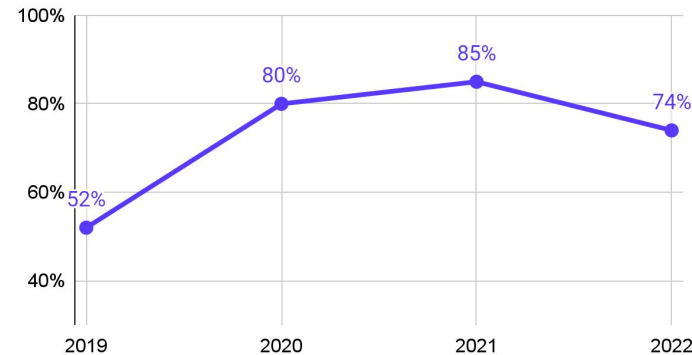
The Role of Employee Health and Well-being in Large Employers' Workforce Strategy, 2018-2022



- In 2022, 65% of employers assert that their health and wellbeing strategy is an integral part of their workforce strategy, compared to only 27% in 2018.
- In 2022, only 3% employers view their health and wellbeing strategy as separated from their workforce strategy, compared to 20% in 2018.

## Significance of Virtual Health

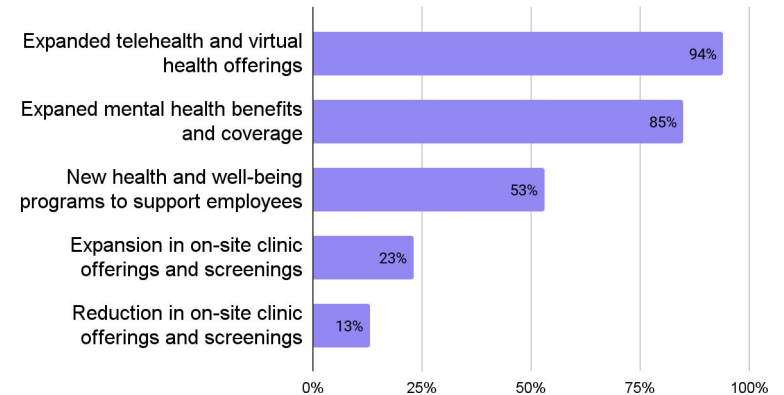
Large Employers' Belief of Virtual Health, 2019-2022



74% of employers believe that virtual health will have a significant impact on how care is delivered in the future, compared to only 52% in 2019.

## Continued Pandemic Change

Large Employers' Beliefs on Continued Changes Following the Pandemic



- 94% of employers believe there will be expanded telehealth and virtual health offerings
- 53% of employers believe there will be new health and well-being programs to support employees working remotely

# Employees find telehealth services and EAP services addressing MSK conditions to be highly valuable.

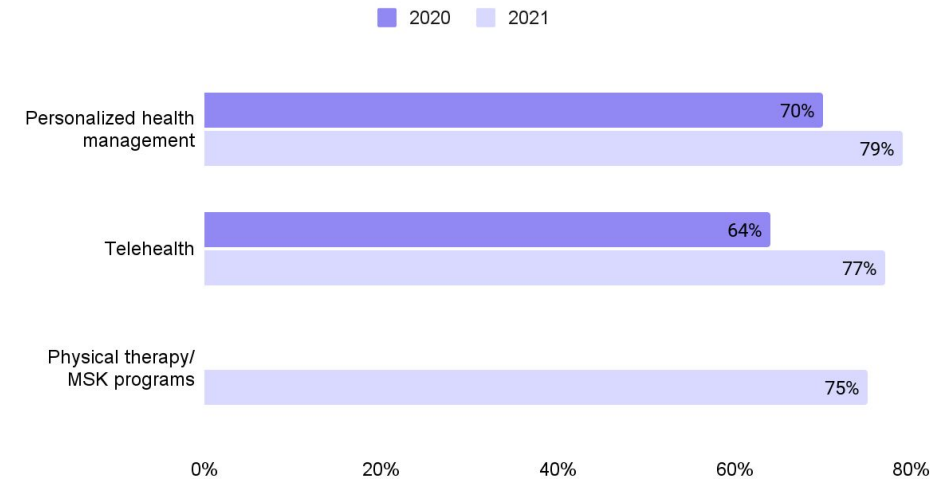
## Employees like EAP

- **48%** of employees who enroll in wellbeing EAP report being highly engaged, **they like the program.**
- **75%** of employees with access to a well-being program said it had a **positive impact** on their health

## Wellbeing programs are valuable

- Physical health programs, including fitness reimbursement and physical therapy/MSK programs, have seen a **notable increase** in perceived value.
- The valuation of fitness reimbursement programs and physical therapy and MSK programs are **growing** in recent years.

