



GenNex Diagnostics and Devices Ltd

SALES PROPOSAL

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CONTEXT

GenNex Diagnostics and Devices Ltd, is a diagnostic company with diversified products and service portfolios. We have partnerships with hospitals, insurance companies and hospital networks. We are the pioneers in moving from traditional revenue streams into information services, in healthcare industry.

With the changing customer needs and new government regulation (Obama Care) the healthcare industry is changing vigorously in order to improve Health Care in United States of America. GenNex being a forerunner plans to implement outcome-based fee by changing the traditional Fee-for service payment model. The fee-for-service system of payment for health care services is widely thought to be one of the major culprits in driving up U.S. health care costs. This system not only encourages volume but rewards poor quality and provides little incentive for care coordination. GenNex is partnering with likely and unlikely businesses to step-into new dimension in order to deliver best end-to-end experience to the consumer.

GenNex also volunteers for Bundled Payments for Care Improvement Initiative to collaborate in order improve both the quality and efficiency of individual episodes of care.

HIGH LEVEL BUSINESS MODEL

As mentioned GenNex has partnered with its suppliers and providers. Their relationship is shown in the diagram below:

Suppliers:

Health Device Manufacturers

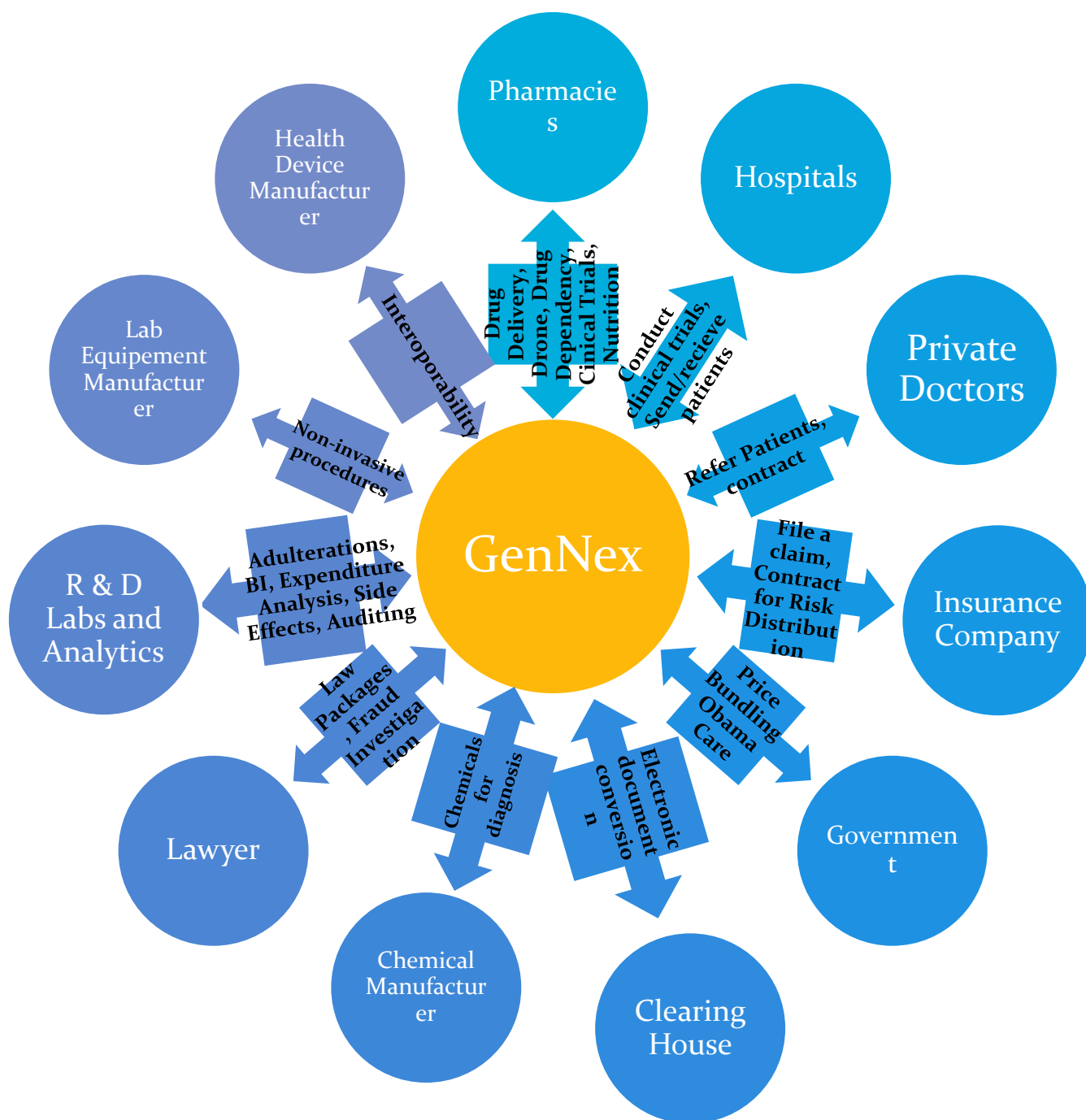
Chemical Manufacturers

Lab Equipment Manufacturers

Providers:

