

Background: Let me put together the pain points that are currently addressed by weaker forces in the industry, as per my research in write-up 1. In this write-up, I will try to optimize my business models to address these pain points.

- **Ease of Access to a variety of lodging options:** The cancer patient has to scroll through numerous sites to find a convenient booking option for themselves.
- **Long waiting lines, complex booking procedure:** Patients are held in long waiting lines, and have to self-book themselves by calling several charity houses.
- **Financial Constraints of the middle-income families:** Average Middle-Income families generally do not qualify for sponsorships. Their insurance does not cover their travel cost as well.
- **Ineffectiveness of crowdfunding solutions:** On average, the campaigns studied set a goal of about \$20,000 and took home about \$5,000.

Solution Pathways:

[A] Subsidized access to **existing assets owned by for-profit companies:** Online Travel Aggregators like Airbnb, Expedia, Extended Stay America allows an individual to find stays for non-emergency medical travels.

[B] Solutions that rely on **the creation of a new pool of resources** by non-profit providers: A non-profit organization focusing on the needs of cancer patients, creates a new set of resources via partnerships, charities, and crowd-funding

In the following sections, I will convert both of these ideas into tangible business models, identify the investments, identify critical success factors for their success, and try to suggest what game they should play.

[A] Subsidized access to existing assets owned by for-profit companies

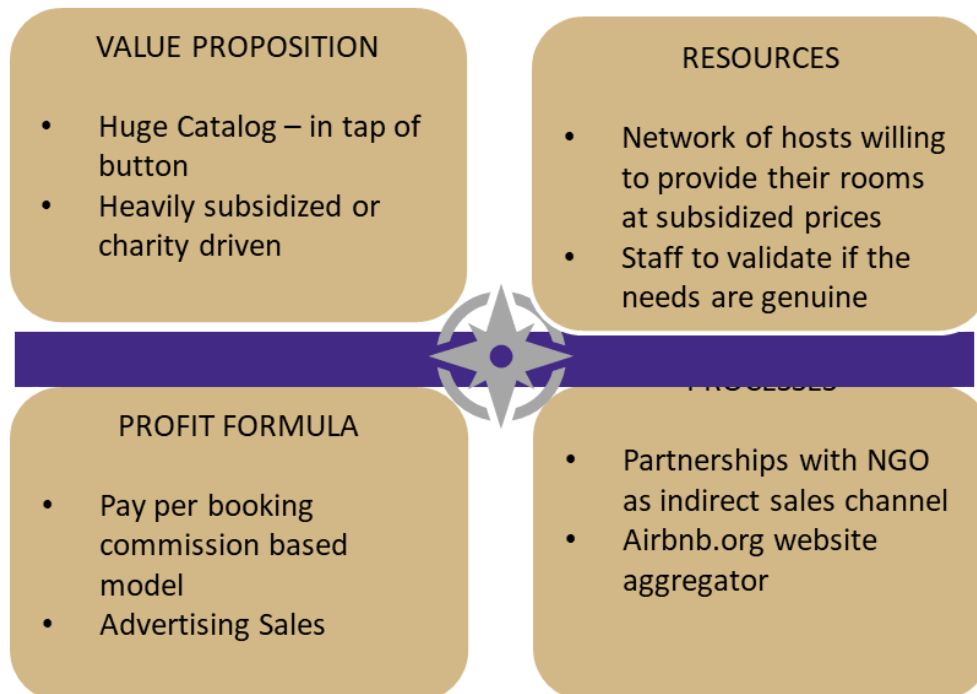
Let's think about the kinds of strategies for-profits can choose using the entrepreneurial strategy compass.

1. **The value chain strategy:** A new non-profit subsidiary of Airbnb called Airbnb.org exists which provides charity-based/ deeply subsidized access to people in crisis. Needy people can submit a form requesting free access to listings on Airbnb.com, which is verified and services are provided. Here Airbnb doesn't own and manages the property. It is merely responsible for hosting the property of the individual who is willing to volunteer.
2. **Architectural Strategy:** The OTA owns and maintains the hotels, and accommodation by itself, and provides it to the patient at subsidized prices via direct/ indirect booking channels. For instance, Extended Stay fully owns all of its hotels and with a reach of 630 hotels across the U.S. and Canada, Extended Stay America decides to support cancer patients and their families through partnerships with the American Cancer Society and via its own website.

