

**iLABS  
Business  
Sustainability  
Webinar**

**April 4 2018**

# Warning

This slide deck was created to do 2 things: explain the process of creating a sustainable business proposition and to create a template for iLABs teams to use.

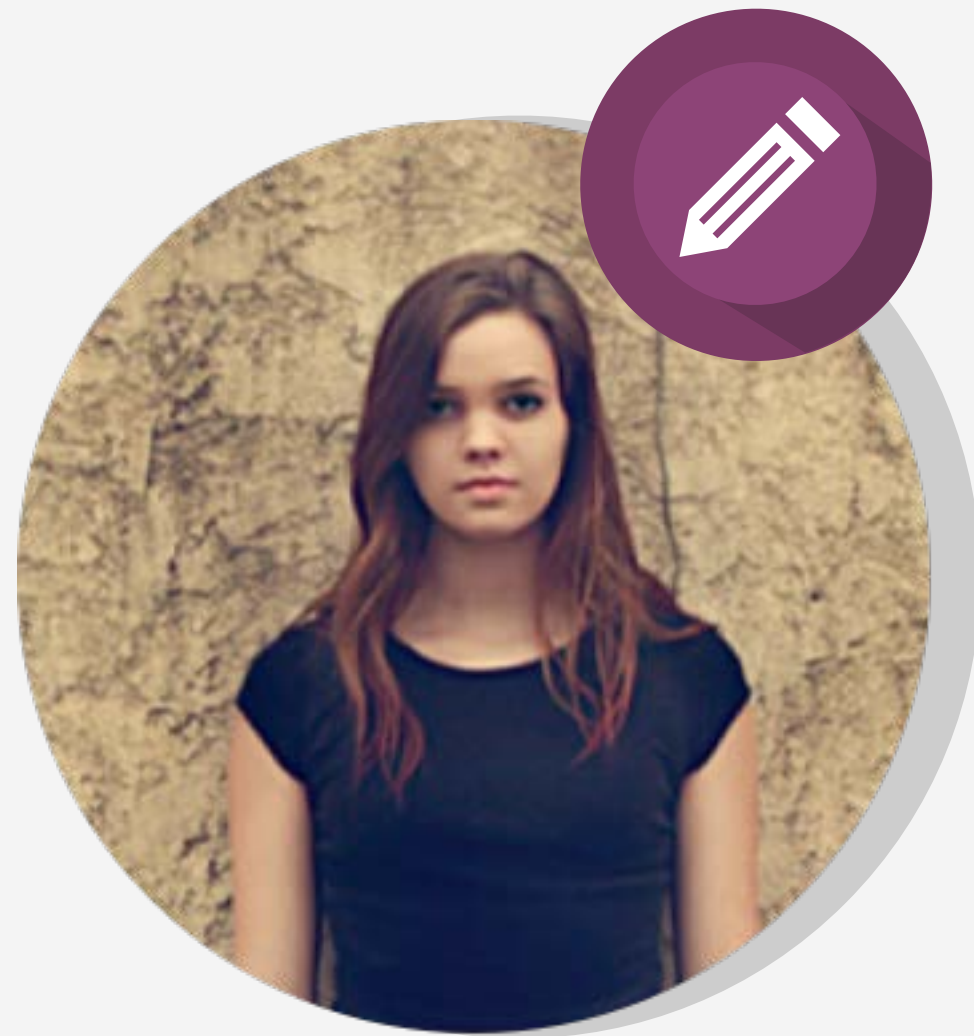
You have already pitched your idea to iLabs but you may need to re-pitch to others so we'll start with the pitch then shift to the business model. We will move through page 3-8 quickly and spend time today on sustainability

The way you frame the problem and your solution sets you up for success with your business model development.