Percentage of employees' evaluation to wellbeing programs



# The growing adoption of digital wellness and telehealth highlights a positive trend towards innovative healthcare solutions.

65%

of millennials are focused on improving their health through exercise and 40% are willing to use technologies to help with health

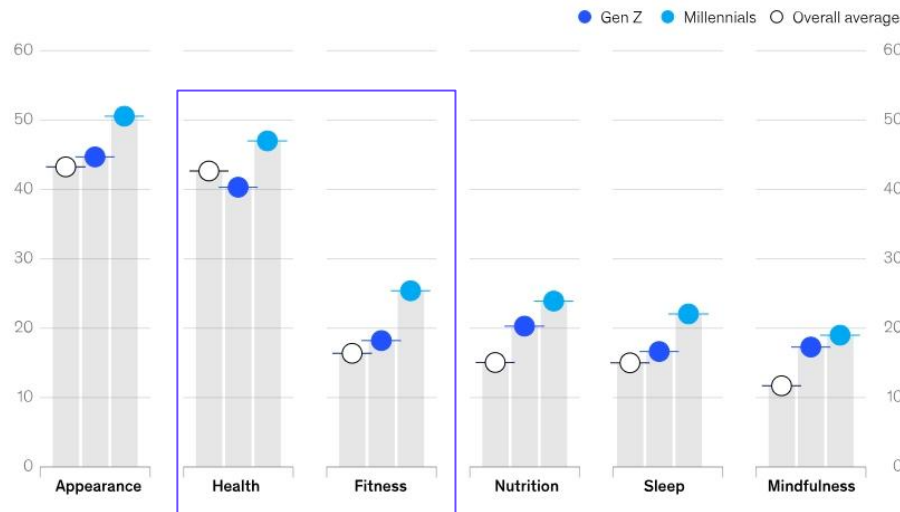
56%

of GenZ considered fitness a “very high priority” rather than a casual interest.

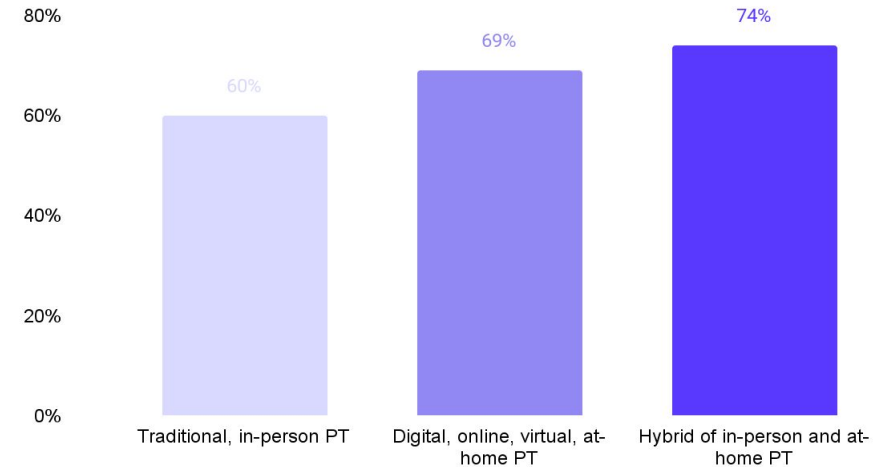
## People’s opinions about telehealth

- There was a growing number of people accessing physiotherapy via telehealth after COVID-19
- Recent literature suggests an overall satisfaction towards telehealth.

