



Norway
Health Tech

Consortium building and business approach for healthcare solutions

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AAL Programme Info Day for Norwegian Stakeholders – 8 March 2021

Consortium building

Eligibility

- 3 independent legal entities from 3 different AAL Partner States
- At least one business partner
- At least one SME partner
- At least one end-user organization

Essential ingredients

- Business and exploitation partners
- Over 50% of the effort to business partners (business and market orientation)
- Strong involvement of end-users
- Co-development + market creation

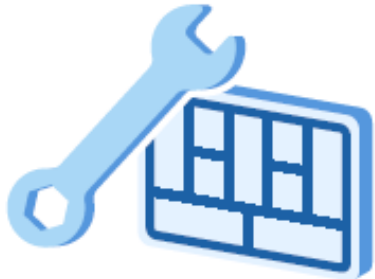


Consortium building



Research partner

Supports other organizations
(e.g. conducts pilot studies)



Development partner

Develops (partial) solutions for key
commercial partners



Market research, business consultants, etc.

Supports other organizations
(e.g. conducts pilot studies)



Key commercial partner

- To succeed, the project needs to identify an organization that is highly motivated and capable of commercialising the developed solution.
- They develop the business model for themselves.
- They cannot outsource business development, they have to lead it!
- If there are several commercial partners in one project, each of them has to have a clear business case.
- These business cases can be interlinked in some way, or they can be independent business cases that do not rely on project partners.



End-user organization

- The users' voice in a project: key source of customer/end-user feedback for the development (co-design is important!)
- Potential procurer of AAL solution and "launching customer" in optimal case for commercial partners
- Can/should be developing their own business as well

Consortium building - where to get help?

- YOUR network
- OUR network
- Matchmaking events
- Information days
- Workshops and seminars – to pitch the idea
- Online platforms and groups

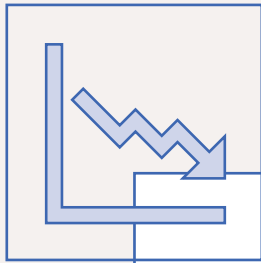


“AAL projects are making advancements in introducing services and products based on the latest technologies into the silver market.”

AAL Program Managers

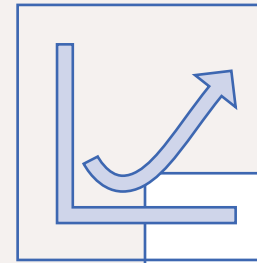


Business approach for healthcare solutions



Why projects Fail

- No commercial drive
- Wrong partners
- Stand-alone business model
- Bus model not sustainable
- Poor understanding of market forces (policy, regulatory, etc)
- No market need



Why projects succeed

- Strong focus on business opportunity
- Alignment with company goals/strategy
- Proven market demand
- Design attractive value proposition
- Well-crafted business model



