



WeCare

Pitch a Product Vision

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Case Study

Kaiser Permanente is looking to enter into the preventative care space to help their patient base increase physical activity and improve on healthy habits. While the overall goal is improved patient satisfaction and well being, the specific financial goal is to reduced cost by emphasizing improved health prior to any adverse conditions developing. Overall, KP wants to decrease spending on conditions such as type 2 diabetes.

Your team is tasked with researching the potential costs, features and benefits of a mobile application that communicates with KP patients and helps them improve on healthy habits.



Background

Why Are We Here?

- Kaiser Permanente is one of the largest nonprofit healthcare plans in the United States, with over 12 million members. It operates 39 hospitals and more than 700 medical offices, with over 300,000 personnel, including more than 80,000 physicians and nurses.
- Trying to build a product which can help diabetes and pre-diabetes patients to prevent or manage their diabetes.
- We introduce, digital Self Care mobile app that help you prevent diabetes and keep you healthy through better exercise and better eating.



WeCare

Keeping you Diabetes Free



Business Case





Initial Focus

Where are we starting?

Kaiser Permanente Goal is to Reduced healthcare cost and improved patient satisfaction by emphasizing improved health of patients prior to any adverse conditions developing.



In order to achieve that Company wants to enter into the preventative care space where they can help their patient base increase physical activity and improve on healthy habits.



This will help prediabetes patient to prevent or delay Type 2 diabetes and diabetes patient to prevent and manage diabetes. This will also help company to decrease spending on conditions such as type 2 diabetes



Opportunity – USA

What's the problem?

34
Million

34 million people have
diabetes



That's about 1 in every 10 people



1 in 5
don't know they have
diabetes

88
Million

88 million adults have
prediabetes



That is more than 1 in 3



8 in 10
don't know they have
prediabetes

SOURCE:

[1.Source](#)

[2.Source](#)⁶

Opportunity

What's the problem?



Physical inactivity and unhealthy diet leads to increased chances of chronic diseases like Heart diseases, Cancer & Diabetes



Medical costs for people with diabetes are more than twice as high.

2X

Total medical costs and lost work and wages for people with diagnosed diabetes

\$327 Billion

Total healthcare expenditure associated with physical inactivity is

\$117 billion annually



People who have diabetes are at higher risk of serious health complications:
Blindness, Kidney Failure, Heart Disease, Stroke, Loss of Toe, feet, legs



**KAISER
PERMANENTE**

In 2019, KP spent est. **\$9 billion** on diseases related to physical inactivity

SOURCE:
[1.Source](#)
[2.Source](#)₇



Proposal

What a Prediabetes and Diabetes patient can do ?



Lose Weight
if needed



Eat Healthy



Be More Active



Consult with Health
Professional

We are proposing a Mobile Application that will help patient in improving diet, increasing physical activity , online consultation with healthcare provider and encouraging healthy habits in a fun way.. 😊