## Millennials and GenZ spend more money on wellness than average



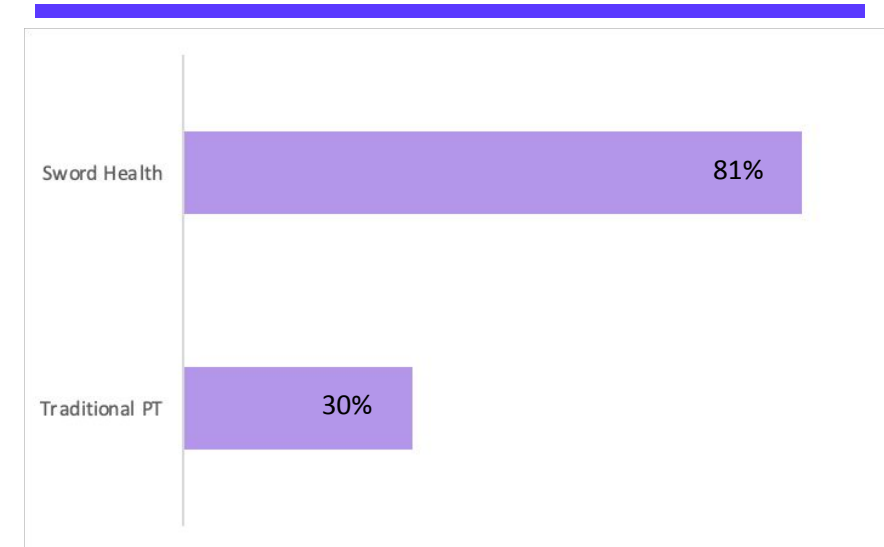
## Percentage of Extremely Satisfied with Physical Therapy



## Case Study: SWORD Health's Profitable Solutions Showcase Market Potential for Innovative, Cost-Effective Programs

- Sword operates in a similar field like Alyce, offering musculoskeletal (MSK) solutions and providing rehabilitation programs to clients through wearable technology. Their successful business model made \$17.24M in revenue last year.
- SWORD Health has successfully navigated both B2B and B2C markets, achieving exceptional growth in their B2B segment with a 12x increase in clients and nearly tripling their revenue in recent years.
- By securing FDA approval for their wearable technology, they not only gained a competitive edge but also fostered trust among consumers.
- Their website is very well developed and contains multiple articles supporting their claims and endorsed by other.

Sword Health's Engagement



Impact demonstrated by Sword Health

62% reduction in pain	64% reduction in depression
68% increase in productivity	50% decrease in anxiety

## Strategic Alliances and Local Integration: Alyce's Blueprint for Market Penetration and Brand Growth



Partnerships with established EAP providers grant access to a broader clientele and data, enabling us to refine our product effectively.



Establishing Local Presence to Build Trust and Meet Regional Market Needs



Building Trust and Value by Crafting Alyce's User-Centric Ecosystem Through Enhanced Privacy and Engagement

# Partnerships with established EAP providers grant access to a broader clientele and data, enabling us to refine our product effectively.

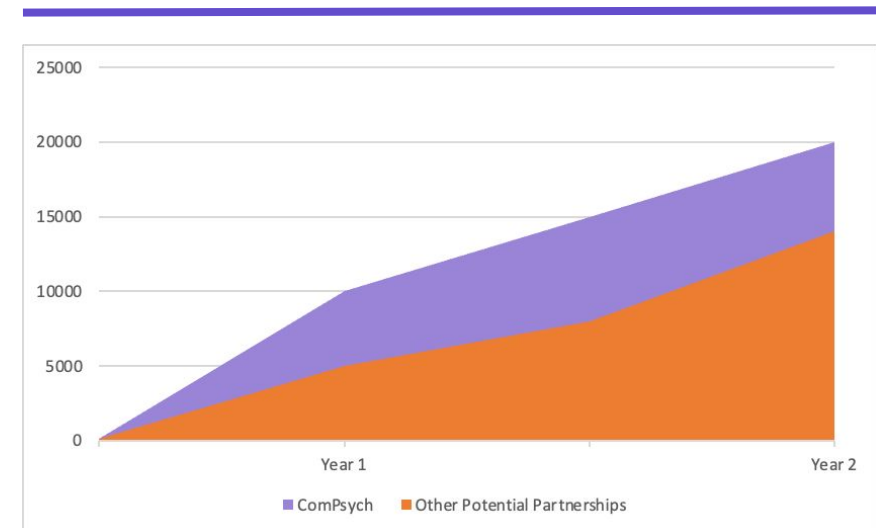
*ComPsych, founded in 1984, is the world's largest provider of Employee Assistance Programs (EAP) and a leader in mental health services in the US Market.*

