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Executive Summary

Company

MeMED LLC was created in the fall of 2020 in response to the confusion and inefficiency related to the current United States healthcare system, and the lack of transparency from medical and insurance centers in relation to treatments and billing. MeMED solves this issue by creating a dashboard for patients, medical providers, and insurance providers that allows each to easily and securely view a patient's medications, medical history, detailed billing reports, and provide users with the ability to see all upcoming medical procedures and the bill breakdown of such procedures. MeMED will create revenue by contracting directly with medical centers, and in turn MeMED will lead to an increase in revenue for the medical center due to a subsequent increase in patient's paying off their bill now that they can clearly see what they are being charged for.

Medical tracking is confusing, time consuming, and frustrating for the patient, and unknown costs deter patients from seeking help. By clarifying these costs and ensuring that the patient can easily review any charge, more patients will be willing to seek help for medical issues that otherwise may have been ignored due to the unknown financial burden. This will also act as a hub for patients and providers to track medical histories and medications with ease.

Barriers to Entry

MeMED's primary barrier to entry is that all medical centers have an organizational system already in place to track each patient's information, sending bills, receiving payments, communicating with insurance companies, and so on. MeMED would create simplicity in these organizational systems, but the barrier is the transitional period of integrating the new system, and phasing out the old systems. Another barrier would be the fact that medical centers already have experience with their current system, and may not want to change.

Funding

With the current world conditions which are caused by the Covid-19 pandemic. Hospitals are either overwhelmed or underwhelmed with patients. Currently, the government is providing financial assistance to these clinics and hospitals to help battle the hardships that come with the Covid-19. Therefore, medical centers may have additional or remaining funds that can be spent on upgrading their organizational systems. Additionally, funding directly from the government is available to create innovative systems for medical centers. Some other possibilities for funding could come from angel investors, or funding platforms. Though funding platforms would be the last place we would go to raise funding for this project.

Market Analysis

Test Market

MeMED will be tested at local medical centers in Logan, UT, and the surrounding area. Small, rural medical centers are least likely to have large pre-existing backend computer systems and gain the most benefits from the transparency and patient-to-provider efficiency that MeMED supplies. MeMED is less costly than alternate systems and will allow medical centers that are still using paper tracking to upgrade into the twenty-first century of business.

Target Market

MeMED targets small medical centers that do not have an efficient computerized system and that cannot afford a major investment into systems such as Epic and Cerner.

Market Size

There is a large competitive market for medical software and a large need across several different medical industries. The total potential revenue in this market is estimated to reach \$18180 million by 2025.

Competition

There are a few companies that are already implementing similar systems at medical centers across the nation. This is a large competition for us since these companies are dominating the market. Though we are providing a superior product than these companies, they have developed their reputation and connections throughout the years which creates a difficult opportunity to cut into the competition.

The two major companies are Epic and Cerner. Depending on the product needed by the medical centers, it could cost millions to implement a system. For most small medical centers, systems from these companies are too expensive. Other small companies to watch out for include RXNT Software and Kareo Clinical EHR Software, which are both cloud based solutions that track billing & medical records / insurance.

How we are Different

We stand out from our competition because we are small. Being a small company and entering the market has its advantages. Oftentimes, medical centers have developed opinions regarding the current system that is integrated in their centers. These opinions can be good, but they can also be bad. Since the users use the implemented system daily, they can identify the processes of the system that they dislike.

As a new system and business entering this competition, there are not reputations that are limiting us, and there are medical centers that are wanting a change from their current system. This is how we can stand out from our competition, and can create a new standard for organizational systems.

Market Projections

MeMED will grow by expanding contracts to include hospitals, pharmacies, dentists, orthodontists and more. Due to an increase in contracts and the addition of other services, MeMED will need to increase the size of the database system and increase the number of employees to handle the increase in patient and provider usage.

