



Healthcare Analytics

Goto Market Strategy 101

For Solution Providers

Agenda

- 1) US Market Opportunity
- 2) US Healthcare Market Segmentation
- 3) Strategic Insights
- 4) Healthcare Demand Drivers
- 5) Activities to increase Marketing ROI
- 6) Increasing Market Share
- 7) Next steps

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The US Market Opportunity

Industry Agnostic

Revenue >\$2B
3.2% for IT Budget
\$13,000 per Employee

Enterprises

Revenue >\$50M and <\$2B
4.1% for IT Budget
\$14,400 per Employee

Mid Market

Revenue <\$50M
6.9% for IT Budget

SMB

Healthcare Domain

- Even the best ACO has 15% loss
- Average ACO: 30% revenue loss
- Increasing number of ACOs
- 100 More ACOs in 2015
- 400 existing ACOs

On Average, Frugal IT Investment
Companies are Top Revenue Earners

Healthcare Institutions BnL have a tendency to benchmark against the industry (norm: Operational Efficiency) – Price sensitive
Unless driven by Strategic Positioning – Differentiation or Innovation sensitive (e.g. the Kaiser Permanentes)

Source IT spending by company size (revenue): Alinean Inc., Consulting

US Healthcare Market Segmentation

Total available market

5000+ Hospital Systems
\$2.8T in spending
\$2.43T in revenue

Served market

Large Health System
IT budget of \$20M+

Target market

Small to Mid size
Healthcare Practices

Focus Clients

Early Customer Validation of
business need and product
concept



As of February 2014

Healthcare Analytics worth \$21.3 Billion by 2020

CAGR of 25.2% from 2013 to 2020

Source: <http://www.marketsandmarkets.com/Market-Reports/healthcare-data-analytics-market-905.html>

Watch Out For Strategic Misalignments

Common Pitfalls:

- One Position
- Commoditized
- Marketing Communication
- Infrastructure Heavy
- Designed for "IT"
- Mobile
- SaaS Not Levered
- Not Modular
- Customer Retention (CEM)
- Reinvestment Mix (high or low)

What is your ROIC – WACC Spread

For IT firms:

2000 = 35%

Recent Years Average: 9% (this is bad!)

What is your ROIC in 2014 = ?

Study your sales and marketing KPIs for the last 8 quarters, do a trend analysis

Sales and Marketing KPI

COGS / Revenue

Mktg. Exp. / Gross Profit

Mktg. Exp. / Oper. Exp.

Reinvestment

Study last 8 quarters

On Average \$2M to \$5M per hardware sale

Generic Activities to increase Sales & Marketing ROI

Channels

- Cross channel
- B2B content marketing
- Social marketing
- Engagement data
- Customer experience
- Strategic partnerships

Marketing KPIs

- Marketing attributed revenue
- Channel economics
- Followers in B2B space
- Customer retention
- Customer advocates
- Offerings & Margin trends