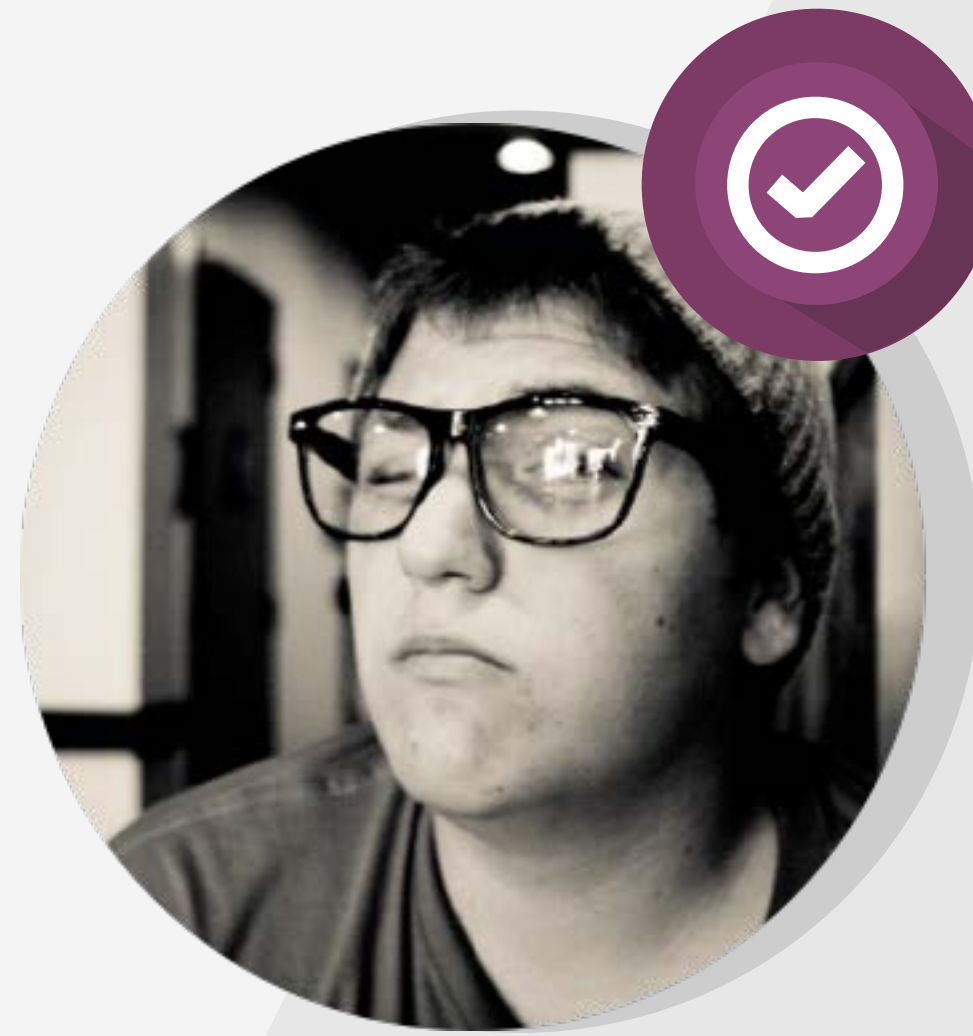
This webinar is designed to take you through the process of considering business sustainability models. We will dive deeper into YOUR costs and revenues on a 1-1 basis when you set up time with me!