<b>Reputation and Reliability</b>	Pioneer in integrated health services, strong reputation in providing reliable and comprehensive mental health, wellness, and absence management services
<b>Locations</b>	<b>200+</b> countries, and headquartered in Chicago, Illinois.
<b>User Base</b>	<b>78,000 organizations</b> across various industries, impacting over <b>163 M individuals</b> .
<b>Compatibility &amp; Strategic Alignment</b>	Focuses on B2B services in mental health and wellness <b>but not physical training</b> , giving an opportunity for Alyce Healthcare to strategically align by filling this gap.
<b>Market Position</b>	It is a <b>market leader in EAP</b> and integrated health services, that can provide leverage to any partnership.
<b>Financial Stability</b>	<b>\$667 M</b> in revenue, <b>\$70 M</b> in Profit. D&B Hoover Prescreen score as <b>low risk</b> .
<b>Scalability</b>	The company's <b>established infrastructure</b> and <b>wide service range</b> indicate good scalability.

This collaboration not only allows us to refine our products based on targeted data from the U.S. market but also grants us valuable time to iteratively improve and tailor our solutions to meet market demands more effectively.

All of this is accomplished while consistently generating revenue through the partnership.

**Projected User Base Growth %**



# Establishing Local Presence to Build Trust and Meet Regional Market Needs

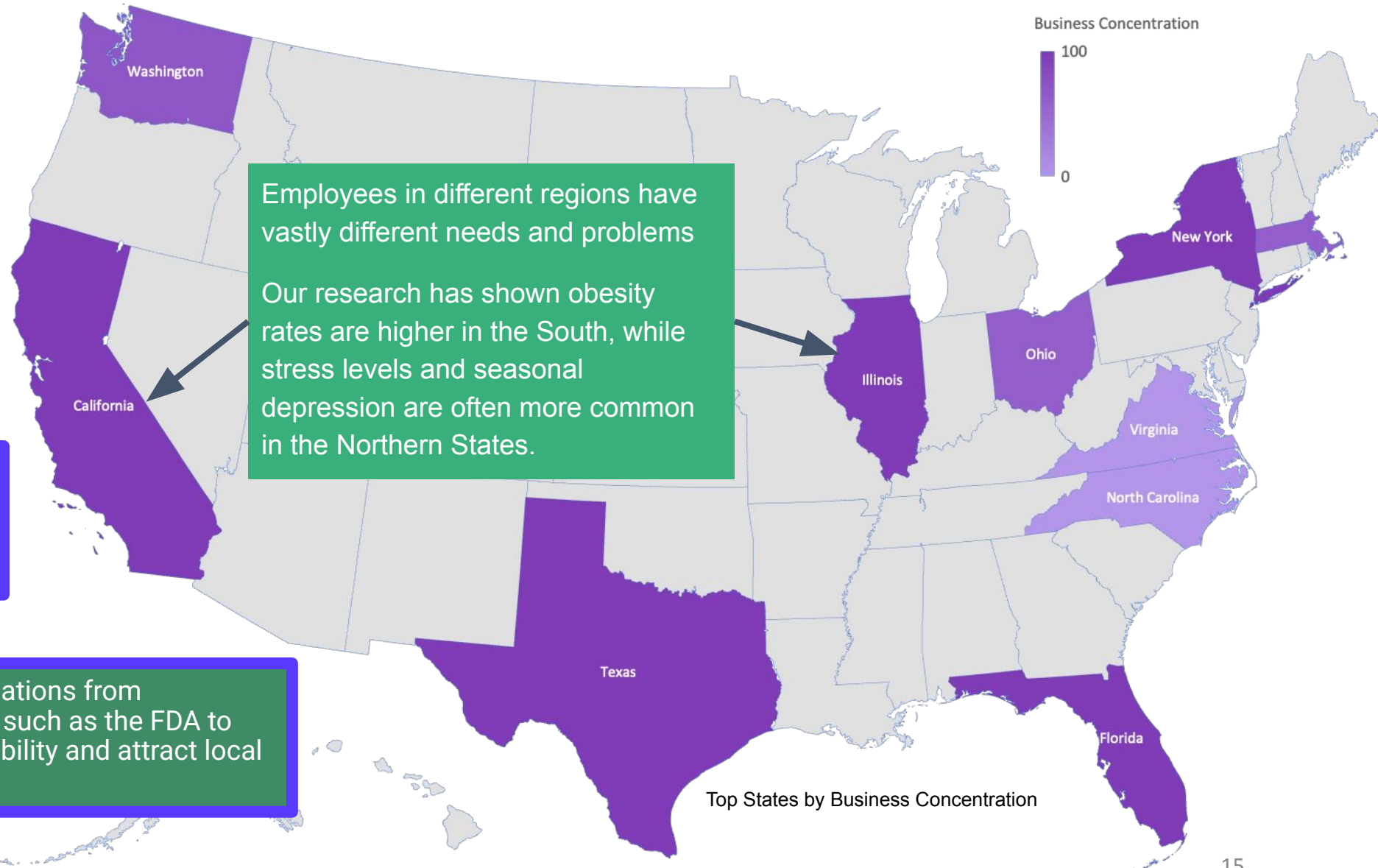
Employers increasingly trust regionally eminent providers and those recommended through word of mouth high employee receptivity.