The value chain strategy has the greater potential of creating bigger inventory which will reduce **'long wait times'** for the patients. Thus, I would like to pick a value chain strategy for remediating the stay issues.

Let's move forward, and create a business model.

AIRBNB.org BUSINESS MODEL



Q6. Explain the most important ways in which the implementation of a solution in practice falls short of how it is envisioned in the principle. If possible, identify operational metrics of these shortcomings.

Let's review some of the key implementation concerns which will affect the efficacy of the solution.

- **Access to larger catalog:** Currently, Airbnb has a huge catalog on Airbnb.com, while Airbnb.org does not list the stay options on its website. If it were to build a huge catalog, it needs to convince hosts in Airbnb.com to provide their room listing for free. Airbnb has a huge email list of hosts who can be incentivized to provide their facility for charity. But, what % of Airbnb hosts would be really interested in providing their facility for charity when they are able to better pay customers through Airbnb.com. Also, wouldn't this mean that Airbnb.com is cannibalizing its own business in the process of doing so?
- **Disability Accessible Rooms-** The rooms that Airbnb provided are independent homes that might not be greatly accessible for people with disabilities.
- **Patient Friendly Website Interface:** Assuming Airbnb is able to create a massive catalog in Airbnb.org, Airbnb also needs to adjust its website filters so that patients can customize the search response as per their needs. Currently, the listings are suitable for vacation rentals, and not for patient-specific needs.
- **Booking confirmation turnover time:** its current model of reviewing every guest's request is time-consuming. Thus, it also means if Airbnb wants to speed up the process it will need to automate the process of patient identification via attribute-extraction algorithms.
- **Too diverse to narrow down:** Airbnb.org is currently focused on people who can be in crisis due to any reasons. It's not targeted specifically to a cancer patient. So, even if in the future Airbnb wants to develop a business idea to monetize on the market needs of cancer patients it cannot because that would mean abandoning existing served customers. So, the only option left for it to provide a targeted response is via partnerships with cancer groups

The above factors indicate that Airbnb would need to make massive investments technically, in marketing, and in building partnerships if it wants to provide accommodations to cancer patients at subsidized rates. The question arises if Airbnb has incentives to make investments on a business model which has a lower potential of profit in comparison to their existing business model.

Q7. What kinds of internal investments are required in terms of development effort, problem-solving, trial-and-error, or other kinds of non-recurring learning experience?

Investment in customer discovery: Airbnb would need to invest in the customer discovery process via interviews, surveys, and hypothesis-based testing strategies to gather an in-depth understanding of patient booking needs and patterns.

It also needs to create an early customer pool so that it can learn and develop software for the host who is willing to provide their accommodations in deeply subsidized rates.

Investment in testing assumptions/hypotheses:

What needs to be tested?	Testing Strategy	Investment
Supplier Related Hosts in Airbnb.com are willing to provide their listing on Airbnb.org	Send marketing emails to host requesting them to express their interests	Marketing & Advertising investment
Technology-Based Patients have their specific needs for which Airbnb.org needs to add new filters to the existing website/ or build a new website	Survey patients about their ease of navigating through the existing website.	The financial investment to create bait to incentivize early customer pool.
Payment Model: (A) Pay per booking model is suitable for charging cancer patients (B) Yearly subscription for the insurance company, where the patient copays	A/ B Testing Interviewing insurance company sales managers.	Software Development effort, additional product manager.

Investment in building MVP: Let's think about the MVP for launch. It can be a 1-page introduction to the concept, providing a mechanism for users to apply for booking, and enabling users to host their stay.

The main investments required for Airbnb are in the creation of a catalog, and training a customer support team. It already has the software computing resources and can reuse them.

Q8. What kinds of internal investments are required in terms of human capital?

Let's think about different aspects of the business model, and try to understand what will be its org implications and how it will influence the hiring decisions.