Hospital Networks

Private Doctors



PROBLEM

- Fixed Cost – Fee for service system
- Service Based
- Paperwork
- Risks

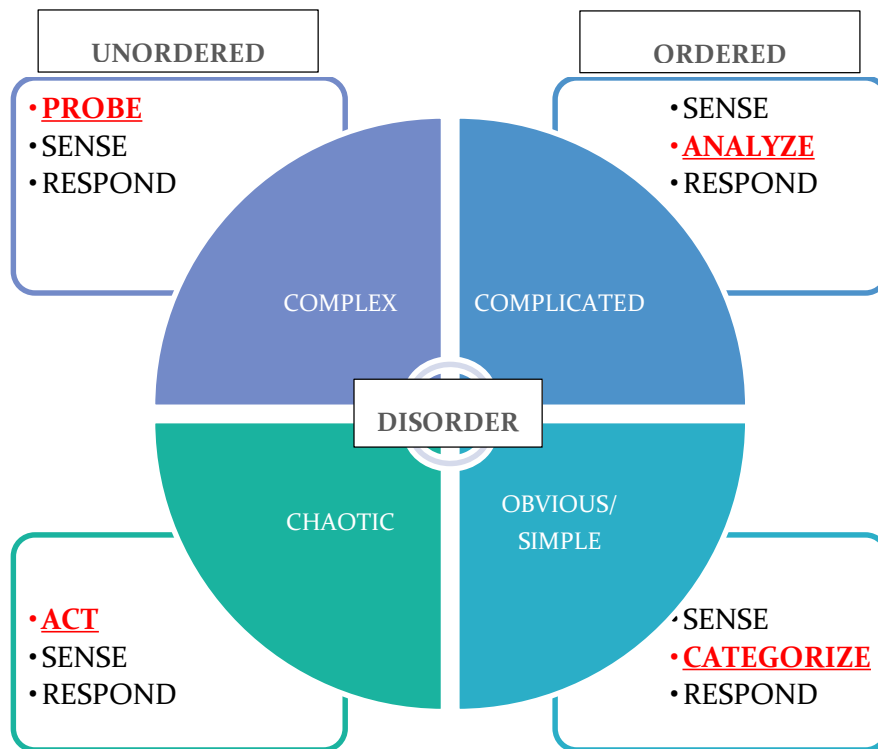
PROBLEM ANALYSIS

Problem Analysis is all about understanding the context of the problem and analyzing situation in order to solve the given problem. There are series of step in order to analyze the problem

1. Identifying priorities: Many problems are complex, involving a whole range of causes. But prioritizing them helps in saving time. It's no use spending many days solving a tiny problem of little consequence when there is a big problem to solve that demands a good solution. This principle is often expressed as the 80/20 rule. Hence for GenNex the biggest problem is to get rid of the traditional fixed cost and fee for service system.
2. Analyzing symptoms to find causes: This is the heart of problem analysis. Before taking action, symptoms must be distinguished from causes. The root cause of the healthcare industry fail is the service based services. GenNex solves this problem by offering outcome-based service.
Another problem with the healthcare industry is the paperwork. With Obamacare compliances, GenNex offers its customers a digitization of the healthcare system by giving them a mobile app and a website to communicate through.
3. Developing Alternatives: In some situations the cause is known. The question is what to do about it? There are risks associated with the Obamacare regulation acts which is solely bared by the single entity. GenNex solves this problem by going for partnerships with the hospital networks and Insurance companies which divide the risks among them playing a safe game.

The Cynefin Framework

The Cynefin framework is used in order to determine the problem with the HealthCare industry. GenNex initially is in chaotic quadrant for the sudden change in healthcare industry. But established stability by acting to be compliant with Obama care after going through complex, complicated and simple quadrant.