Strategically place our sales offices in regions of interest and personalize marketing based in regional needs

Obtain certifications from organizations such as the FDA to enhance credibility and attract local clients.

Employees in different regions have vastly different needs and problems

Our research has shown obesity rates are higher in the South, while stress levels and seasonal depression are often more common in the Northern States.



# Building Trust and Value by Crafting Alyce's User-Centric Ecosystem Through Enhanced Privacy and Engagement

## Enhanced Privacy

Employees reported fears within existing EAP solutions regarding privacy and transparency or judgment from coworkers and management

We address these concerns by implementing rigorous data privacy policies across all our products.

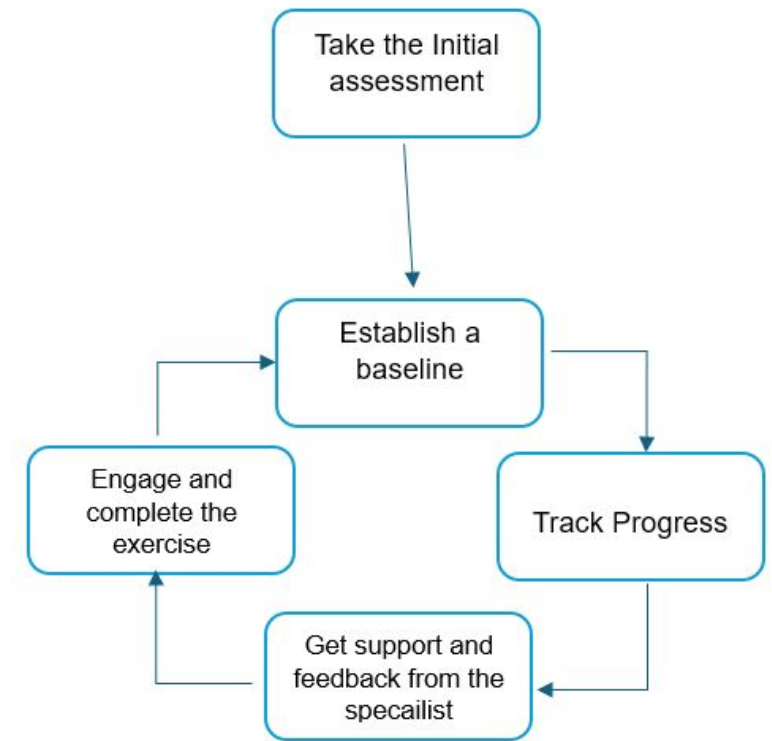
## Enhanced Privacy

Employees expressed satisfaction with a combined approach that integrates telehealth and conventional physiotherapy.

