Strategic Decision Simulation Assignment

Course Module: Value Proposition

Case Study: Lumora HealthTech

# Assignment Context

You are a newly appointed Strategy Advisor at Lumora HealthTech, a B2B digital health company specializing in diagnostic software. The company’s leadership team has asked you to critically assess and improve the value proposition of its Diagnostic Decision Support System (DDSS) as part of a strategic review. Your insights will inform product refinement and positioning choices over the next 2–3 years.

# Your Task

Act as Lumora’s internal strategy consultant and propose an enhanced value proposition for the DDSS in the diagnostic lab market (Germany and Austria). Make explicit design choices using frameworks and concepts from the Value Proposition module. Use only the case information provided.

# Assignment Instructions

## Step 1. Identify Strategic Positioning (20 pts)

Choose one Generic Strategy and 2–3 Archetypes and justify how they align with internal capabilities and market.

## Step 2. Define the Current State (20 pts)

Briefly describe Lumora’s current value proposition using the eight-element structure.

## Step 3. Design an Enhanced Value Proposition (30 pts)

Propose and justify 3+ design choices using frameworks like Value Stick, JTBD, Elements of Value, Four Actions, Archetypes. Then complete the ERRC grid to refine DDSS positioning.

## Step 4. Write a New Value Proposition Statement (15 pts)

Craft a concise and differentiated statement for the enhanced DDSS.

## Step 5. Reflect on Trade-offs and Execution Challenges (15 pts)

Identify 2 trade-offs or internal gaps and suggest how to manage them.

# Grading Rubric

|  |  |  |
| --- | --- | --- |
| **Section** | **Criteria** | **Points** |
| Step 1 | Clarity and coherence of positioning choices | 20 pts |
| Step 2 | Accurate diagnosis of current value proposition | 20 pts |
| Step 3 | Quality and justification of design choices; relevant and strategic ERRC actions | 30 pts |
| Step 4 | Quality of value proposition statement | 15 pts |
| Step 5 | Recognition of trade-offs and feasibility | 15 pts |

# Appendix: Key Case Data

**Product: Diagnostic Decision Support System (DDSS)**- Helps lab professionals generate diagnostic hypotheses, flag risks, suggest next steps  
- Strength: structured data logic, not image-based AI  
- Revenue: €44M in Germany & Austria (steady, but slowing growth)  
- Market size: €67M in Germany & Austria, growing at ~2% annually  
- Strengths: modular software, strong onboarding process, trusted in labs  
- Weaknesses: limited appeal in radiology or mobile-first contexts

**Voice of Lumora’s Leadership:**- CTO: Strong modularity and fit for labs and private clinics, less so for radiology  
- COO: Core strength is structured diagnostics, not imaging  
- Head of Sales: Quick onboarding, labs trust us  
- CEO: Expand intelligently, not opportunistically

## Management Voice: assessment of current value proposition

## 1. Strategic Positioning Options

- Lumora currently operates with a Differentiation strategy focused on structured diagnostics.  
- Newer competitors adopt Cost Leadership in narrow applications (e.g., AI-based niche tools).  
- A Blue Ocean move could be possible through platform innovation or expansion into new complements.

## 2. Positioning Archetypes

Lumora’s current DDSS reflects the following archetypes:  
- Solutions Provider: Integrated lab workflow guidance.  
- Reputation Player: Known for reliability and lab certification compliance.  
Competitors increasingly adopt Innovator and Value Player models.

**3. Segmentation of Value Propositions**

- Lumora offers a unified value proposition across diagnostic labs.  
- Private clinics may have distinct needs (faster onboarding, less customisation).  
- Radiology support requires significant redesign and may justify a separate proposition.

## 4. Value Design Considerations

* Focus areas may include: onboarding experience, diagnostic accuracy, pricing flexibility, or new complements.
* Complements such as audit reporting, predictive analytics, or interoperability with EHR systems could enhance WTP.
* Trade-offs might involve reducing customisation or sunsetting niche features to lower costs.
* Pricing strategy may be revised to support penetration into private clinics or dynamic pricing for volume buyers.

## 4. Current Strategy Value Curve

Lumora’s current value proposition performance compared to two main competitors.

A graph with lines and text

AI-generated content may be incorrect.

