

Project Proposal

Company Background and Business Environment

Medisail Solutions is a Software as a Service company that provides procurement solutions to healthcare clinics in rural areas with limited access to resources. The company's mission is to alleviate supply chain challenges often experienced by rural clinics by leveraging scale to provide a relatively inexpensive method of connecting customers to larger distributors of medical products. Medisail seeks to move into a new phase of its lifecycle where its sole product is an e-procurement solution that primarily targets rural customers.

For customers of this product, accessing and procuring healthcare resources is a challenge. Without sufficient supplies, patients of clinics often find themselves in preventable emergency situations. This places an undue burden on local hospitals and diminishes the overall health of the communities in which the clinics are located. While companies with similar e-procurement models exist, healthcare specific models are in short supply, and there are almost no options for rural customers. This presents a two-fold opportunity for Medisail: to harness the healthcare-specific e-procurement market, and to claim and serve the rural segment before larger companies move into the market.

The product primarily relies on after-sales service. Customers pay a yearly fee to use the procurement software, and a small per-package fee on each shipment purchased through the software. After purchasing the yearly service subscription, customers have access to telephone and online chat support for any questions or issues they encounter. In addition to the quality of procurement, Medisail expects that the value of its after-sales service will prompt customers to continue using the product year after year.

Product customization is somewhat limited, but this is not a drawback for either the company or its customers. The primary form of customization is the subscription tier of the product.

Three tiers exist:

Tier 1 is the premium service, where customers can order any product offered by Medisail in any quantity, as long as the order total meets or exceeds \$1,000.

Tier 2 allows customers to preselect 50 products that they use often. Customers have unlimited access to orders for these products if the order total meets or exceeds \$1,000. Ordering products that are not preselected will have an additional charge.

Tier 3 is a basic subscription, where customers receive regular shipments of the 30 most common medical supplies needed in clinics.

Tiers are priced respective to their range, allowing customers to choose an option that best fits their needs. The lack of extensive customization allows Medisail to operate at a lower cost, thereby passing savings to customers.

The most critical component of the business is a partnership with Amazon Shipping. Through this partnership, Medisail shipments are sent to Amazon's rural distribution centers and delivered to customers. By leveraging Amazon's vast shipping network, Medisail can distribute products efficiently to customers without needing to purchase shipping assets.

Current Situation

Product/Service

Medisail's main product will be a procurement software service that allows customers to order medical supplies at a relative discount from large distributors. There are three tiers of subscription to the service, as described in the above section. Revenue will be derived from yearly subscription fees and per-order fees.

Customer Demographics

When the product is first launched, Medisail will target customers in rural areas of the northeastern United States. As the product gains market share, our target area will expand to rural areas across the continental United States. These customers are medical clinics and small doctor's offices, where access to quality medical care has traditionally been limited due to a lack of access to resources.

Business Differentiation

Medisail differentiates itself from similar companies by solely focusing on rural customers. By leveraging Amazon's logistics solutions, Medisail can corner the rural health clinic market for supplies distribution.

Problem Statement

Major Business Problem or Opportunity	Areas of Organizational Impact
Develop management inventory software for initial prototype	<ul style="list-style-type: none">• Customer• Strategic

Develop e-purchasing marketplace to allow sellers to list items and healthcare providers to purchase	<ul style="list-style-type: none"> • Customer • Financial • Strategic
Implement product and seller reviews	<ul style="list-style-type: none"> • Operational • Social
Implement subscription and add based user models	<ul style="list-style-type: none"> • Financial
Implement e-logistics software	<ul style="list-style-type: none"> • Operational • Strategic • Financial
Implement quality validation software	<ul style="list-style-type: none"> • Operational
Purchase recommender system	<ul style="list-style-type: none"> • Customer
Implement IT training for employees	<ul style="list-style-type: none"> • Operational

Major Business Problem or Opportunity = define the major high-level (business) problems to be solved by the project

Paperless Workflow:

Presently, the e-procurement field is attempting to remove paper-based formats for many aspects of its functioning, such as invoices and equipment stock records. In Tommaso Federici's research, he found that by implementing a partial paperless workflow, there was a decrease of 30% tasks required for the average e-procurement system. Medisail Solutions expects that by promoting a completely paperless workflow, there will be a significant decrease in "number of tasks", which will directly impact the number of needed offices, office supplies, and trained employees. Medisail Solutions also expects to see a decrease in funds needed for these paper-based tasks, which will lower the overall cost of implementing our e-procurement system, passing on these savings to the customers, while also making it easier for our systems to track.