BENEFITS OF SOLUTION

VALUE PROPOSITION

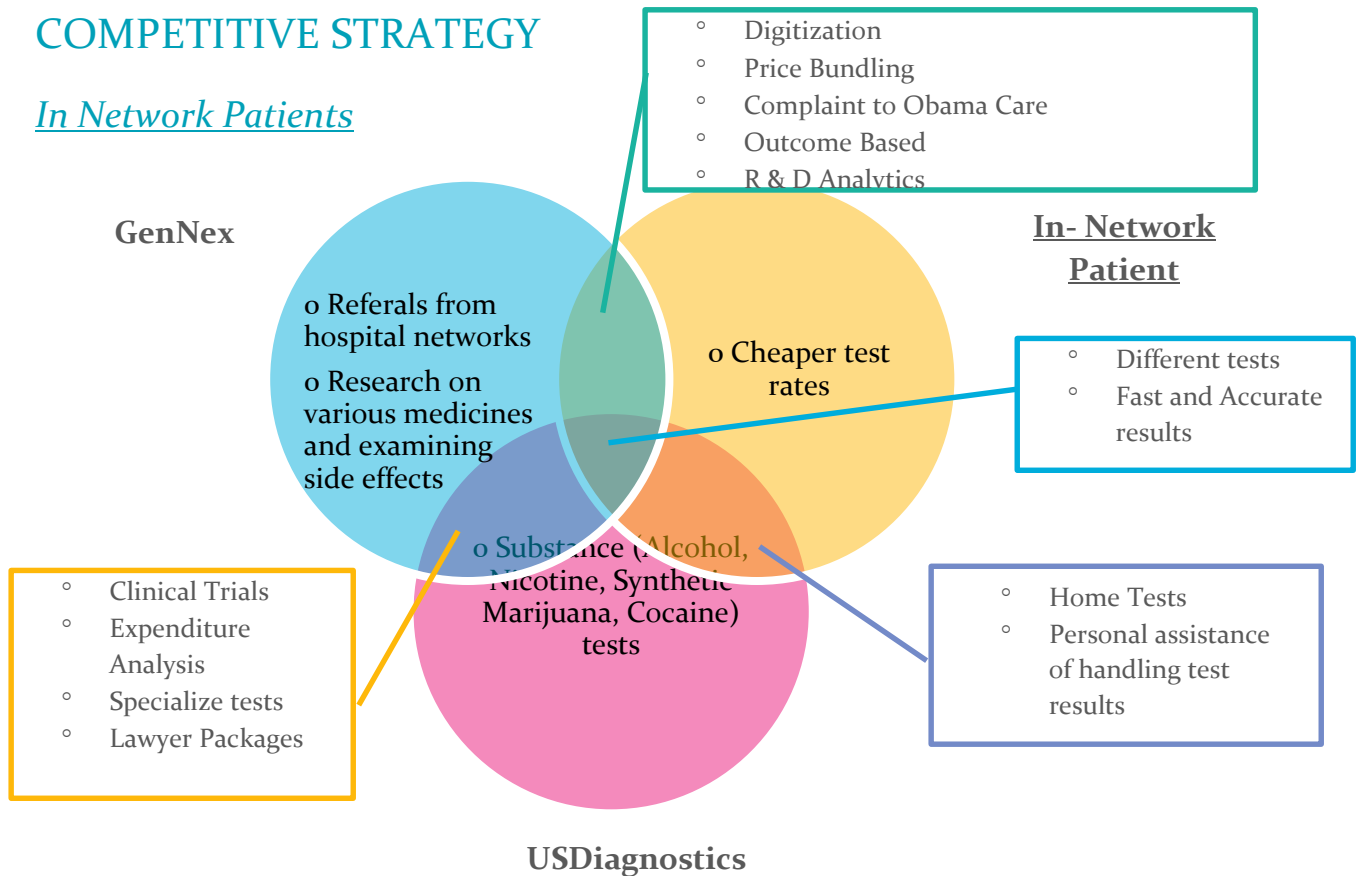
- Complaint to Obama Care
- Outcome- Based service
- Price Bundling
- Digitization
- Fast and accurate results with minimum tests
- Personal Assistance of handling the test results
- Home tests
- Lawyer packages
- Special Services like Specimen (soil, hair)testing or food adulterations
- Credibility of performing all type of tests

COMPETITIVE ADVANTAGE

The main competitive advantage GenNex has is that it is complaint with ObamaCare and USDiagnotics is not. Also GenNex offers home tests and personal assistance of delivering the test results. GenNex also follows-up with the patient regularly to maintain a long term relationship with the customer.