# Start with “Who is on the team”?



Provider



Change Agent



Tech Guru

# What is the problem and why does it matter?



Conclusion

# Our solution(s)



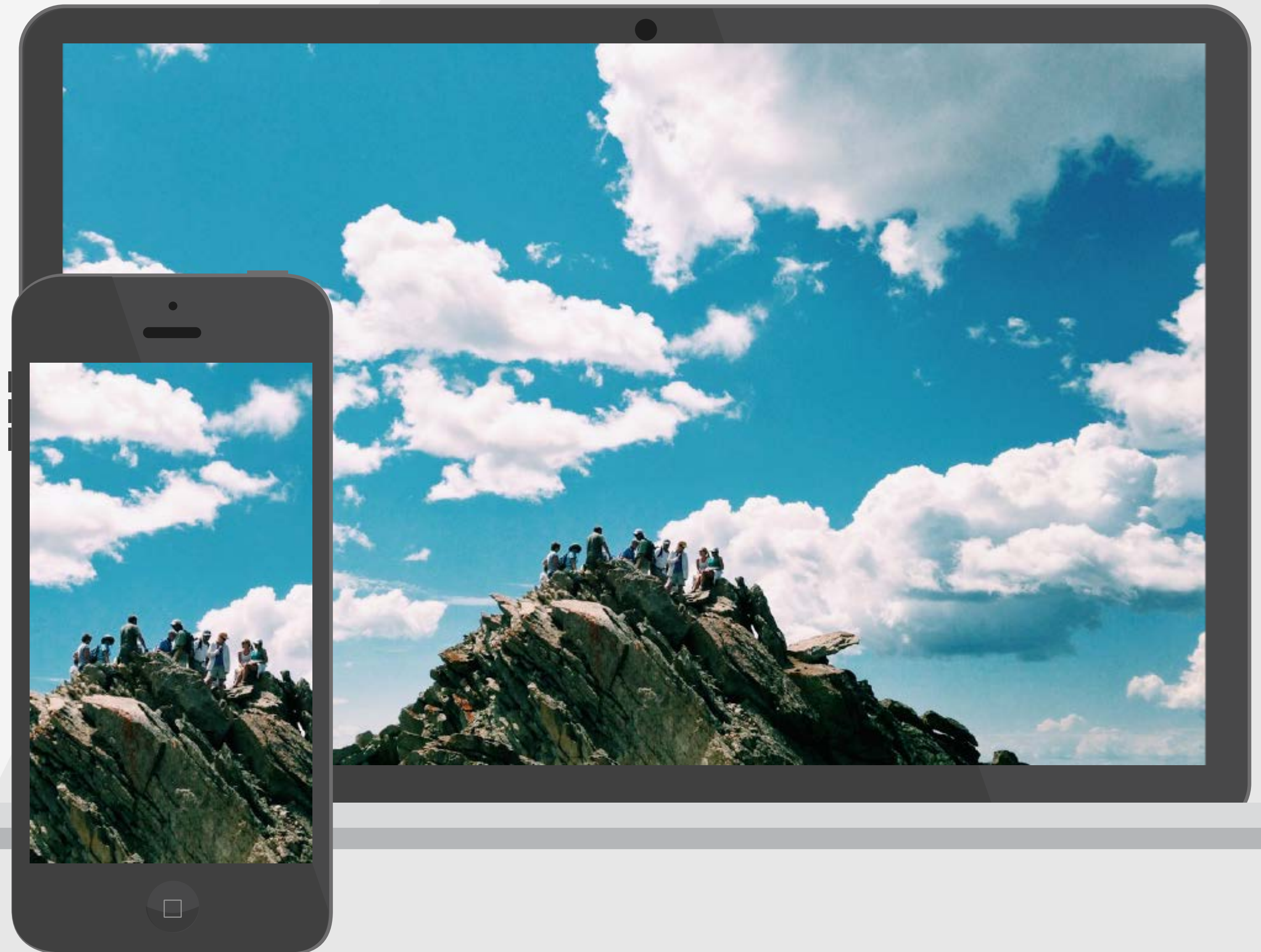
# The advantages of our solutions



# The details on how it works

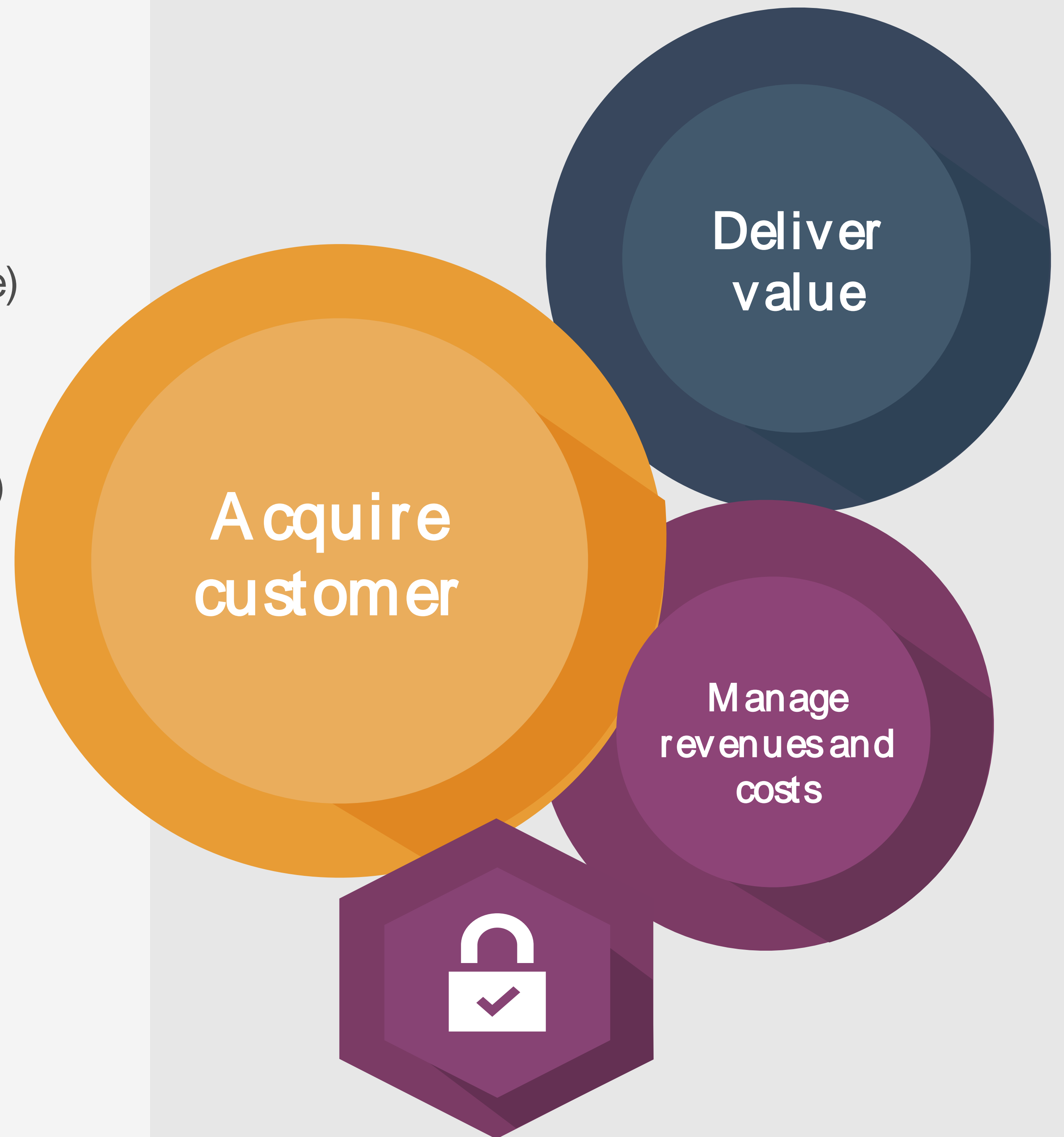