3 Main Steps

1. Business Model Design
2. Value Proposition Design
3. Testing and Validating



TIPS ON HOW TO USE BM CANVAS

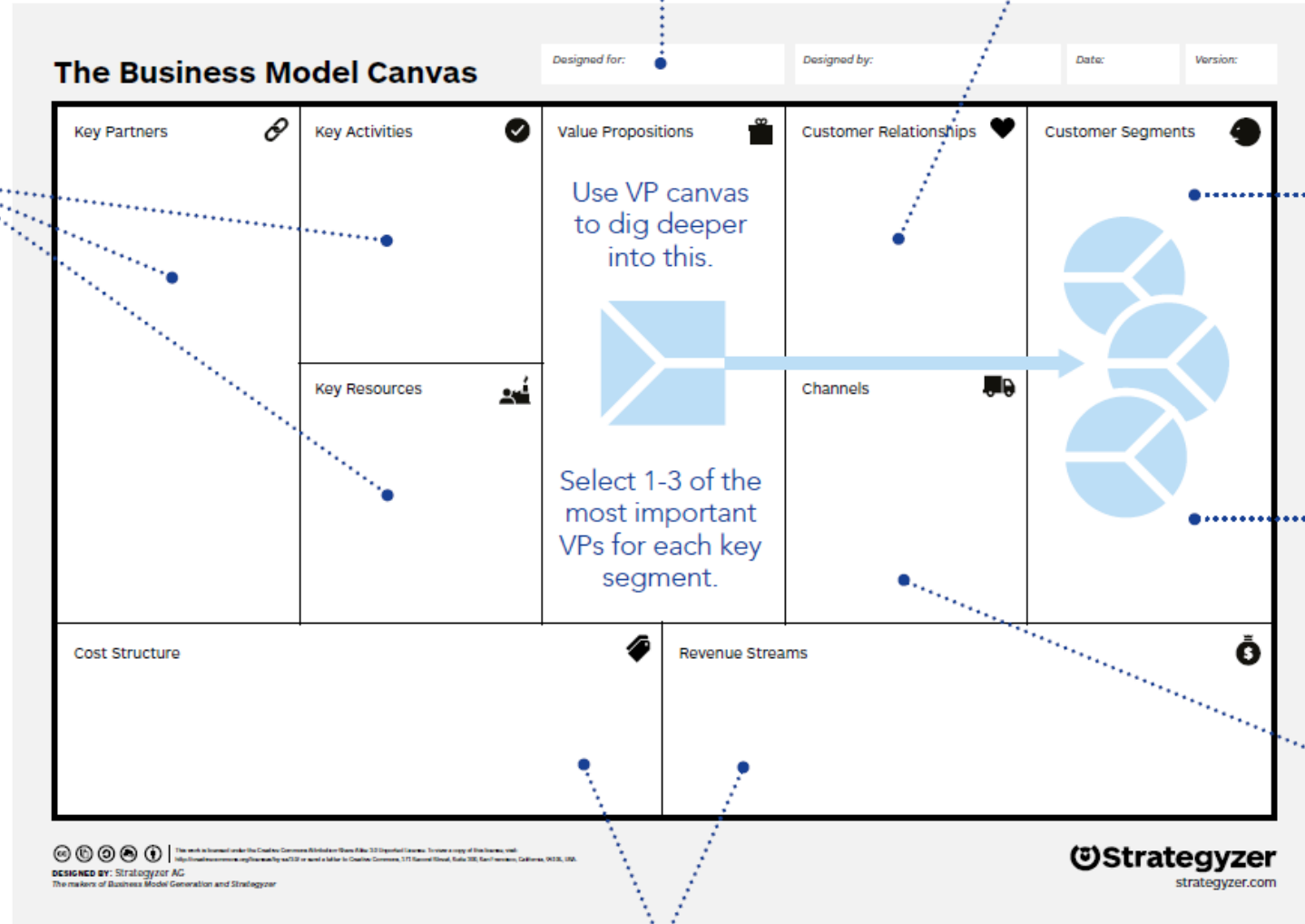
This is the infrastructure you need to execute your business successfully (i.e. activities, resources and partners you need after the AAL project).

Note! In order to evaluate the investment you need for setting up the business, you may additionally include infrastructure that you need to build your business (AAL project phase +?).

Tip: Clearly indicate which infrastructure is for executing and for developing business (e.g. use different colours).

! Nail the perspective – who is this business model for?

How will you interact with the paying customer – how will you approach and communicate with the paying customer, how much will be automated through digital channels, what kind of value and risk-sharing relationship will you have?



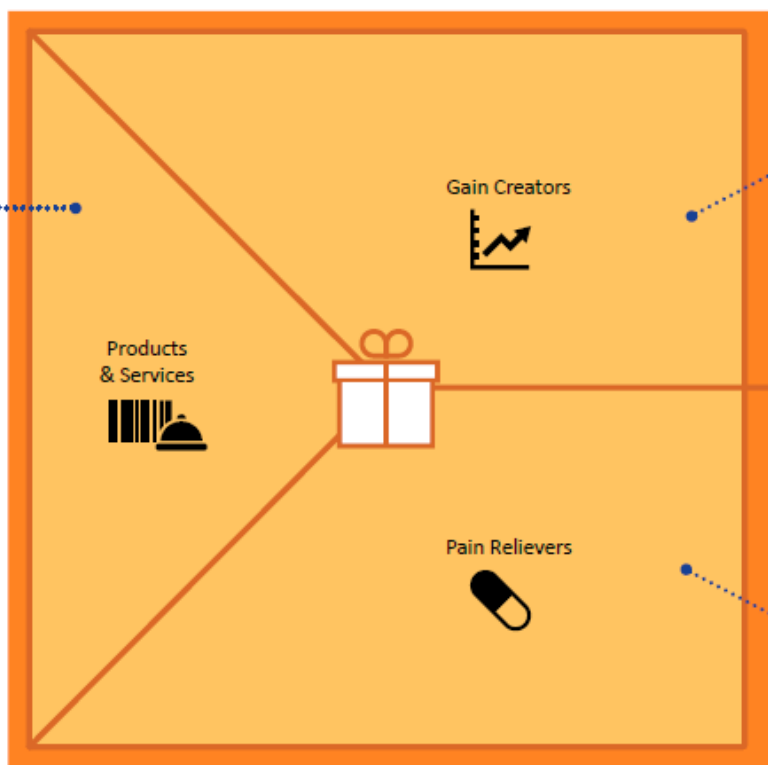
This is the profit zone! In the end, it defines the profitability of the business.