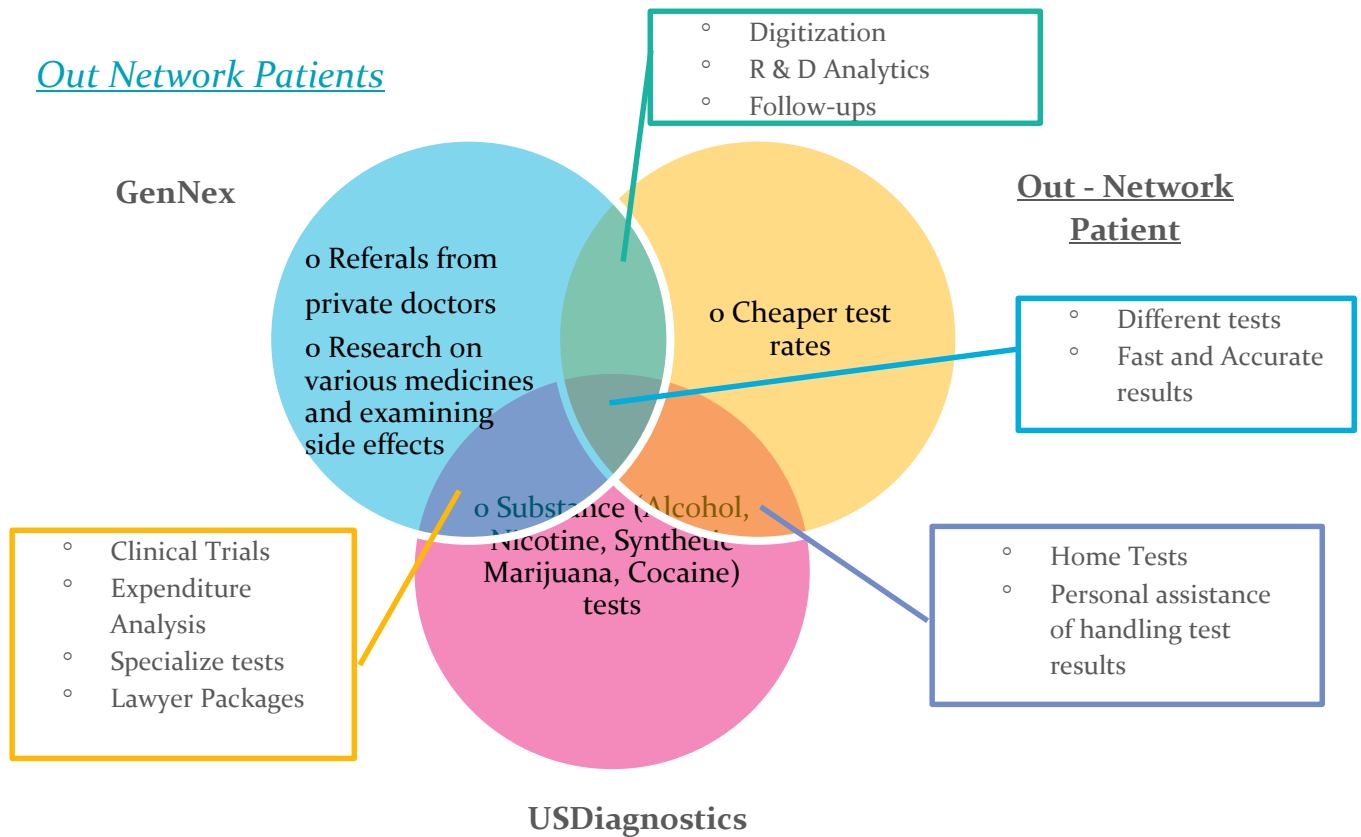
COMPETITIVE STRATEGY

In Network Patients



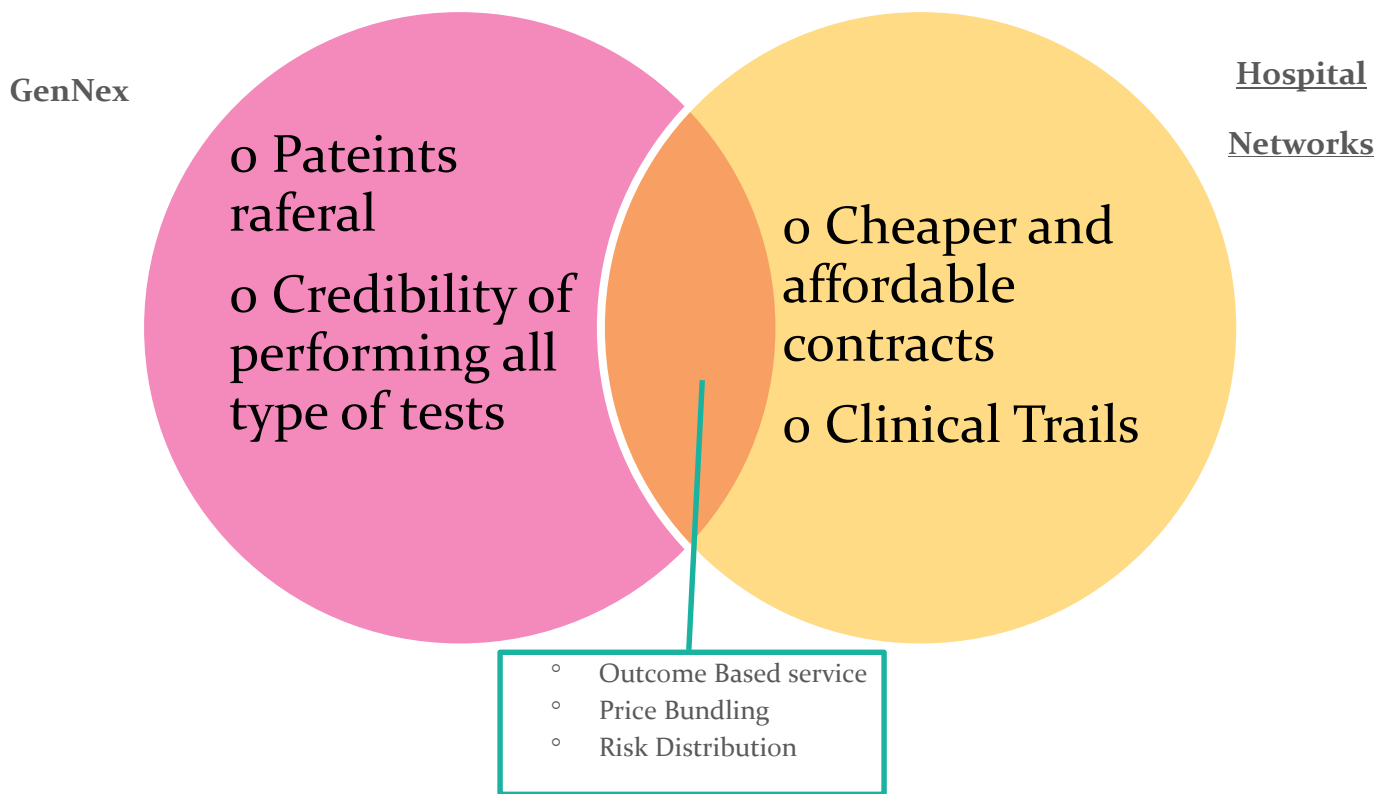
Patients that are referred by the key partner hospital networks, are considered for the competitive analysis. The competitor here is USDiagnostic which provides drug testing devices designed for quick, accurate test results and perform various substance and specimen tests in laboratories.

GenNex being in partnership with the hospital networks, Insurance company and pharmacies has an advantage of dragging in more patients with price bundling payment offers and risk distribution for the network partners.