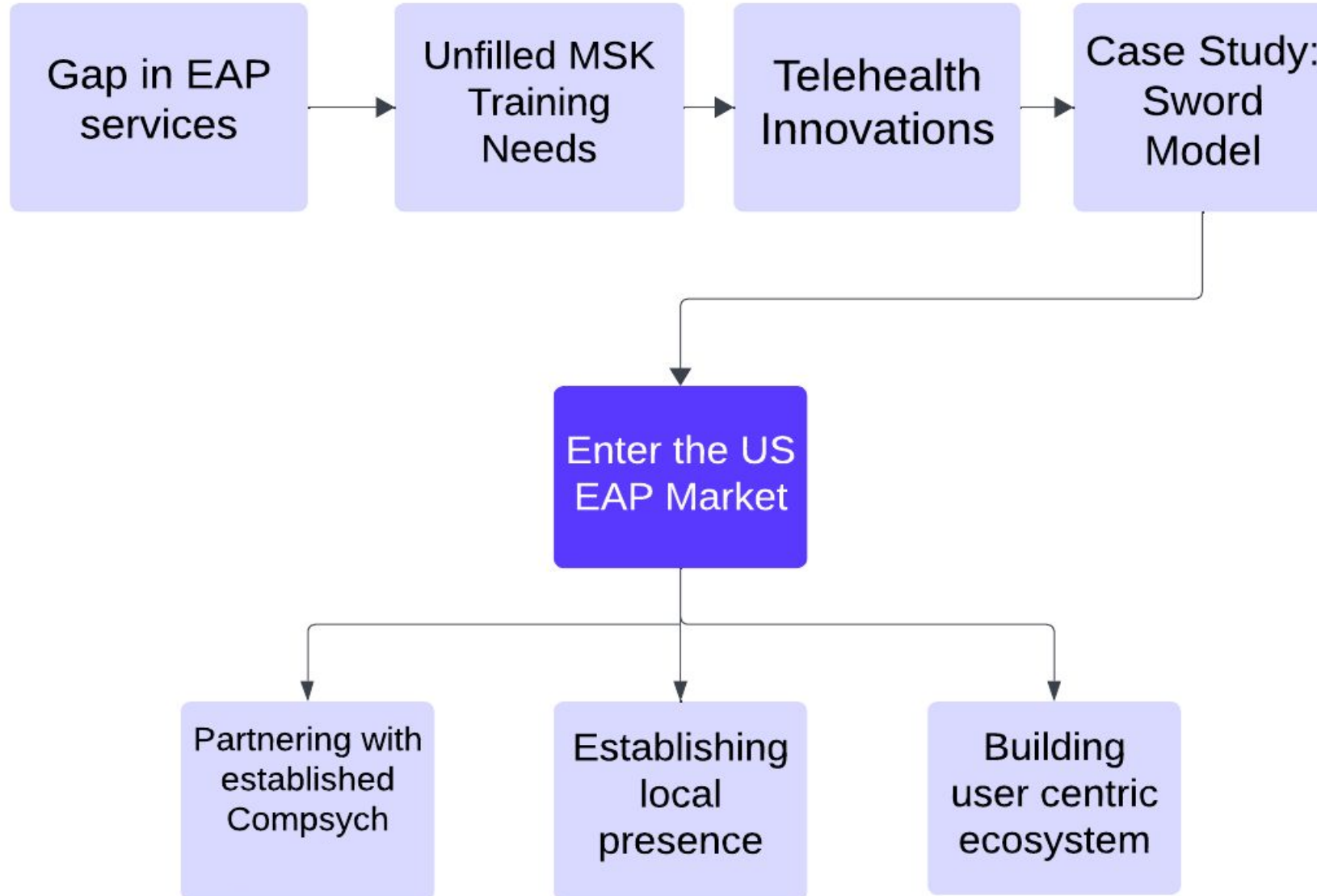
Enhance the user experience by incorporating certified specialists like nutritionists and physiotherapists into the loop.

Implement interactive elements such as rewards, challenges to foster greater user involvement and satisfaction.

## How it works



## Conclusion



# Appendix

Link : <https://my-ibisworld-com.proxy2.library.illinois.edu/us/en/industry-specialized/od5746/at-a-glance>

Information: The industry is highly fragmented because of the large breadth of services offered. Providers also offer numerous employee programs for health, wellness, work-life balance and substance abuse. For example, many EAPs include programs that provide training, consulting, organizational development and crisis-responding services. Some EAP providers have developed a market niche, including providing an EAP service tailored to a downstream market. For example, certain EAPs specialize in working with healthcare providers. Even so, adults aged 18 and older and employed full-time make up only 2.4% of total substance abuse treatment admissions that EAPs referred. This low percentage may represent a stigma surrounding addiction and substance abuse. These services will rise in the following years; many individuals began drinking, smoking or abusing substances to reduce stress during the pandemic and may seek help in the outlook period. This segment includes additional employee services, like prevention and intervention in workplace incidents, crisis intervention and marital or grief counseling. Also, some EAP providers have expanded to include additional services, including management consulting and medical self-help. In particular, EAP providers may help employers address problem employees that exhibit disruptive behavior. EAP providers may also provide employees with face-to-face visits with clinicians and financial planning services.

