

Preventative Healthy Habits Application

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Background

Why Are We Here?

- Only 1 in 4 US adults and 1 in 5 high school students get the recommended levels of physical activity - [source](#)
- Sedentary lifestyles:
 - increase all causes of mortality double the risk of cardiovascular diseases, diabetes, obesity, increase the risks of colon cancer, high blood pressure, osteoporosis, lipid disorders, depression and anxiety.
- Physical activity market is estimated to be \$1.1 trillion in 2023 and growing - [source](#)

Prevent health issues with app that people love

Business Case

Initial Focus

Where are we starting?

- This matches our company goals of improving health and lives while generating stable revenue while jumping into a stable-growing market.

Opportunity

What's the problem?

- We are looking to enter into the preventative care space to help our patient base increase physical activity and improve on healthy habits.
- This market is rapidly growing (estimated \$287 Billion by 2027) [source](#)

- TAM: \$ 104 B
 - 260 mil adults in US x \$ 400 per customer per year
- Apple Health
 - Revenue \$15 billion, saturation 10.6%
- Fitbit
 - Revenue \$1.13 billion, saturation 0.8%

TAM and competitors coverage in billions



Proposal

What's Our Solution?

- We currently have 12.2 million customers with operating costs of \$81.8B
- We plan to build a fitness application that will be offered in the Freemium business model to our customers
- Main goal is to prevent health issues
- It will also include:
 - Reward system for meeting goals
 - Health monitoring and tracking

Return On Investment

What can we do?

- We aim to generate revenue from savings and from premium features from our app (~ **average \$150** per customer, savings \$140, premium \$10)
- We aim to get 15% (1.83 mio) of our customer base to use it in three years
- Estimated revenue **first year** (5% of our customer base - 0.61 mio)
 - **\$91.5 million** = $610\,000 * \$150$
- Estimated revenue **third year** (15% of our customer base 1.83 mio)
 - **\$274.5 million** = $1\,830\,000 * \$150$

Return On Investment

What can we do?

- Estimated costs \$ 100 mio / three years
 - \$ 30 mio development and existing processes adjustments
 - \$ 40 mio sales activities (marketing, sales personal)
 - \$ 30 mio support and customer care

Result

Investment Gain	\$449,000,000.00
ROI	449.00%
Annualized ROI	76.41%
Investment Length	3.00 years



$$\text{ROI} = ((\$91.5 \text{ mio} + \$183 \text{ mio} + \$274.5 \text{ mio}) - \$100 \text{ mio}) / \$100 \text{ mio}$$

Return On Investment in \$ mio



Year	Revenue each year	Investment	Profit each year	Revenue total
y + 1	92	33	58	92
y + 2	183	33	150	275
y + 3	275	33	241	549

Measurement

How will we know if we're successful?

- ❑ Usage rate of active customers growing by 610 000 each year (first to third)
- ❑ Customer retention rate higher than 90%
- ❑ Conversion from free to paid subscription at least 15%
- ❑ Average Revenue per User (ARPU) > \$150 (including savings)

Competitors

Fitbit

Recently acquired by Google



- Known for its popular fitness trackers
 - Fitbit has attempted to build an Apple Watch competitor
 - Fitbit has added more active users every year, even as its lost market share and revenue
 - Part of the Google hardware division from 2019
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- Revenue 2020 \$1.13 billion
 - Profit 2020 (\$190 million)
 - Active users 2020 31 million
- *Parentheses indicates loss

MyFitnessPal

Under Armour is looking to sell MyFitnessPal



- One of the most popular calorie trackers, with a database of food products
 - In 2015, Under Armour acquired the company for \$475 million
 - The past five years have seen steady revenue and usage growth
 - Under Armour has struggled to build out its connected fitness segment after multiple failures
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- Revenue 2020 \$128 million
 - Profit 2019 \$17 million
 - Active users 2020 200 million

Our Advantages

Why are we better?

- We can connect our business model to generate savings
- Actual customer base with regular connection
- Trackable and proven results

Roadmap and Vision

Roadmap Pillars

Where do we go from here?

- Build a easy to use Fitness app that will help our existing client base to prevent health problems
 - Track and visualize customer success
 - Monitor health improvements
 - Make people more healthy

Track and visualize customer success

Make customer happy

- Tracking of progress
- Good looking game like visualisation
 - Ranking system
- Celebrate success, success metrics and sharing features

Monitor health improvements

Show them their health

- Ability to create individual goals
- Ability to track them alone or together with doctor/our representative
- Creation of individual plans based on the goals

Make people more healthy

Without many changes in their life

- Based on their initial health score prepare plan that will make their lives more healthier
 - Exercise schedule, suggestions, and notifications
 - Food tracking, suggestions, and notifications
- Both clearly stating possible good outcomes

Where do we go from here?

Widening the scope

- Bigger market coverage -> acquire new customers
- Seamless process together with selected doctors/consultants, pharmacies, etc.
- Business model reused in other countries -> globalization