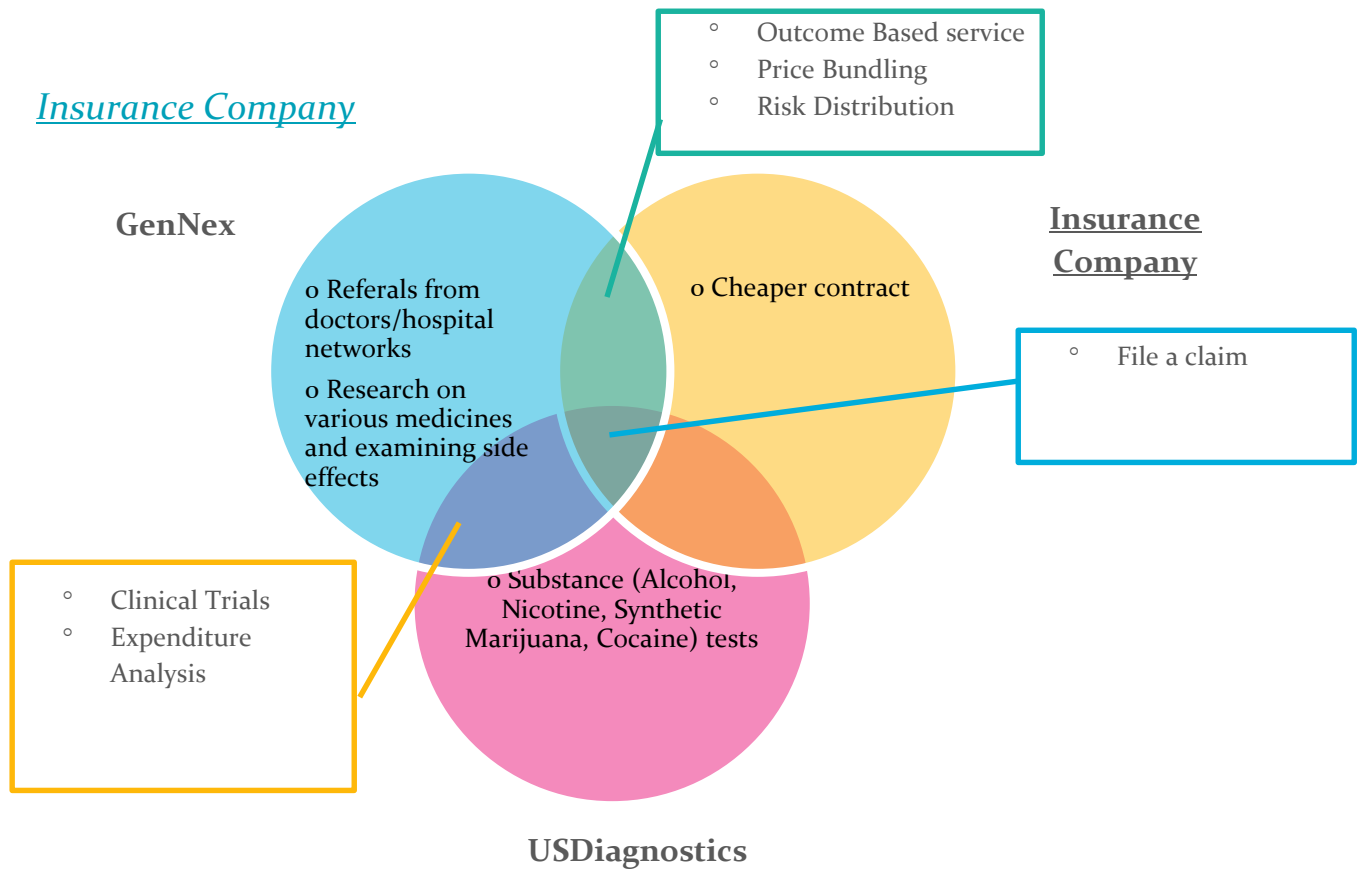


Patients that are referred by the key partner private doctors, are considered for the competitive analysis. The competitor here is USDiagnostic which provides drug testing devices designed for quick, accurate test results and perform various substance and specimen tests in laboratories.

