Reflections on Business Model Innovation: LifeNet Team

Having worked in a developing country for most of my professional career (15 years), I was always aware of the huge gaps in the level of healthcare being provided. I am currently working towards developing a healthcare diagnostic business in sub-Saharan Africa, starting with Nigeria. Three major concepts I definitely took away from this course was a better understanding growth and scale, especially in connection with funding and identifying suitable partners; the importance of having a business model that "travels" well, different jurisdictions have similar challenges, but the operating terrains still differ significantly; and efficiency is possible in developing markets despite perceptions (and my personal experiences) which suggest otherwise. I also developed a better understanding of the difficulties in identifying suitable performance metrics for a healthcare business and measuring impact. Overall, I think that there's significant duplication in a lot of ongoing efforts to improve healthcare and DALYs in developing countries, resulting in the waste of a number of resources, including finance and skills. I feel that we need to see more "coordinating devices", where a lot of these initiatives are bolted together with shared objectives, and working together with a lot more cohesiveness to deliver more "bang for each buck".

In 15.232 *Business Model Innovation: Global Health in Frontier Markets* I learned a variety of key lessons including the importance of business model innovation, effective measurement and long term sustainability. First I became aware of the overemphasis I was placing on technical innovation as the main avenue to solve healthcare problems. This class opened my eyes to the fact that a significant amount of the healthcare challenges in the developing world are not technical challenges, but rather are distribution and business model failures. As a Chemical Engineering PhD candidate it is often easier to solve the technical problem but in many of the cases we discussed, the failure was the ineffective distribution of medicine and knowledge. I also learned the importance of effective measurement. The idea of using a denominator allows for more effective quantification of impact. For example, instead of saying 'we served 15,000 people' a non-profit should seek to say 'we served 80% of families in the surrounding 15 square miles'. Finally my perception on the importance of non-profit sustainability has shifted. If a non-profit is not reaching for a model that allows it to sustain itself on revenues or allows for easy integration into the government system it may be a wasted investment. We should expect our donations to be invested in systems with the potential for long term integration into the health system and not be forever dependent on philanthropic contributions. I hope to apply these lessons to my career in developing and deploying healthcare technology. The importance of inexpensive and results driven healthcare is becoming more important in the US and many ideas we discussed in 15.232 are directly applicable.

During the semester, in Business Model Innovation: Global Health in Frontier Markets, I was exposed to some of the major issues facing Healthcare in Sub Sahara Africa and India. Coming into the class, I was

expecting to hear about the lack of organizations, resources, and funding available to help such global issues as AIDS and malnutrition. What I was surprised to learn is that there are many organizations; non-profit and/or for-profit, that are out there trying to tackle the main health issues with very innovative business models.   In this class I learned that the main issues are around sustainability and scalability for these organizations to reach enough people to make a difference. Most of at risk people are located in very rural areas, where the countries lack of infrastructure make it difficult for them to receive proper medical care. The supply chain of medicine is also a major issue. What still frustrates me and makes me constantly think that there has to be a better way is around the sustainability and scalability issue. The Gates Foundation made huge strides in India and it is a story I will continue to follow as it is now being transferred to the government, but the point is business minded people and organizations are very good when it comes to resource allocation and efficiency. I wish smaller non-profits would pair with for-profit organizations to lever key strengths and really make a difference on a much larger scale. The governments also need to get more involved and want to partner with many of these organizations in order to deliver long lasting healthcare needs to its people. This idea is a much harder one to tackle as many governments are corrupt and are not investing in proper infrastructure and healthcare for their nation.   In order to really make a difference in Healthcare, one needs innovation, scalability, sustainability, proper measurements and data recording, and many stakeholders involved that can truly help and benefit from collaboration.

 "The eyeball is the same in India, Africa, or America", the words of Dr. V, Aravind. These are the most impressive words I have heard in the class. It was my expectation to simply learn the challenges and innovative business models in frontier markets. Honestly speaking, I believed that healthcare in poor countries was the government business, not a private one. It was a safety net in the country and there was little private sector could do, and moreover, it was hard to make profit ("no profit, no sustainability" was kind of my prejudice). However, the class gave me a broader perspective and a lot more opportunities to contemplate "why we do what we do". For the last couple of years, I have been involved in the management of IHH Healthcare Holding (IHH), one of the largest private hospital groups in the world. Although IHH has successfully grown and built its brand as a high-end, advanced medical care services, it is now my opinion that, regardless of non-profit or for profit, basic care or advanced care, the value of healthcare is the "patient health outcome per unit of cost". Realizing that there should be many opportunities that the private sector can enhance through innovative healthcare delivery, I will ask myself whether IHH has really brought or will bring "Impact, Scale and Sustainability" to the world.

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