TIPS ON HOW TO USE VALUE (PROPOSITION) MAP

Products & services

List all components that are needed to help the customer segment complete their jobs.

- Offerings (visible to the customer)
 - Physical products
 - Digital products and main features
 - Service components
- Supporting products and services ("back-office" products/services that are needed, but are not shown to customers)



Gain creators

How does your solution create gains to the specific customer segment?

- Monetary/financial benefits
- Time savings and increased effectiveness (especially employees/managers)
- Help customer fulfil their success criteria/ key performance indicators
- Generates positive emotions
- Has positive social consequences
- Self-fulfilment (e.g. helps customer learn new things, express emotions or regain something that has been forgotten)

Pain relievers

How does your solution alleviate the pains of the customer?

- Fix problems
- Remove frustration, anxiety
- Eliminate fears
- Ease the pain related to costs (time, money)
- Remove obstacles and barriers (e.g. what is preventing them from moving outside their home?)

PROBLEM-SOLUTION FIT

Before you rush into product development, you should have designed the value map and created a customer profile (through observation) to check whether you have found a problem-solution fit.

How do I know if we have found a problem-solution fit?

You should have evidence that you have a problem worth solving or a need worth fulfilling.

1. Pains and/or gains are important for customers (preferably must have)
2. Identified payer (BM can be profitable)
3. You can solve the problem (initial indication that the design solution solves the problem sufficiently, i.e. matches the jobs, pains and gains of the customer)

Traction is the rate at which a business model captures monetisable value from its users (Ash Mayrua)

TIP! "Vitamin" vs. "Pain killer"

- Great value propositions focus on relieving severe pains. This is often a key to finding profitability.
- "Vitamins" are nice-to-have solutions, but it's difficult to build a successful business (model) around them.



TESTING - IDENTIFY THE RISKIEST ASSUMPTIONS

Extracting the testable assumptions from canvasses is the first step in business model testing.



THE BUSINESS VISION of your key commercial partner should guide the prototyping. It should be aligned with the project vision/plan that sets the boundaries for development.



1. DESIGN PROTOTYPES

WHAT:

- Creative prototyping to identify alternative paths for business development

WHEN:

- Designing multiple BM prototypes is a good way to start a project (1st sprint).
- Prototyping can be done also later if you need new ideas.

HOW:

- Use the BM canvas as a framework for prototyping.
- Prototype also different customer segments with help of VP canvas
- Be open and creative, the goal is to create many ideas.

Outcome: Alternative implementations of business vision concretized on paper



2. IDENTIFY RISKS

WHAT:

- Critically evaluate designed models to identify involved risks
- Narrow down options

WHEN:

- Crucial for selecting the "starting model" (1st sprint)
- Update the risks of the selected model during each innovation sprint

HOW:

- Discuss potential benefits and risks related to alternative prototypes
- Analyse in detail (some of the most promising) prototypes

Outcome: Realistic analysis of the risks involved in different business models



3. DECIDE

WHAT:

- Decide which model seems the most promising for building a viable business

WHEN:

- During 1st sprint, and when the plan needs revision

HOW:

- Choose the most promising business model and customer segment to start with

Plan A

Outcome: concrete plan outlined on the canvasses from which you begin the testing process

Stay in touch!



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