

Collaborative Business Models



Executive Summary

The aim of this report is to re-analyse four previously conducted business model case studies against a set of literature-derived measures, and to provide business model guidelines to firms who offer connected health products and services.

Previous market analysis strongly suggests that state health service providers (state, private and insurers) and pharmaceutical companies will access technology through a finite number of service providers who control local ecosystems. As a consequence, it had been predicted that connected health technology providers will evolve to operate in a hierarchy to support the ecosystem model. Four business model audits conducted with ARCH industry members have confirmed a hierarchy or continuum of offerings between hardware and software sub-systems through standalone devices to service provision. In this report, we suggest that individual provider business models ought to engage and sell through these hierarchies in a collaborative manner, or continuously engage in business model innovation until they become an ultimate service provider themselves. Once embedded in a collaborative ecosystem, the increased market access offers the benefit of access to new resources and scale while validating the firm's technology. Overall, these benefits lead to greater stability and value generation for the technology provider.

However, an extensive review of the extant management and business model literature draws out that collaborative business model design presents significant managerial issues to individual providers, mainly because strategy and business models are path-dependent. Research suggests that strategic decisions and mental models are very difficult to change and require dynamic capabilities to be built up. These capabilities may include the ability to reconfigure intangible and tangible assets, strong internal decision support processes where risk is estimated and managed, or the ability to work in situations where control is shared and there is an understanding that trust is a commercial decision. Furthermore, the report elaborates on the practice of business model experimentation as an appropriate strategy to negate constraining mental models, reduce risk in terms of investment in resources and collaboration, and to control growth.

Companies with a commercial interest in these connected health opportunities or who are intertested in collaborating with ARCH should contact Alica May, Project Co-ordinator on info@arch.ie or call 01 7165400.

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Research Theme

Change

Completion Date

September 2014

Project Deliverable*

Report

Project Ref:

1417

**ARCH Industry Members have full access to this report*



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