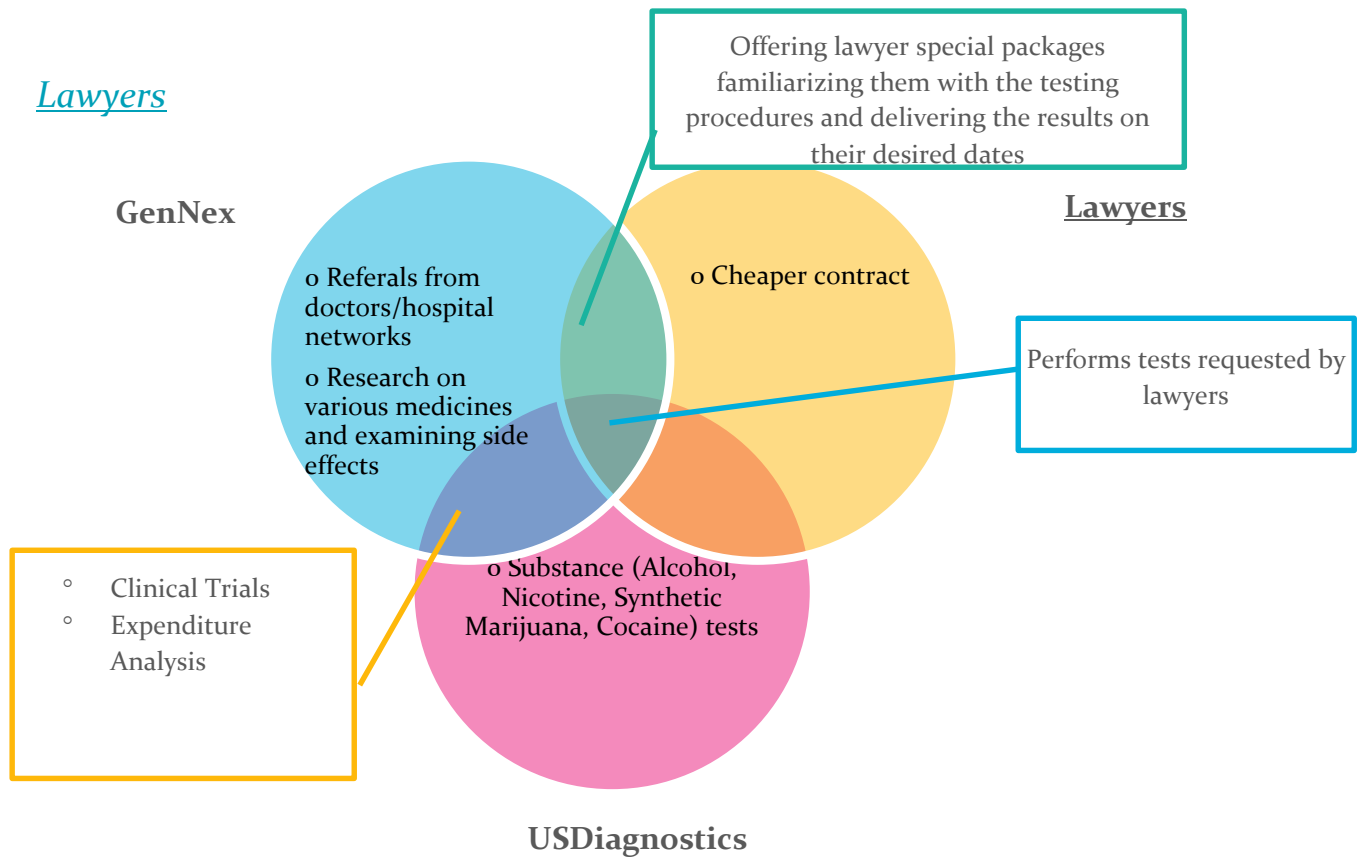
Hospital Networks



USDiagnostic does not participate any network partnership and hence the competitive circle has been removed. Here the competitive strategy is undertaken for the Hospital networks. The key element of the ObamaCare was that the patients should get an affordable outcome based service.



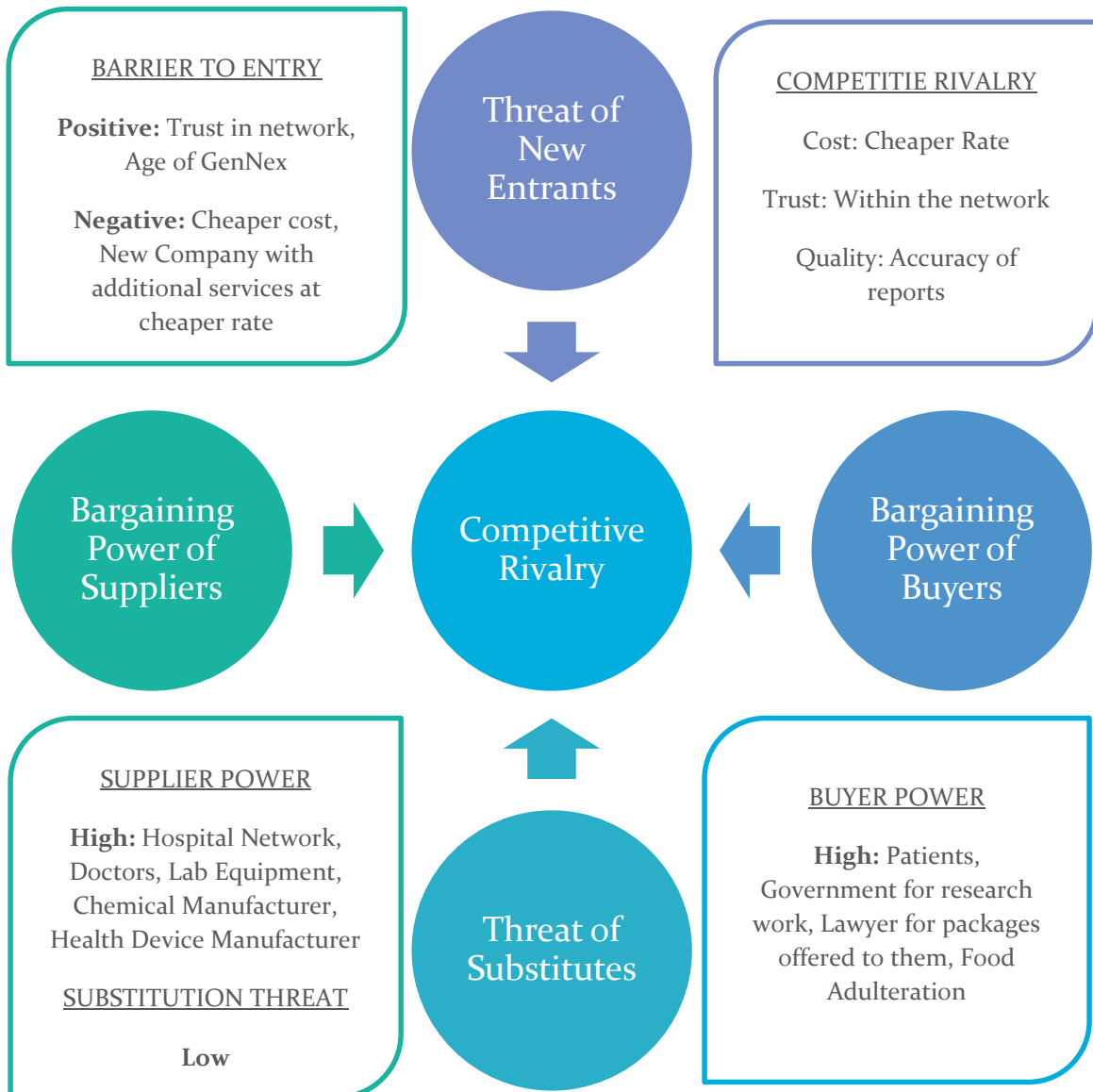
As a part of the ObamaCare act, everyone should have a health insurance, hence competitive analysis is done based on the Insurance Company. There are various types of insurance that a patient chooses depending on which the patient gets the outcome based treatment. Here USDiagnosics just files a claim for the insurance as it doesn't participate in Customer Care Act.