Convert your

Strengths to achieve

Desired Outcomes

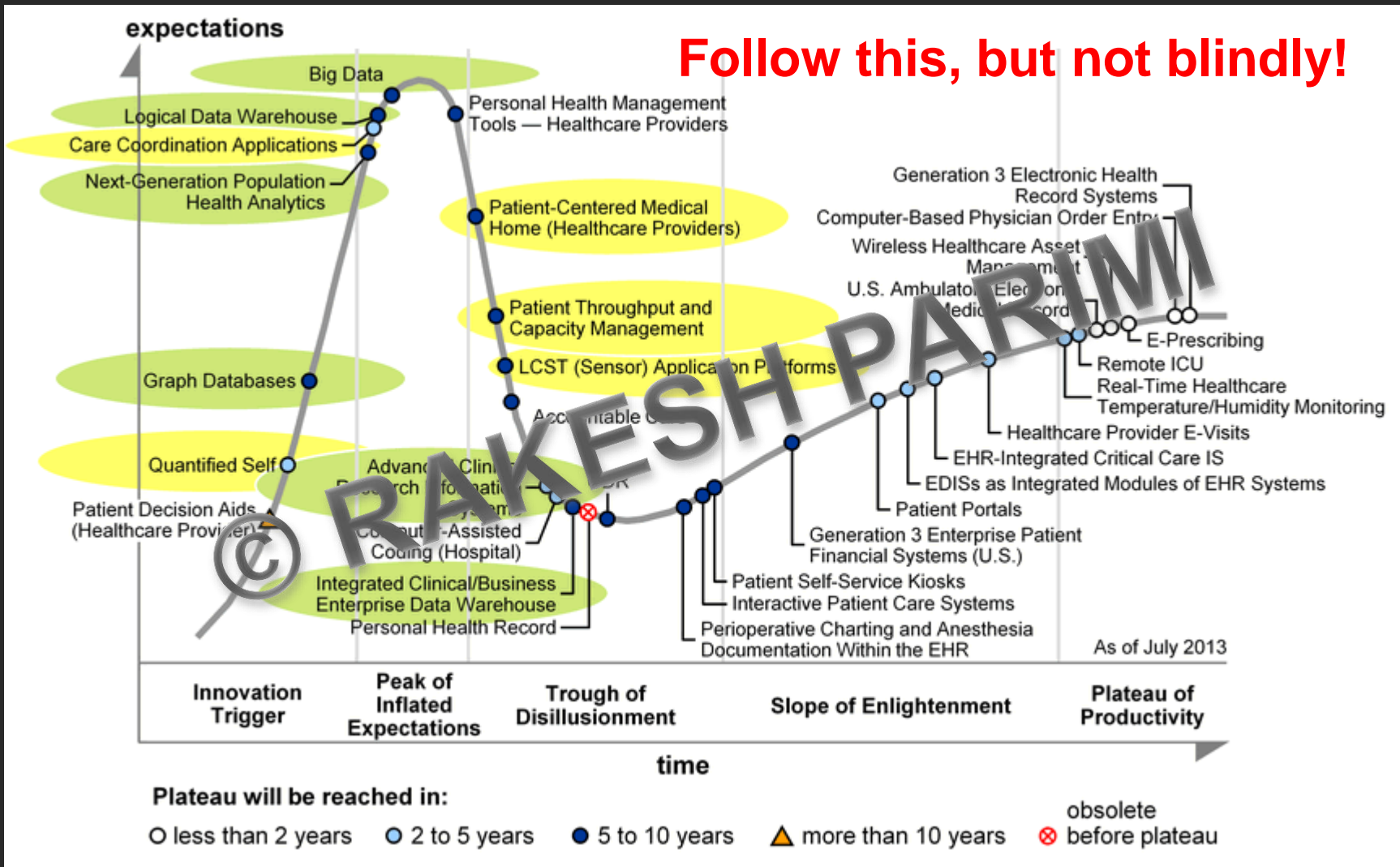
- SaaS
- Accelerators
- ???

Desired Outcomes:

- Data Harness (Insights)
- Business Insights
- Mobile BI Marketplace
- Cloud Sourcing™
- Business user friendly
- Establish credibility
- Customer Experience

Healthcare Demand Drivers

Follow this, but not blindly!



Source: Gartner® 2014

About The Author

Rakesh Parimi, MS and BS in Computer Science, has nearly two decades of experience in multiple industries - Banking and Financial Services, Manufacturing & Supply Chain, Telecommunications, and Healthcare. Rakesh has consistently served F500 companies and started career as a technologist (IBM & Oracle), having produced 7 software patents for IBM and couple publications, and in the recent few years has niche experience in healthcare (Payor, PBMs, Provider).

Rakesh's passion is strategy planning for revenue (PnL) increase and gaining market share, both short-term and long-term, with specific focus on business innovation. Rakesh particularly enjoys corporate strategy and discerning the competitive landscape in the healthcare industry with special focus on M&A in healthcare. Rakesh is a member New York Academy of Sciences, and is pursuing MBA from NYU Stern (2014 - 2015) - General Management with specialization in Finance, Strategy & Product Management.

Rakesh attends conferences pertaining to healthcare strategy and business leaders or innovation forums.

So, What is your strategy to increasing market share ?



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