## Product overview

Case Study



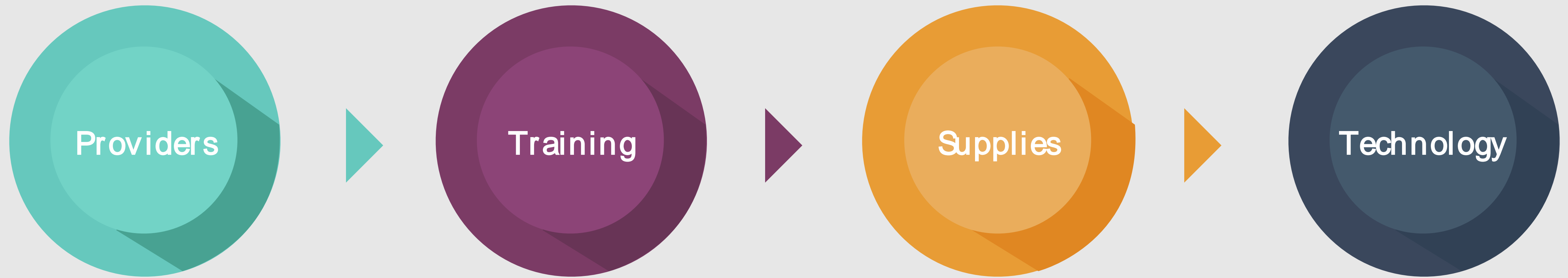
# The Business Model

1. Acquire customer  
(who, how, at what cost, repeat vs 1 time)
2. Deliver value
3. Manage costs
4. Create revenue streams
5. Maintain value (upgrading the solutions)