GenNex has an upper hand over the competitor for having special lawyer packages offered for easy and convenient tests that lawyers often needs in their case. This special lawyer package is an important value proposition for the GenNex

PORTER'S FIVE FORCES ANALYSIS

Here the Porter's five forces analysis is done in order to determine the competitive advantage. GenNex has a potential threat in network if a new competitor dives into the network offering great partnership deals to the hospital networks and Insurance companies with cheap test rates.



SOLUTION ANALYSIS

The solution for the problems described earlier is as follows:

- Price Bundling
- Outcome Based
- Digitization
- Risk distribution with partnerships

PRODUCT MAP

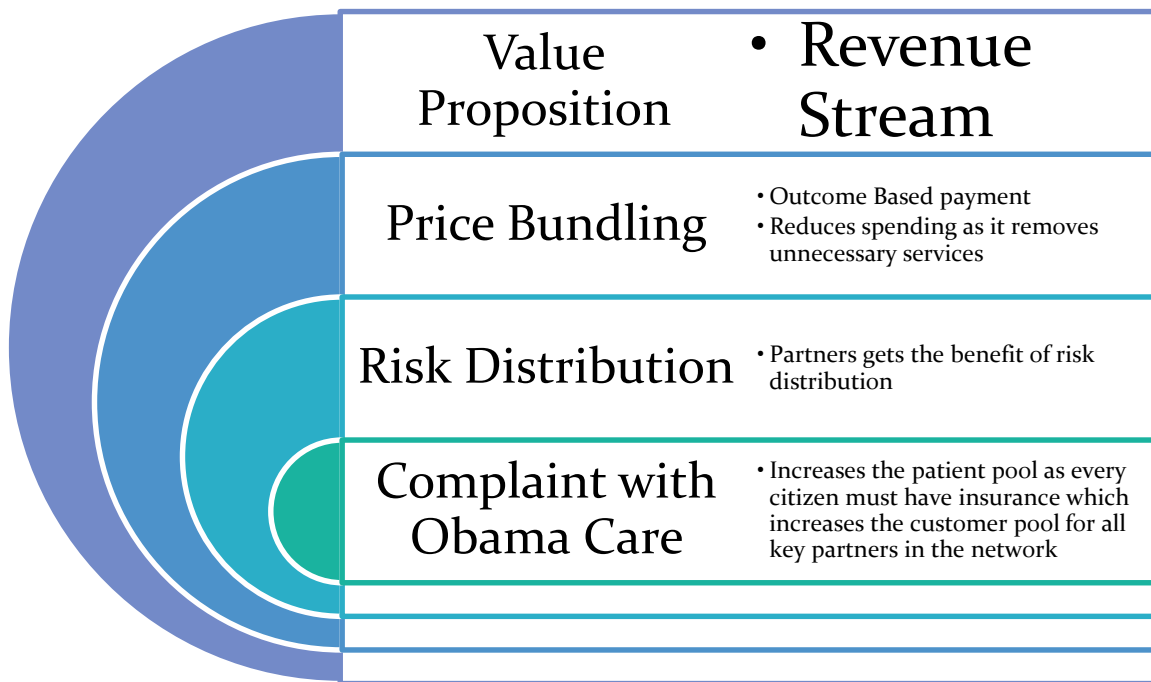
Product Map is the product or services through which money comes to the door. A Product map is a combination of value proposition and revenue streams.

GenNex has an impressive product map which not only benefits the patients but also benefits its key partners.

GenNex by participating in the Obamacare regulatory act, proposed price bundling to the patients through the valuable partnership deal with the key partners (Hospital Network, Insurance Company, Pharmacies) This Price Bundling payment has potential to reduce spending as it create incentives for providers to eliminate unnecessary services and reduce costs. Bundled payment approach is expected to create incentives for physicians and hospitals to improve efficiency in patient care. Also, Bundled payments to multiple providers surrounding a hospital episode of care will encourage care coordination and lead to improved health outcomes.

There are potential risk of participating price bundling like – Hospitals and health systems will bear the direct financial risk of offering Medicare a voluntary price cut on all bundled cases Hospitals and will also bear ongoing operational risk. So GenNex brings in the risk distribution strategy to divide the risk among the network partners with the partnership deal of referring patients to GenNex.

Also, with the ObamaCare act of every US resident should have a health insurance; increased the pool of customers for Insurance Company. The same customers based is increased for GenNex and other partners in the network.