Slides being used [5],[6]

# Appendix

## [The State of MSK Care 2024](#) - Hinge Health

The "2024 State of MSK Care" report by Hinge Health provides an in-depth analysis of musculoskeletal (MSK) pain in the United States, focusing on its prevalence, impact, and treatment. Here's a summary of the key findings:

- **Prevalence and Impact:** MSK pain is widespread and affects half of Americans. It not only causes physical discomfort but also leads to decreased productivity at work and is associated with poor mental health. The annual per-member spending on MSK conditions has risen by an average of 8% from 2019 to 2022.
- **Survey Insights:** A national survey of 10,000 Americans showed that:
  - 77% are seeking nonsurgical options for MSK pain.
  - 60% feel they do not have control over their pain.
  - 27% are unaware of the benefits available to them for managing their pain.
- **Mental Health Connection:** Pain often coexists with mental health issues such as anxiety and depression, worsening the overall health condition of the individual.
- **Treatment and Satisfaction:**
  - Physical therapy (PT) is underutilized despite being a recommended treatment, with barriers including cost, access, and motivation.
  - Digital physical therapy solutions are gaining preference due to their convenience and perceived effectiveness.
- **Barriers to Effective Care:** Many people are not fully aware of or satisfied with their health benefits, which impedes their ability to manage pain effectively.
- **Pelvic Health:** Pelvic health issues are common but often undertreated due to a lack of awareness and available specialists.
- **Digital Health Solutions:** Digital PT is viewed favorably, with higher satisfaction rates compared to traditional PT. It addresses many barriers associated with traditional care settings.

Dieleman, J. L., Cao, J., Chapin, A., et al. [US Health Care Spending by Payer and Health Condition, 1996-2016](#). JAMA, 2020, 323(9):863–884. doi:10.1001/jama.2020.0734

- **High Spending:** MSK conditions, particularly low back and neck pain, accounted for the highest health care spending among the 154 conditions analyzed. In 2016, spending on low back and neck pain alone was estimated at \$134.5 billion.
- **Demographic Impact:** The majority of the spending on MSK conditions like low back and neck pain and other musculoskeletal disorders occurred among adults aged 20 to 64 years. This indicates the significant impact of these conditions on the working-age population.

Slides being used [9]

# Appendix

Business Group on Health. [2023 Large Employers' Health Care Strategy and Plan Design Survey.](#)

The "2023 Large Employers' Health Care Strategy and Plan Design Survey" conducted by the Business Group on Health provides insights into the perspectives and strategies of large employers regarding health care. Key highlights from the survey include:

- **Health and Well-being as a Strategy:** A significant increase was noted in the number of employers who consider their health and well-being strategies as integral to their overall workforce strategy, rising from 42% in previous years to 65% in 2023.
- **Virtual Health:** The survey found that 74% of employers believe virtual health will significantly impact future health care delivery. There is a strong movement towards integrating virtual health with traditional in-person care to improve the quality of care and avoid duplication of services.
- **COVID-19 Impact:** The long-term impacts of COVID-19 are being felt across various areas, with mental health issues, increased medical services due to delayed care, and higher disability claims due to long COVID being notable concerns. Employers are maintaining many pandemic-related health offerings due to these impacts.
- **Health Equity:** Concerns about health equity are prevalent, with 75% of employers worried about inequities within their health and well-being initiatives. Efforts are being made to address these, including expanding coverage for transgender health care and reproductive health services.
- **Cost Drivers and Prescription Drugs:** Cancer has become the top cost driver, overtaking musculoskeletal conditions. Prescription drug costs, especially specialty pharmacy costs, remain a significant concern, with employers employing various strategies to manage these expenses.
- **Future Directions:** Employers are focused on improving the affordability of health care and medications. They are looking at both market-based and government interventions to manage escalating costs and are interested in increasing the transparency and integration of health care services.

Slides being used [10]

# Appendix

Link : <https://www.statista.com/statistics/859610/wellbeing-programs-value-for-us-adults/>

Information: People valued telehealth and MSK program

Slides being used [11]

Link:

<https://www.proquest.com/docview/2899518346/623ABC9D2FF34712PQ/8?sourcetype=Trade%20Journals&parentSessionId=qDHHuI8CytIaP0L4I8fAaxeciFoikY2mFpb5gHi%2BOfA%3D>

Information: The reason why people don't use EAP much

Slides being used [11]

Link:

<https://www.proquest.com/docview/2878123327/3738C2FD414947E9PQ/4?accountid=14553&sourcetype=Trade%20Journals>  
<https://www.proquest.com/docview/2899518346/623ABC9D2FF34712PQ/8?accountid=14553&sourcetype=Trade%20Journals>

Information: EAP is not fully used/ in a low utilization

Slides being used [11]

Link: <https://www.gartner.com/document/4020783?ref=solrAll&refval=403529520&>

Information: People who have enrolled the EAP program, they have positive attitudes and they like it.