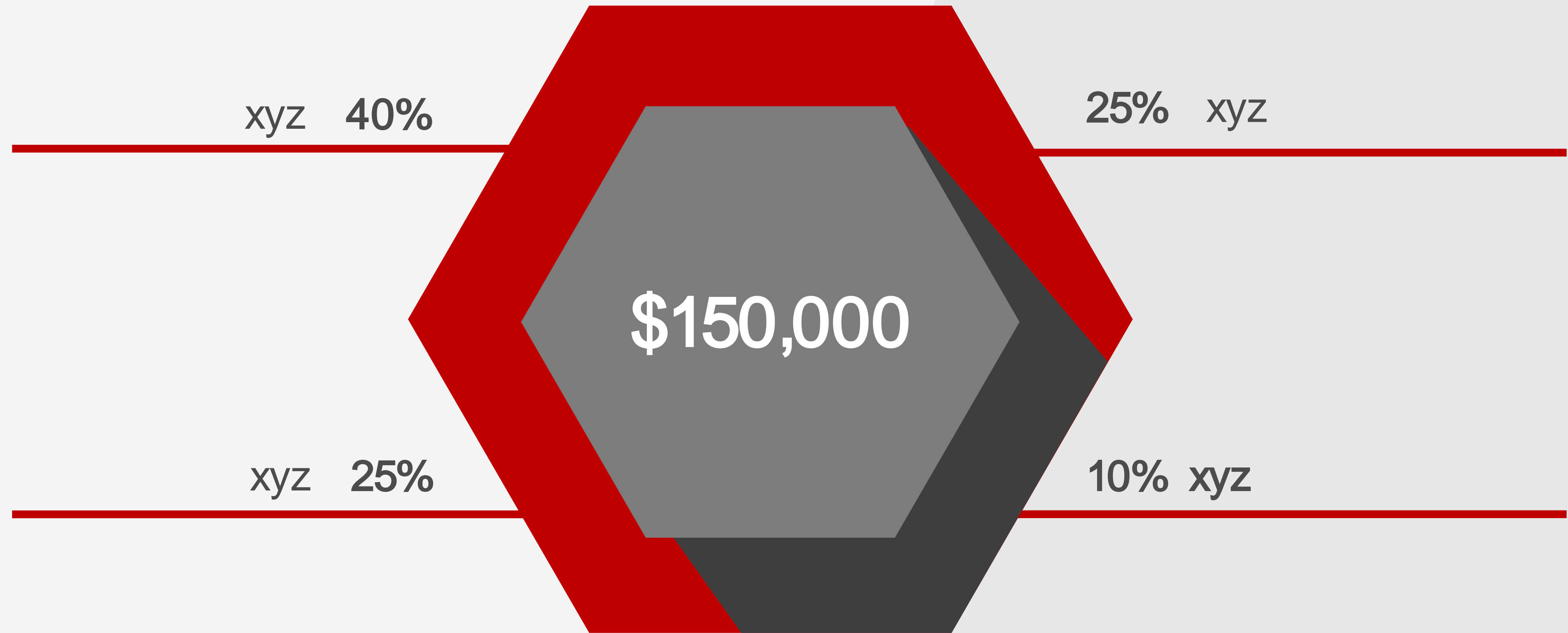




# Ongoing Costs



# Upfront one-time costs



# Cost questions

1. Is there a **step function** in costs, e.g., once you pass a certain volume do you need to purchase more equipment or hire more people?
2. Is there an **option to rethink the cost per use** or cost per patient?
3. What is the **lowest possible cost structure** (upfront or ongoing) and what is the risk/upside in this approach?
4. What is your **largest cost** and how can you re-think this cost?
5. What **future costs** are anticipated to maintain customers?
6. Is there an **analogous service/solution with lower costs** or a different approach to their cost structure?