Approach to Market

MeMED will approach the distribution market by contracting with small medical practices to move their records to our system. In year 3 we will increase patient demand for our service by running ads on streaming websites such as Hulu and Amazon Prime¹.

¹ <https://bulletinline.com/2020/11/15/medical-software-market-size-share-development-by-2025/>

Product/Service

Organizational System Product

Our product is an organizational system that is integrated into medical centers including hospitals, medical clinics, dental clinics, etc. What this organizational system provides is a better experience for all parties involved including the patients, doctors, billing department, insurance department, etc. This system is an all in one system that will make information such as billing insurance, medical reports available to all parties, and it also makes it easier for the patient to see itemized bills, transfer records to other offices, review doctors' diagnosis, and much more.

Problem

The current issues with the systems that are put in place by our competition is that our competition views the client as the hospital when really the client should be the patients. Patients are paying the hospitals, and thus, the client should be viewed as the patients. When our competition is designing the flow of their products, they are trying to only create ease for the hospital when in reality, they should be attempting to create ease for everyone. When patients are receiving medical assistance, it is a stressful time, and the systems that are currently implemented are adding to the stress of the patients.

Solution

Our system reduces the stress of patients, and effectively assists all parties involved by providing access to information that other systems hide from patients.

Time Used

Over time, we are hoping to implement this system in all medical centers so that patients can keep all of their medical information, bills, insurance, in one centralized location. This includes dental, vision, and medical(checkups, hospital visits, etc). Once we get this implemented over a range of medical assistance clinics, this app will be used from anywhere between once a year to everyday depending on the demographic. We suspect the majority of the demographic using this application will be 65 or older since 92% of persons 65 years or older visit a medical provider at least once a year².

Product Pricing

Employees

Customer Service

With a product, such as this one, it is required to have a 24/7 customer service help that must be implemented in order to help medical staff, patients, insurance, etc. help with the system. If anything goes wrong, we must be able to quickly resolve problems for our clients, and this is done through our customer service representatives. Hiring, training, and providing a customer service team does cost quite a bit of money. Image 1 below shows the costs associated with customer service employees and Image 2 shows the costs of the technology they need in order to work².

The total price is only calculated for one employee working full time. The pricing of how much we will spend on Customer Service will definitely vary depending on how large the medical center is that we contract with, and how many employees we need to hire to satisfy demand. The larger the contractor, the more customer service representatives we will need. This cost does not include other variable costs. This is also assuming that we don't provide office space and have them work remotely.

Maintenance

This product, we hope to be pushing out updates quarterly to ensure that our product is providing the best service, and staying up to date with technology advances. I predict that we can hire 3-6 full time developers to maintain this product which will cost about \$84,000 per developer which is an estimated cost based on the median salary paid in 2018³. In table 1, you can see how much one developer will cost the company.

To hire 3 developers and provide a computer for each, it comes out to be \$256,497.00 the first year, and \$252,000.00 each year after the first. This cost does not include other variable costs. This is also assuming that we don't provide office space and have them work remotely. Table 2 shows the costs of the technology they need in order to work.

Employers/Owners

The employers will be making \$180,000 each due to their work and ownership of the company. This price will vary depending on the year. We estimate that the average amount the owners will

² https://www.census.gov/newsroom/releases/archives/health_care_insurance/cb12-185.html

³ <https://money.usnews.com/careers/best-jobs/computer-programmer/salary>

be making will be around this amount. View Image 1 below to view all employees estimated costs.

Image 1: Employee costs

	Customer_service_employee	Maintainance_employee	Owners_employee
Hourly	\$13.00	\$44.00	\$93.75
Monthly	\$2,080.00	\$7,040.00	\$15,000.00
Yearly	\$24,960.00	\$84,480.00	\$180,000.00

Database

Another major important cost we must account for is our cloud base database that is fast, efficient, and large enough for however many clients we have. The pricing will vary as we grow and bring on more clients. We hope to get to a point where we buy our own servers to host the databases of our different clients on. But to start out, we are planning on using Google cloud storage using a MySQL database server, and the best services. View Image 2 down below.

