

Viability Team Validation Report

1. Executive Summary * The business model leverages a subscription-based SaaS platform targeting regional health alliances and smaller hospital systems. The focus is on developing strategic partnerships with entities like Mercy and Freeman Health. * Key recommendation is to tailor pricing and service offerings specifically for smaller hospitals, leveraging partnerships to enhance market penetration and product differentiation. * Overall, the targeted approach in smaller markets presents a sustainable growth avenue, provided financial assumptions are adjusted to reflect these market dynamics.

2. Validation Criteria * Metrics used include revenue sustainability, financial viability through customer acquisition costs and pricing models, and growth potential in underserved hospital systems. * Supporting data from strategic partnerships and regional health alliances offering a competitive edge.

3. Key Debates & Challenges * Initial focus on broad subscriber base versus narrowed focus on smaller, regional systems. * Resolution through deeper examination of customer acquisition costs and profitability timelines, specific to targeted markets. * Uncertainties remain in achieving scalability at lower CACs and meeting shorter sales cycles.

4. Financial Feasibility Analysis * A subscription business model promises recurring revenue. Pricing and CAC need tailoring to reflect focus on smaller, regional hospitals. * Exploring diversified revenue streams such as additional data analytics services can increase profitability and market dominance. * Ensuring operational efficiency and addressing churn through enhanced product features and customer engagement strategies.

5. Three-Year Minimum Success Criteria * Achieve substantial partnership expansions with at least five regional health alliances annually. * Target a 10-15% YOY increase in subscription renewals. * Maintain churn rate below 5% through strategic engagement initiatives. * Consistently increase revenue by 20% annually, achieving profitability by Year 3. * Strengthen market presence against competitors by embedding value-added services.

6. Final Recommendations * Focus on enhancing partnerships and refining pricing models for smaller, rural hospital systems. * Incorporate additional services such as data analytics to keep competitive advantages. * Regularly revisit CAC and churn predictions to ensure financial health and strategic adaptability. * Consider product offerings that specifically meet the unique needs of the regional hospital systems market. * Continuous monitoring of competitor strategies and aligning business models to market trends.