BUSINESS MODEL CANVAS

KEY PARTNERS

- Insurance Company
- Hospital Network
- Government (Obama Care)
- Private Doctors
- Manufacturers:
 - Chemical
 - Lab Equipment
 - Health Devices

KEY ACTIVITIES

- Perform accurate tests
- Follow up programs
- Referrals from hospital network in order to gain the pool of patients
- Research on various medicines and examining side effects
- Performing home tests
- Delivering the test results to patients and lawyers at their preferred location and time

VALUE PROPOSITION

- Complaint to Obama Care
- Outcome- Based service
- Price Bundling
- Digitization
- Fast and accurate results with minimum tests
- Personal Assistance of handling the test results like home deliveries
- Giving home test options for patients who can't reach the centre
- Lawyer packages - Offering lawyer special packages familiarizing them with the testing procedures and delivering the results on their desired dates
- Special Services like Soil testing or food adulterations
- Credibility of the test results

CUSTOMER RELATIONSHIP

- Establish long-term patient relationship
- End-to-end personal relationships with patients

CHANNELS

- Age Wise
 - Young: Through Apps, Text Message , Phone Call, Email
 - Middle: Text Message, Phone Call, Email
 - Old: Phone calls, home services
- Regional centers
- Audio Visual information
- Telemedicine consultation channel

CUSTOMER SEGMENTS

- Age
- Geographic
- Based on type of insurance
- In network or out-network patient
- Lawyer

COST STRUCTURE

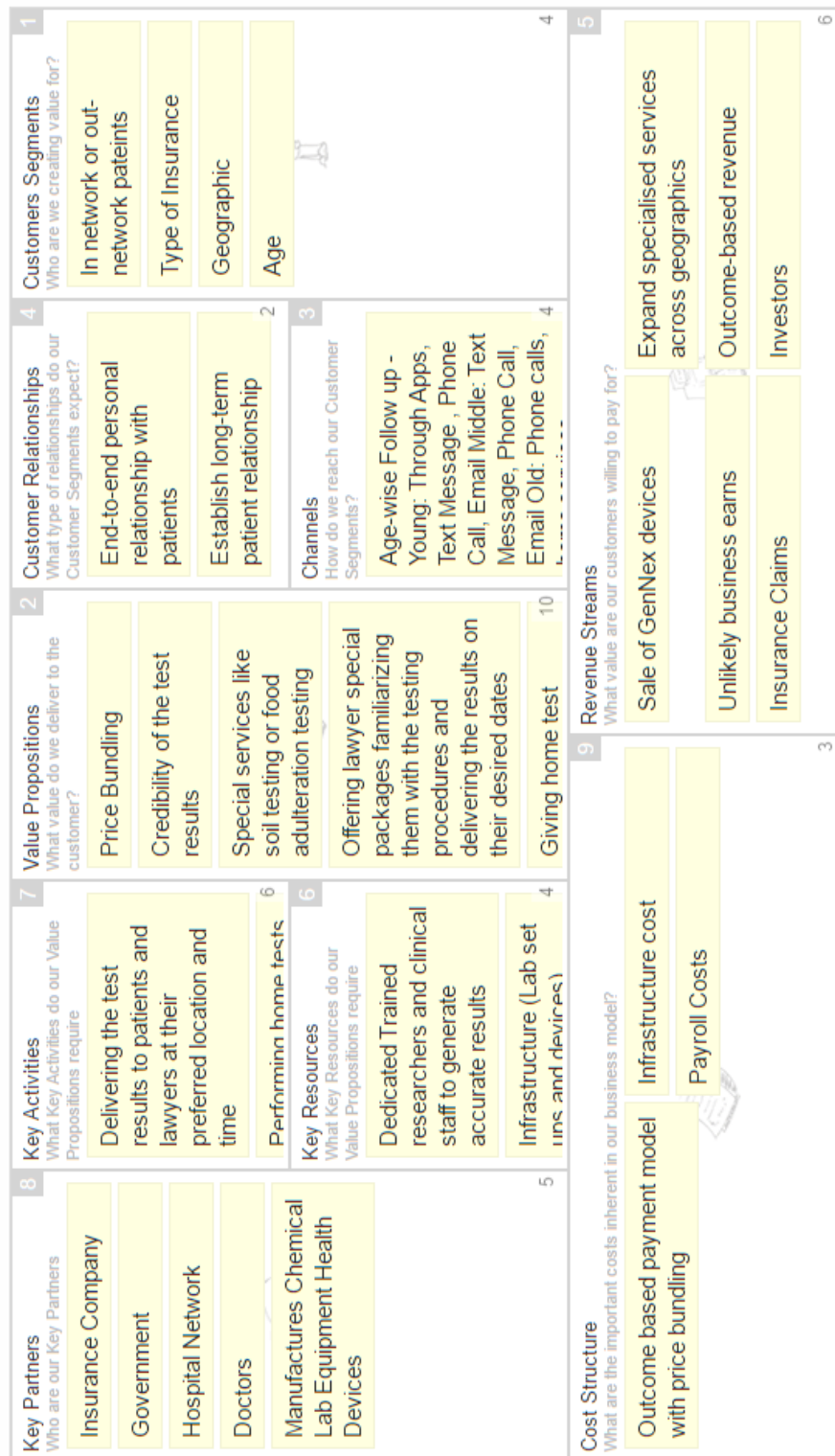
- Outcome based payment model with price bundling
- Payroll costs

- Infrastructure costs

REVENUE STREAMS

- Revenue through GenNex device sales
- Expansion of specialized services across geographic
- Unlikely business earns E.g.: Research on any vaccine in lab can generate revenue through copyright patents
- Outcome based revenue
- Insurance claims
- Investor funds

Business Model Diagram



<https://bmfiddle.com/f/#/mwkx2>