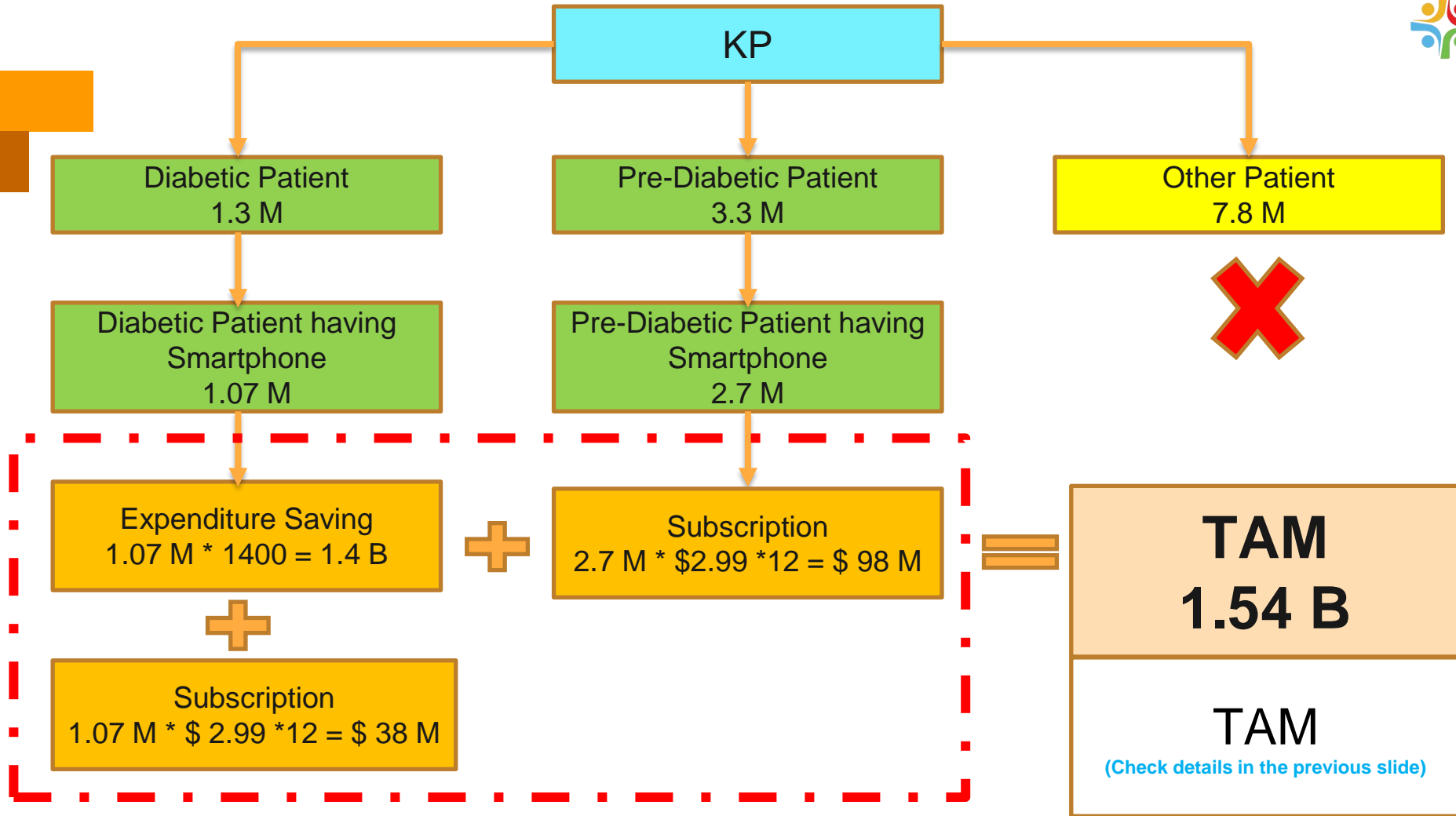


TAM – Top Down Approach

- Total USA Population = **328 M** [Source](#)
- Total Diabetics patients in USA = 10.5% of USA population = **34M** (Approx.) [Source](#)
- Total Pre-Diabetics patients in USA = 27% of USA population = **88M** (Approx.) [Source](#)
- Average Medical Expenditure people with diabetic = **\$ 9600** [Source](#)
- Total Smartphone in USA = 83% of USA population = **275 M** (Approx.) [Source](#)

- Kaiser Permanente patient database = **12.4 M**
- Total Diabetic patient in Kaiser Permanente = 10.5% of 12.4 M = **1.3 M** (Approx.)
- Total Expenditure of KP for diabetic patient = 1.3 M * \$ 9600 = **12 b** (Approx.)
- Total Diabetic patient having smartphone = 83% of 1.3 M = **1.07 M** (Approx.)
- Total Pre-diabetic patients in Kaiser Permanente = **3.3 M** (Approx.)
- Total Pre-Diabetic patient having smartphone = 83% of 3.3 M = **2.7 M** (Approx.)
- After App development , 15% reduction in cost **per patient** = 15% of 9600 = **\$ 1400** (Approx.)
- Subscription Price of App = **\$ 2.99 / Month**

TAM Continue.....