Value Proposition	Tech/ Ops
<p>Key Feature:</p> <ul style="list-style-type: none"> ● Compassion/ Kindness: Helping cancer patients find accommodation in their most crucial time ● Access to large inventory so that customers have a quicker booking ● Super cheap: Due to goodwill of the host/ Price based differentiation ● Extended Stay Options: Monthly, Weekly stay options because patients typically travel for a longer duration than customers vacationing <p>Impact on Human Capital:</p> <ol style="list-style-type: none"> 1. Realign the company culture with empathy. 2. Changes in the hiring decision-making process to hire people who are driven by social causes rather than financial incentives. 3. Keep the organization structure lean for cost-saving purposes. 4. Hire patient advocates who understand the booking patterns of cancer patients 	<p>Key Feature</p> <ul style="list-style-type: none"> ● Adding filters to show stay options near the cancer hospital. ● Adding new filters based on patient preference ● Use the same backend computation platform as Airbnb.com. ● Create new Airbnb.org which has a look and feel that speaks to the patient <p>Impact on Human Capital:</p> <ol style="list-style-type: none"> 1. Retain engineering experts who understand the current system design. 2. Hire New Design experts who understand the user experience practices in the healthcare industry 3. Hire product managers specializing in healthcare products to research the needs of the patient
Go-to-Marketing(Sales/ Marketing)	Profit Formula
<p>Key Feature:</p> <ul style="list-style-type: none"> ● Partnerships with the American Cancer Society, and other cancer centers. ● No formal sales and marketing - mostly virality based ● Support team to address patients and their families in case of issues with the booking. ● Incentivizing hosts to provide their accommodation in deeply subsidized pricings ● Boosting inventory near hospitals <p>Impact on Human Capital:</p> <ol style="list-style-type: none"> 1. Need to add more sales/marketing staff for increasing outreach to hosts. 2. Need to introduce a new customer success team division for patients. 3. Need to add social workers, and experts in the healthcare sales field to build partnerships with the American Cancer Society 	<p>Key Feature:</p> <ul style="list-style-type: none"> ● Copayment based deals with the insurance companies ● Pay per booking for those who don't have insurance. ● Yearly subscription-based models <p>Impact on Human Capital:</p> <ol style="list-style-type: none"> 1. Hire experts who understand how an insurance company works and can create good deals with them. 2. Hire Social Venture industry experts to figure out ways to improve profitability

Q9. What kinds of purchases are required from external sources?

- **Purchase Computation Technology:** Airbnb would need to pay for cloud processing technology like AWS cloud, or Azure to host this new product/ feature.
- **CRM/ Marketing Tools:** There are third-party contact info providers which can help Airbnb contact purchase managers of insurance companies.
- **Customer Support:** The customer support service can be outsourced to third-party companies that are skilled in dealing with customer grievances of a vulnerable population. This will help Airbnb establish better connections with the customer from day 1.

Q10. What kinds of investments are required in terms of external stakeholder engagement?

Airbnb has been focused on improving the experience of customers traveling for leisure, business, and vacation. It would need to re-establish itself as a player in the healthcare accommodation industry. Here are some of the ways, in which it can do so.

- **Sponsorships events to build trust:** Airbnb would need to provide sponsorships to relevant industry events such as HIMSS, Cancer Connect events so that it can build connections with the healthcare industry players and establish itself as a player in the healthcare industry
 - **Regulation-related investment:** Airbnb had to deal with regulatory issues when it opened up individual houses to leisure travelers. Cancer patients and their caregivers are a vulnerable community. Airbnb needs to invest in understanding if there are legal issues in providing accommodation to a stranger who is severely ill. Also, what should be allowed, not allowed needs to be redefined given the disability of the guest.
 - **Affiliate Program to boost brand Awareness:** Airbnb can make investments to promote its website via social workers. Social workers have greater outreach and can establish greater credibility in the views of the customer.
 - **Donations for increasing engagement with cancer patients:** Incentives and donations to Non-profit organizations can promote Airbnb to cancer patients. This external advertisement strategy will reduce the CAC, and optimize the LTV.
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[B] Solutions that rely on the creation of a new pool of resources by non-profit providers