## Customer Voice – What Labs Value (and Don’t) About Lumora

Feedback from Lumora's existing lab clients reveals the following insights:  
- "The diagnostic accuracy is excellent – we rely on it for our most complex cases." (Lab Director, Munich)  
- "Their integration with our lab systems is better than anyone else we've seen. Everything flows smoothly." (IT Lead, Salzburg)  
- "It’s powerful, but onboarding takes time – it’s not something we can roll out in a few days." (Lab Manager, Vienna)  
- "Support is always responsive, but the interface feels dated. We sometimes have to retrain new staff longer than expected." (QA Lead, Graz)  
- "It’s very customisable – but that sometimes becomes a problem, we have to set up everything ourselves." (Ops Manager, Berlin)  
- "We love the compliance tools. Auditors are impressed. That’s a major differentiator." (Head of Compliance, Frankfurt)

## Customer expectations: unmet Needs and Emerging Jobs to Be Done

- Labs increasingly seek predictive analytics to improve diagnostic efficiency.  
- Many clients want mobile-compatible tools for clinicians in distributed environments.  
- Decision-support tools tailored to smaller, private clinics (with fewer resources) are gaining traction.  
- Clients want automatic updates and cloud-based flexibility, reducing IT burdens.  
- AI-based suggestions are appealing, but clients stress the importance of transparency and auditability.  
- Interoperability with EHRs and national health records is becoming a decisive factor in vendor selection.

## Market Overview and Segmentation

The DACH region's diagnostics sector consists of three main market segments:  
  
1. Large Diagnostic Labs (public and private chains):  
- High volume, strict compliance needs, demand high integration and reliability.  
- Require tailored onboarding, support, and certified processes.  
- Typically served by Lumora’s DDSS today.  
  
2. Independent Private Clinics:  
- Smaller volumes, value intuitive UX and speed.  
- Lower in-house IT support, prefer cloud and mobile-first options.  
- Typically underserved by Lumora’s current configuration.  
  
3. Specialized Diagnostic Centers (e.g. radiology-focused):  
- Require AI-based imaging tools, real-time performance, mobile workflows.  
- Potential expansion space but high technical and regulatory entry barriers.

## Competitive Landscape Snapshot

Lumora’s competitors include:  
- \*\*Competitor A\*\*: Offers an AI-focused point solution for radiology labs; low price, fast deployment, but limited scope.  
- \*\*Competitor B\*\*: SaaS workflow vendor serving private clinics; good ease of use and cost advantage but lacks clinical depth.  
- \*\*Lumora\*\*: Known for reliability, compliance, and structured diagnostic logic. Positioned at a mid-premium price point.  
  
The diagnostic software market in the DACH region is evolving quickly, and Lumora faces both structural challenges and exciting opportunities. Competitors are exploiting niches or lowering prices while Lumora continues to focus on premium structured diagnostics

# Student Response Templates

## Step 1: Strategic Positioning

Use the table below to specify your Generic Strategy and selected Archetypes.

|  |  |
| --- | --- |
| Generic Strategy | Positioning Archetypes (2–3) |
|  |  |

## Step 2: Current Value Proposition Diagnosis

Use the 8-element structure below to describe Lumora’s current value proposition.

|  |  |
| --- | --- |
| Element | Your Answer |
| Target Customer Segments |  |
| Product/Service Portfolio |  |
| Relative Price Position |  |
| Complements |  |
| Value Proposition Statement |  |
| Customer Value Attributes |  |
| Cost-Reducing Attributes |  |
| Relative Performance Levels |  |

## Step 3: Value Innovation – ERRC Grid

|  |  |
| --- | --- |
| Action | Value Attribute or Feature |
| Eliminate |  |
| Reduce |  |
| Raise |  |
| Create |  |

### Strategy Value Curve – Comparison Table

Fill in this table to compare Lumora’s DDSS with key competitors based on selected value attributes, with a performance scale range from 1(low) to 5(high).

|  |  |  |  |
| --- | --- | --- | --- |
| Value Attribute | Lumora | Competitor A | Competitor B |
|  |  |  |  |
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|  |  |  |  |

## Plot the new strategy value curve, based on your table above:

……………….

## Step 4: Value Proposition Statement

Write a concise and compelling statement summarizing your enhanced value proposition.

## Step 5: Trade-Offs and Execution Challenges

Identify and justify at least two trade-offs or feasibility constraints related to your proposed changes.