Return On Investment

What can we do?

Mobile App Development

(Android & iOS – Kotlin Language)

Activity	Cost
Employee (10) (1 Product Manager, 1 Business Analyst, 1 UX designer, 2 Developer, 1 tester, 1 Product Marketing Manager, 2 Customer Support, 1 sales)	400,000
Maintenance (20% of development cost) (Backend, Cloud, API, Data Storage etc.)	80,000
Marketing	20,000
Small Office + Overhead + Misc.	30,000
Total Cost	530,000

ROI

Projected Users: **113,100** (3 % of total KP diabetic and prediabetic patient using smartphone and interested in taking subscription – 3% of 3,770,000)

Subscription cost per user / month = **\$ 2.99**

Note: First 3 Month Subscription will be free

If user retention rate after 3 month of Free Subscription is 35%

-> Then total users paying for Subscription = **40,000**

Total Revenue 1st Year = **\$ 1,076,400**
(Include First 3 Month Free Subscription)

ROI = (1,076,400 – 530,000) / 530,000 = 103%

Payback Period = 1 Year



Measurement

How will we know if we're successful?

KPI for the first year:

- Total Number of downloads: **Initial Pilot project = 3000 download** and **First year = 100,000+ downloads**
- Number of Daily Active User (DAU): **3000+ Approx.**
- Number of Monthly Active User(MAU): **22,000**
- Retention Rate after 3 month: **Greater than 35 % of total users = 30,000 users**
- Churn Rate after 3 month: **Must be less than 65 %**
- App startup time: **< 2 sec**
- App Rating (1st Year): **4 +**
- Completing development of mobile App feature in time (MVP): **Less than 3 month**

SOURCE:

[1.Source](#)

[2.Source](#)

[3.Source](#)



Competitors



MyFitnessPal

Calorie Counter & Diet Tracker



MyFitnessPal is oriented toward weight loss and is one of the more popular apps for tracking food intake. Its 2nd most popular Health and Fitness App in United States as of May 2018, by Monthly Active Users (MAU).



Primary Product: Mobile Application and Website

Business Model: Freemium

Target Audience: The fitness community and those who seek to track fitness goals.

PRICE RANGE:

- Free.
- Monthly Option \$9.
- Yearly Option \$49.99

Key Features: Calorie counter, Health Tracker, most useful features (workout and motivational videos) require a subscription

Mobile App Store and Rating:

Android: free (full functionality unlocked with subscription) | 4.5 stars

iOS: free (full functionality unlocked with subscription) | 4.5 stars

SOURCE:

[1.Source](#)

[2.Source](#)

[3.Source](#)

Revenue: 1.4 Million (in U.S. dollars) (Leading health & Fitness App in Google Play Store worldwide by Revenue – June 2020)

YAZIO

Calorie Counter, Nutrition Diary & Diet Plan

Yazio is a calorie counter app which is oriented toward managing daily food diary and track activities which ultimately help to lose weight successfully.



Primary Product: Mobile Application

Business Model: Freemium

PRICE RANGE:

- Free.
- Yearly Option \$29.99

Target Audience: People who want to drop weight, maintain their current weight or even gain weight with healthy lifestyle.

Key Features: Calorie counter, Diet Plan, some features require a subscription.