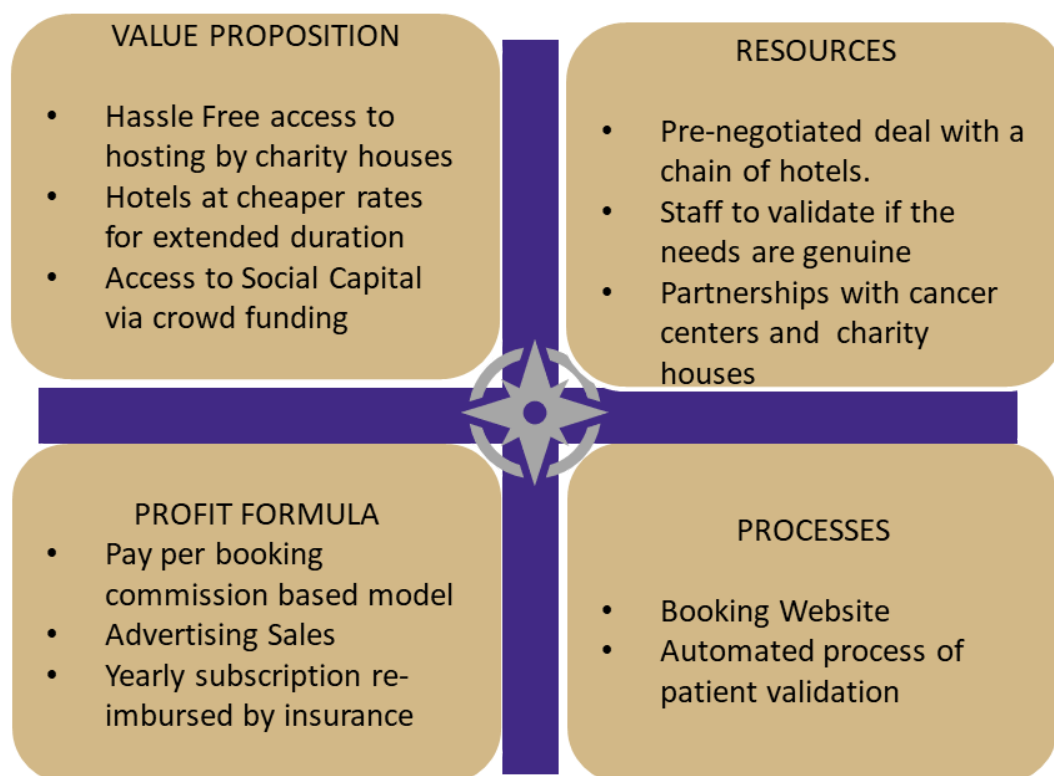
A non-profit organization focusing on the needs of cancer patients creates a new set of resources via partnerships, charities, and crowd-funding

How does it work?

Value Chain Strategy: While current social ventures like Hope Lodging, Joes Listing, UW Collegiana provide access to accommodation for cancer patients. They fail to provide convenient, and stress-free booking channels to the patient. Another strategy could be to work with the charity houses to list their stay options and partner hotel listings on the web interface to automate the process of booking.

Along with automation of the booking experience, it streamlines the process of payment by negotiating with the insurance providers, donors, and hospitality providers on behalf of the patient.

Let's try to create a business model based on it.



Q6. Explain the most important ways in which the implementation of a solution in practice falls short of how it is envisioned in the principle. If possible, identify operational metrics of these shortcomings.