Slides being used [11]

# Appendix

**Link :** [North America's Largest Labor Alliance Selects Sword Health as Exclusive Partner for Fighting Pain and Reducing Healthcare Costs: National Labor Alliance of Health Care Coalitions \(NLA\) will offer the Sword Health platform to its eight million members following comprehensive review of the market - ProQuest One Business - ProQuest](#)  
[833% YoY Growth: Over 1400 Employer Customers | Sword Health](#)  
[SWORD HEALTH ANNOUNCES ACQUISITION OF VIGILANT TECHNOLOGIES: SWORD acquires one of the leading technologies in workplace injury prevention - ProQuest One Business - ProQuest](#)  
[SWORD HEALTH RAISES \\$163M AND REACHES \\$2B VALUATION AS THE FASTEST GROWING DIGITAL MSK COMPANY \(yahoo.com\)](#)

## Information:

SWORD Health, the world's fastest growing virtual musculoskeletal (MSK) care provider, is on a mission to free two billion people from physical pain. It delivers 100% of care to members through Doctors of Physical Therapy and the FDA-listed SWORD Health Digital Therapist. SWORD's personalized care is more effective and less expensive than the traditional gold standard of care, and has been third-party validated to deliver best-in-class clinical results. With the preventative care delivered through SWORD+, it is the industry's only end-to-end digital MSK solution. Since launching in 2015, SWORD Health has worked with insurers, health systems, and employers in the U.S., Canada, Europe, and Australia to make high quality musculoskeletal care accessible to everyone. SWORD Health's approach to resolving MSK disorders is truly differentiated. Their unique PT + Digital Therapist model which includes an FDA listed device has gained significant market acceptance evidenced by their 12x customer growth," said Rajeev Dham, Partner at Sapphire Ventures. "Through our market and customer work, we found that SWORD is providing tangible clinical outcomes to drive healthier, happier lives for individuals, and meaningful cost-savings for customers – a winning approach. Most of all, we are thrilled to partner with Virgilio, one of the hardest working and passionate founders we've encountered."

"SWORD created the most effective way in the market to treat MSK conditions, and we are excited to help achieve Sword's mission of freeing two billion people from physical pain," says Andy Chan, founder and CEO of VIT.

Through this partnership, the NLA's diverse community across all 50 states and Canada will have access to Sword's Platform. Sword has proven to deliver a 62% reduction in pain combined with \$2,472 savings per member in healthcare costs as a result of avoiding unnecessary surgeries, opioid usage, imaging costs and more.

Slides being used 12

# Appendix

Link :

<https://www.hingehealth.com/resources/press-releases/hinge-health-state-of-msk-care-2024-a-deep-dive-into-americas-escalating/>

Information: People are more satisfied with digital PT than with traditional PT

Slides being used [12]

Link:

<https://clients-mintel-com.proxy2.library.illinois.edu/report/millennials-and-health-us-2024?fromSearch=%3Ffreetext%3DEmployee%2520Health%26resultPosition%3D2>

Information: High percentage of people cares about physical health and are willing to use digital tools.

Slides being used [12]

Link:

<https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/the-trends-defining-the-1-point-8-trillion-dollar-global-wellness-market-in-2024?cid=other-eml-mtg-mip-mck&hlkid=54f51c678f164e64b81b88f2b4f5146a&hctky=1926&hdpid=a91cc4a1-cb5d-48e8-9020-050490cd48c6>

Information: Global wellness market

Slides being used [12]

# Appendix

Link : <https://my-ibisworld-com.proxy2.library.illinois.edu/us/en/industry-specialized/od5746/at-a-glance>

Information: Partnership with other eap companies and information about compsyh

Slides being used [14]

Link : [External Environment - OD5746 Employee Assistance Program Services in the US - MyIBISWorld \(illinois.edu\)](#)

Information: About the local markets and regions

Slides being used [15]

Link: [External Environment - OD5746 Employee Assistance Program Services in the US - MyIBISWorld \(illinois.edu\)](#)

Information: Information about the trust and user centric ecosystem.

Slides being used [16]