Image 2: Technology

	business_phones/Per User	business_computers/Per User	Servers
First Year	\$504.00	\$1,499.00	Undertermined
Remaining Years	\$504.00	\$0.00	

Risk Analysis

MeMED faces considerable risk of various magnitude, including, but not limited to: lack of experience on the management team, potential bugs and delays in development, and new competition in the market.

Experience

Acknowledging the lack of business experience, MeMED management will mitigate this risk through partnerships with medical providers. MeMED will also expand the management team to include partners with experience in marketing, management, and the medical system.

Bugs and Delays in Development

MeMED is developed by imperfect developers that can make mistakes in their code. To mitigate the impact of potential bugs, we will encourage a robust testing and commenting framework to ensure clarity and security of our system. A robust testing standard and the potential for bugs may impact the development timeline. To ensure timely development, we will implement a rigorous project management system that ensures clarity of end goals for all developers. We will hold weekly scrum meetings and period reviews to track our progress.

New Competition

The coronavirus pandemic has created a rush in innovation in the medical sector. Due to that, new medical software systems are being developed and launched to handle the demand. An increase in competitive systems to rival ours could force us to decrease development time, which could increase bugs in the system. To mitigate the challenges of new competition, we will monitor emerging systems and companies that could be a threat while urging robust, clean development.

Exit Strategy

There are a few strategies that we will consider for MeMED and for its investors. The three we are considering are: sell to a third party, sell to a successor, or IPO.

Selling to Third Party

In this strategy, we will be expanding over the United States and to the territories of the United States. We will then sell to possibly a large insurance company, or medical company. We plan on taking this strategy when the company has become extremely profitable or when we are at the age of retiring, whichever comes first.

Sell to a Successor

In this strategy, we would hire someone early on, and teach them, and prepare them to take over the company. Once we are ready to leave, we will be selling the company to our successor.

IPO

In this strategy, when we become large enough, we will make our company public, and begin to offer public shares of the company.

Management Team

Linsey Stokes:

- CEO of MeMED
- Graduates from Utah State University in the college of Science in December 2020 with her bachelors of science in computer science
- Her expertise is in software developing and social media marketing as she has worked in occupations requiring software and media experience.

Brianna King:

- CEO of MeMED
- Graduates from Utah State University in the college of Science in December 2020 with her bachelors of science in computer science
- During her schooling, she has pursued other entrepreneurial ventures, and developed websites for clients in addition to working as a software developer at Space Dynamics Laboratory

Operations Plan

Development Timeline

The agile methodology is being used for the development of this full stack web application. The application requires full time employees to develop, deploy, update, and maintain this product. The application is still in the development process to ensure the system is secure and accomplishing the desired tasks. We predict this product will be ready for its first deployment at the end of December of 2020. This first deployment will be a testing deployed product to find bugs.

Contract Timeline

We will be scheduling demonstration appointments with the local medical offices to show the functionality of our product. During this appointment, the medical office can have time to experiment with the web application and test to see if they like it and like the features that their current providers don't have.

During these appointments, we will also be taking note of the items that our competitors are doing better than we are, and implement those operations in our product prior to the next deployment. Hopefully, we will be signing a few contracts with those that we have done a demonstration appointment with for the next fiscal year.

Financial Assumptions

Sales Projections

Year 1: 4-10 contracts

Year 2: 10-20 contracts

Year 3: 80-120 contracts

Year 4: 300+ contracts

Money Management

We plan on charging the medical centers based on their need in customer service representatives, and the size of the database they require. These costs will vary from contract to contract. There will be fixed costs for the product itself, and to pay the developers, and owners that each medical center will have to pay. With any additional money left over from paying employees, google services, etc. we will be paying bonuses and saving that money for when we are ready to increase either our team, buying our own servers, or expanding our company in some way.