Playing the devil's advocate here. Let's think about how the implementation of the solution in practice will fall short of the ideal scenario

1. **Limited Inventory:** The catalog will be very limited in nature due to very few charity houses would be interested in making their rooms visible to the public. Cutting out deals with the hotels will also be a long process. This means that the supply might not be able to meet public demand, causing dissatisfaction among patients.
2. **Ineffectiveness of Crowd-funding:** Currently Indiegogo, and goFundme, keto are some of the widely used platforms for raising funds. However, the inflow of social capital is very unpredictable in nature. Also, the company has to spend advertising capital to motivate donors which will further reduce its profitability
3. **Too narrow target segment:** Given the low margins and smaller market size, the business might run out of cash pretty easily and become infeasible very early.
4. **Making service charge as primary revenue generation source:** Why will patients use your platform to make the booking, when they can check the inventory from your platform, call the charity house and make the booking via the hospital representative. This can save them the service charge as well
5. **Low switching cost/ stickiness:** Given numerous non-profits, for-profits providing their services at a cheap cost, it's pretty difficult to build brand loyalty and as the customer can easily switch from one platform to another, the LTV of the customer is also significantly low.

Q7. What kinds of internal investments are required in terms of development effort, problem-solving, trial-and-error, or other kinds of the non-recurring learning experience

Investment in testing assumptions/hypotheses

What needs to be tested?	Testing Strategy	Investment
Demand- Supply Validation Validating if supply will be able to catch up with the demand	Gather information about the fraction of hotels/ charity houses willing to onboard, and how hard/easy it is to onboard them. I need to brainstorm more on this.	Invest in finding healthcare sales experts, social workers, and industry leaders who can help you get those first connections. Working with 1st charity house to onboard them, see how hard/easy it is to onboard them.
Technology-Based The platform is hoping to differentiate itself by allowing cancer patients to add themselves to the waiting queue of several charity houses at the same time. What needs to be understood is if cancer patients really care about it? Is it a good-to-have feature or really a pain medicine	Customer discovery process via interviews, surveys, and hypothesis-based testing strategies to gather an in-depth understanding of patient booking needs and pattern	The financial investment to create bait to incentivize early customer pool.
Payment Model: (A) Testing if crowdfunding will provide access to adequate capital to run the business. (B) Yearly subscription for the insurance company, where the patient copays (C) How will charging money to the marginalized communities appeal to the general public? Will it create negative publicity around the company?	A/B testing different payment models, by creating several versions of the sign-up page, and checking which of them are having more early waiting subscribers.	Software Development effort, additional product manager.
Partnerships related hypotheses A huge assumption is that charity houses, hotels, insurance companies would be interested in forming partnerships with the new entrant in the market. We need to understand why would they care?	Cold Calling hotels, send marketing collateral to see response rates.	Investments in graphic designer. Purchase contact lists for the purpose of lead generation

Q8. What kinds of internal investments are required in terms of human capital?

Let's think about different aspects of the business model, and try to understand what will be its org implications and how it will influence the hiring decisions.

Value Proposition	Tech/ Ops
<p>Key Feature:</p> <ul style="list-style-type: none"> ● Compassion/ Kindness: Helping cancer patients find accommodation in their most crucial time ● Hassle-free access to hostings by charity houses. ● Access to social capital for crowdfunding patients in their reservation. ● A highly customized user interface to the needs of the cancer patient. ● Access to hotels at cheaper rates for extended durations <p>Impact on Human Capital:</p> <ol style="list-style-type: none"> 5. Realign the company culture with empathy. 6. Hire people who are driven by social causes rather than financial incentives. 7. Keep the organization structure lean for cost-saving purposes. 8. Need to add more sales/marketing staff to motivate individuals to donate. 9. Need to add social workers, and experts in the healthcare sales field to build partnerships 	<p>Key Feature</p> <ul style="list-style-type: none"> ● Create a website focusing on the needs of the patient which lets users add themselves to the waiting queue of several hotels and charity houses. ● Create a queue scheduling algorithm to ensure the patient gets booked ● Payment platform for donors to donate on a booking or to a patient <p>Impact on Human Capital:</p> <ol style="list-style-type: none"> 4. Hire engineering talents to build a booking platform. 5. Hire New Design experts who understand the user experience practices in the healthcare industry 6. Hire product managers specializing in healthcare products to research the needs of the patient 7. Hire patient advocates who understand the booking patterns of cancer patients
Go-to-Marketing(Sales/ Marketing)	Profit Formula
<p>Key Feature:</p> <ul style="list-style-type: none"> ● D2C platform. ● Support team to address patients and their families in case of issues with the booking. ● Affiliate program for a social worker to promote booking engine ● Referral programs to redirect traffic to the booking website <p>Impact on Human Capital:</p> <ol style="list-style-type: none"> 4. Need to introduce a new customer success team division for patients. 5. Hire business development manager to build strategic alliances 	<p>Key Feature:</p> <ul style="list-style-type: none"> ● Copayment based deals with the insurance companies ● Service charges on booking ● Non-profit model, accessing grants, funding, and charity <p>Impact on Human Capital:</p> <ol style="list-style-type: none"> 3. A non-profit should have a board to oversee that the non-profit is using the funds effectively. 4. Hire experts who understand how an insurance company works and can create good deals with them. 5. Hire Social Venture industry experts to figure out ways to improve profitability