Mobile App Store and Rating:

Android: free (full functionality unlocked with subscription) | 4.6 stars

iOS: free (full functionality unlocked with subscription) | 4.7 stars

SOURCE:

[1.Source](#)

[2.Source](#)

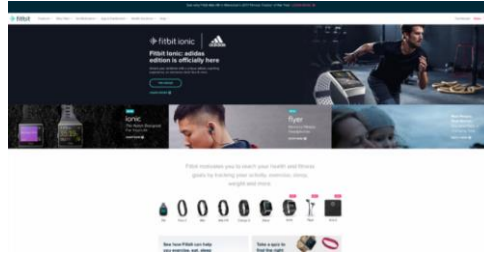
[3.Source](#)

Revenue: 571 K Million (in U.S. dollars) (7th Leading health & Fitness App in Google Play Store worldwide by Revenue – June 2020)¹⁵

Indirect Competitor



Indirect competitors target the same customers as the direct competitors. However, indirect competitors offer a different value proposition.

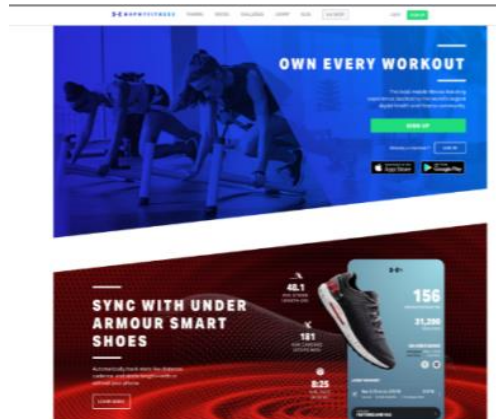


PRIMARY PRODUCT

Website Application
Mobile Application

PRICE RANGE

Free Minimal Product
Free + Premium w/ Product Purchase



PRIMARY PRODUCT

Website Application
Mobile Application

PRICE RANGE

Free
Monthly Option \$9
Yearly Option \$60

SOURCE:

[1.Source](#)
[2.Source](#)



Our Advantages

Why are we better?

- **All in One App:** All in one Preventive Care App - In app customized workout plan, customized diet plan, create challenges, Self care and self learning videos, Able to track wide range of health topics like mental health.
- **Price:** Freemium (Free basic features / \$2.99 Monthly / \$19.99)
- **Insurance Benefit:** Insurance benefit and discount to members who use the App on regular basis and completed health and fitness challenges and goals with proven record.



Roadmap and Vision





Roadmap Pillars

Where do we go from here?

VISION

Our vision is to be the unmatched leaders in preventive health care and help the community to become healthy with better dietary and lifestyle choices.

The two themes for the product roadmap would be:

- Mobile App Development
- Growth of the App

SOURCE:
[1.Source](#)



Mobile App Development

Development of MVP

Feature 1: Track and Record Calories

- Tracks patient weight using manual input and calculates a recommended daily calorie intake. It will also track the calories intake by patient with manual input or automatically (scanning food). App will also lets patient set reminders to log their meals and snacks.

Feature 2: Track and record physical activities

- Tracks and record physical activities automatically when sync. with any other fitness tracking device (E.g. FitBit).
- Tracking and recording any physical activity using manual input.

Feature 3: Dashboard Summary

- Each Day Goal and Progress will be track and presented on a dashboard showing breakdown of carbs, protein, fat and calories you burn while doing exercise.



Growth of the App

Enhance our capabilities in customer acquisition, activation, and monetization.

Growth and Acquisition Strategy

- Acquisition Funnels and Growth Loops.
- Measuring and Optimizing Acquisition Performance.
- Defining the Audience.
- A/B Testing at Scale.

Activation and Retention Strategy

- Optimizing the Signup Flow.
- Defining the Activation Funnel.
- Conducting a Retention Cohort Analysis.
- Analyzing Impacts of Churn Rate across the Business.

Other activities include marketing the app to increase awareness and penetration and build a better monetization strategy and model



Where do we go from here?

Widening the scope

Telemedicine Service

- Members should be able to connect to healthcare provider, nutritionist, therapist from app and can take consultation.

Insurance Benefits

- Provide discount based on fitness, regular activity, Goals achieved and Health challenge completion activities.

Full fledged Preventive Healthcare App

- To become one stop for the preventive healthcare solution, App scope must be increased and should not be limited to diabetic and prediabetic patients.



Thank you!