Direct Medical Equipment Acquisition:

Currently, many current e-procurement systems deal with the on-going issue of handling sufficient medical equipment stocks. In many cases, medical goods required by physicians are ordered and stored in facilities awaiting usage. In many cases, equipment that is not presently needed is ordered and stored until a particular operation or procedure is performed by physicians. Exacerbating this issue is the high cost of storing goods such as medicine, which must be refrigerated in special facilities. However, many medical facilities may need certain medical goods on a case-by-case basis, rather than on hand by standard. The overflow and storage of unneeded medical supplies increases overall cost to many e-procurement initiatives and medical facilities. Medisail Solutions

offers a “direct-to-order” e-procurement solution, which allows buyers to order what they need on a case-to-case basis, while directly lowering the overall cost of storage.

Organizational Impact = define each area of organizational impact for the project (Customer, Strategic, Financial, Operational, Social) and what the impact will be

Customer:

Medisail Solutions customers should expect to be impacted in regard to how they order medical supplies. Since Medisail intends to be a paper-less service, the customer should expect to order, and be invoiced through electronic means. Not only that, but the customer can plan on ordering exactly what they need on a case-to-case basis, saving them money on storing items that their practice may only need occasionally. Furthermore, the customer can expect easier access to the medical goods they need at cheaper prices, and with reliable shipping. The customer should expect to pay a yearly fee based on their tier of service, which they can customize to their practice’s needs.

Strategic:

Medisail’s approach to e-procurement takes advantage of business opportunities that have heretofore gone untapped. The upkeep of an expensive and time-consuming system of physical files is cost prohibitive to many smaller medical practices. Through paperless purchasing and dispersal of medical supplies, small practices will save time and money. The ability to customize procurement strategically will also benefit smaller health care providers in other, more subtle ways. Primary care physicians, for example, will have access to real-time inventory and expense data allowing them to adjust their purchasing strategies to accommodate the needs of a dynamic clientele.

Operational:

Medisail Solutions expects an increase in the need for IT specialists to fully implement a paper-less e-procurement system. These IT specialists will impact the operations of the system across its lifecycle, from inception through to deployment and maintenance. MediSail Solutions will directly affect the daily operations of its customers. Examples of this include improved shipping methods partnering with Amazon Shipping and the lowering of costs associated with the unnecessary storage of stale inventory.

Social:

Medisail Solutions will empower healthcare clinics in rural areas across the country. Through an increase in the quality and quantity of medical products sent to customers, Medisail will alleviate medical and financial burdens facing underserved areas of the market. Communities served by Medisail can expect to experience an increase in the overall physical and mental health of their population.

Measurable Organizational Value = define how you will measure success in each area of impact.

Develop management inventory software for initial prototype

Create initial prototype of inventory management portion of our software. This prototype shall provide an electronic alternative to paper inventory management for our customers. This can be used to attract early customers and investors while also making our operations more manageable.

Develop e-purchasing marketplace to allow sellers to list items and healthcare providers to purchase

Expand our product offerings to include a marketplace that will allow the customers of our inventory management software to have direct access to sellers. This service will provide our company with an income stream from seller fees associated with purchases made through our marketplace.

Implement product and seller reviews

The implementation of product and seller reviews will provide our customers with higher quality transactions due to increased quality and service from sellers. This can also add transparency and traffic to our service.

Implement subscription and ad-based user models

Introduce advertising to our marketplace and inventory management system and alternatively ad-free services to our users for a subscription cost. This will provide us with additional income streams from advertisers and users.

Implement e-logistics software

Create income stream by providing sellers with a product storage and shipping service. Provide customers with quicker shipping from distributed logistics.

Implement quality validation software

Create a software product that aids in providing randomized quality control inspections of seller products to improve our customer experience.

Purchase recommender system

Leverage ML solutions to provide purchase recommendations based on current inventory and other customer data. This functionality will improve customer satisfaction by letting us leverage our data at scale to help them make data-driven buying decisions.

Implement IT training for employees

Ensure Medisail Solutions employees have basic IT skills and basic proficiency in tools such as **MS word** and **Excel**. By doing so, Medisail Solutions will promote a paper-less workflow.

Resources:

[Real eProcurement system: Jaggaer](#)

[Amazon Shipping](#)

Federici, Tommaso. 2009. *Introducing E-Procurement in a Local Healthcare Agency*.