Q9. What kinds of purchases are required from external sources?

- Purchases required to build the prototype

Resource	Reason
Website Domain - GoDaddy	For hosting the website
Sabre Global Distribution System (GDS)Subscription Fees	to get access to an inventory of hotel
Expedia Affiliate Program to create an inventory	To get access to all the listing Expedia has
Wix site	To create an early/teaser view version of the website
AWS Tools and Technology (AWS Lambda, API Gateway, Database)	For hosting core booking algorithm
A/B testing Hubspot	For testing different versions of the prototype
Invision subscription	For building Prototype/ Mockups
Canva subscription	Visuals for adding to the prototype
Google Analytics subscription	Measuring traffic while validating the effectiveness of the prototype
CRM Tool / Hubspot subscription	to manage early customer pool while building a prototype
JIRA subscription	Team/ Task Management
Business Email address	For adding a business email address to the website









Q10. What kinds of investments are required in terms of external stakeholder engagement?





1. **Appointing Board Member** - A non-profit should have a board to oversee that the non-profit is using the funds effectively.
2. **Adhering to laws relevant to Non- Profit:** Along with it, the non-profit also needs to adhere to a whole bunch of rules and regulations as it is accessing social capital for business purposes. So, I think there will be a finance officer that will be required even from the early days.

3. **Investment to create a reputation to establish partnerships:** The business model is heavily dependent on building partnerships with charity houses. As such, this social venture would need to heavily invest in building credibility in the community so that it can build the right partnerships with the charity houses in the market.
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Q11. Describe important similarities or differences between the two solutions in terms of preceding critical success factors

Let's take a look at some of the critical success factors identified earlier and try to map out if they are similar or different in these 2 solutions.

Critical Success Factor	Subsidized access to existing assets owned by for-profit companies	Creation of a new pool of resources by non-profit providers via partnerships, charities, and crowd-funding
Catalog Size	 Huge catalog size is the key differentiation aspect if Airbnb intends to enter this space.	 Access to a large catalog is not the differentiating factor. Patients would prefer this solution because it provides them hassle access to charity houses. Though, for the success of this business, it's essential to meet the demand to avoid dissatisfied customers.
Subsidized Pricing	 Based on the goodwill of the host providers.	 Based on charity and prenegotiated deals with hotel
Ease of Booking	 The whole point of both of these business models is to provide an easier booking experience in which patients need not scroll through the internet for several hours	 Same as left
Seamless interface tailored towards the needs of the patient	 Designing the interface to be well crafted for the patients is an additional investment in a	 Understanding deeply the needs of cancer patients, and creating a highly tailored customer experience is the key

	business model that Airbnb can do without.	differentiating aspect for this business. However, we need to understand do cancer patients care more about convenience than catalog size.
Partnerships with charity houses and cancer societies	 Strategic partnerships are not essential to the success of Airbnb as it already has solid brand reputation and awareness	 The business model is heavily dependent upon partnerships for building its inventory.
Access to crowdfunding capital	 .For-profit companies cannot access social capital. It has to rely on its own personal funds to incentivize customer	 Access to social capital is a bait using which the company intends to attract patients to use its website.

At the outset, these business models appeared to have similarities in terms of tactical choices that they will make. But, Based on their relative emphasis o the critical success factors, it's clear that these business models are very different strategically, and will measure success very differently. Thus, these 2 business models are playing very different games.