# How we will earn money: Revenue Models

## DIRECT

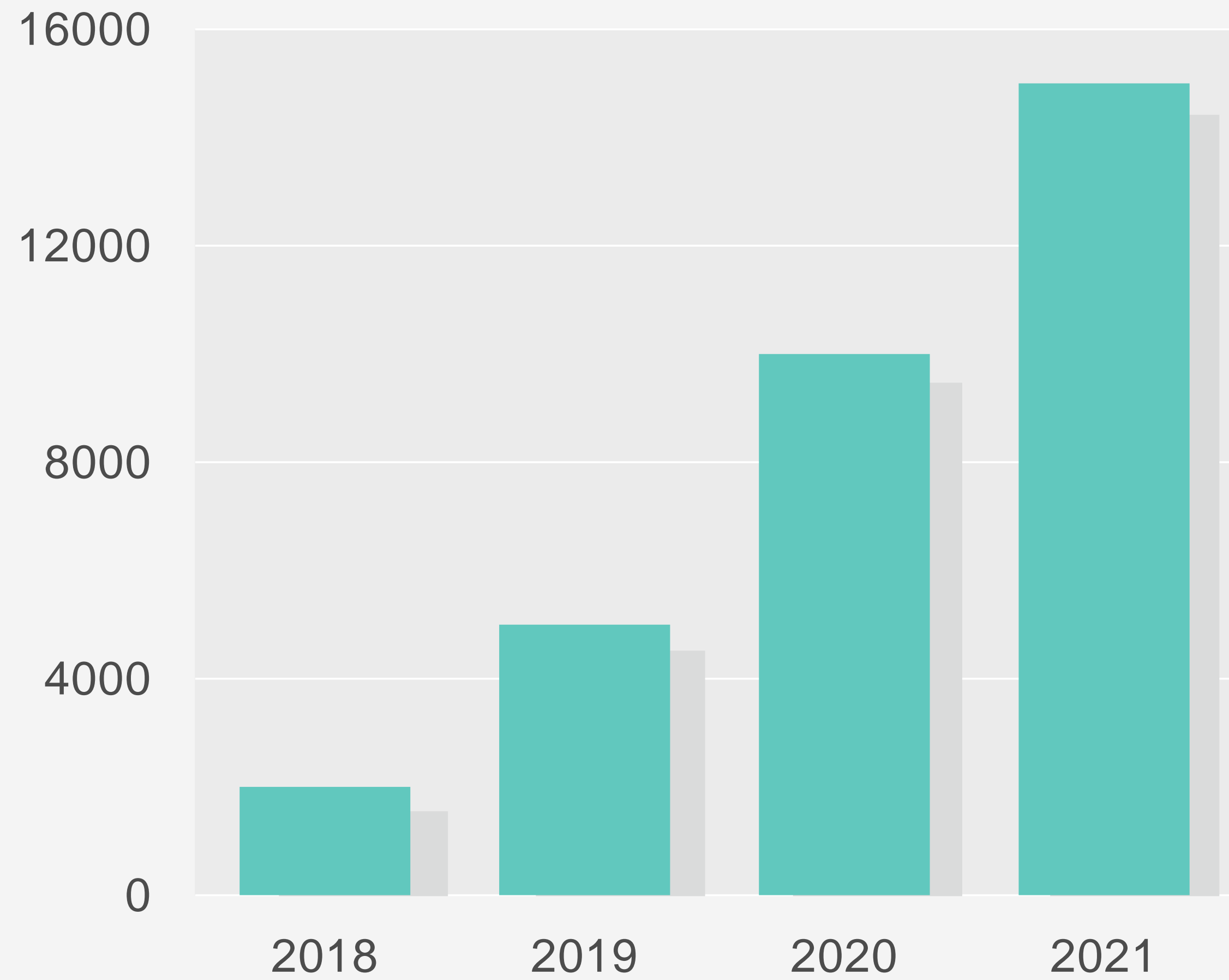
- **Fee for service (deliver it - charge for it)**
- Production (make it – sell it)
- Commission (% of sale or production)
- Mark-up (buy it – sell it)
  
- Rental fee
- Advertising/ Sponsorship
- Licensing fee
- Subscription fee

## INDIRECT

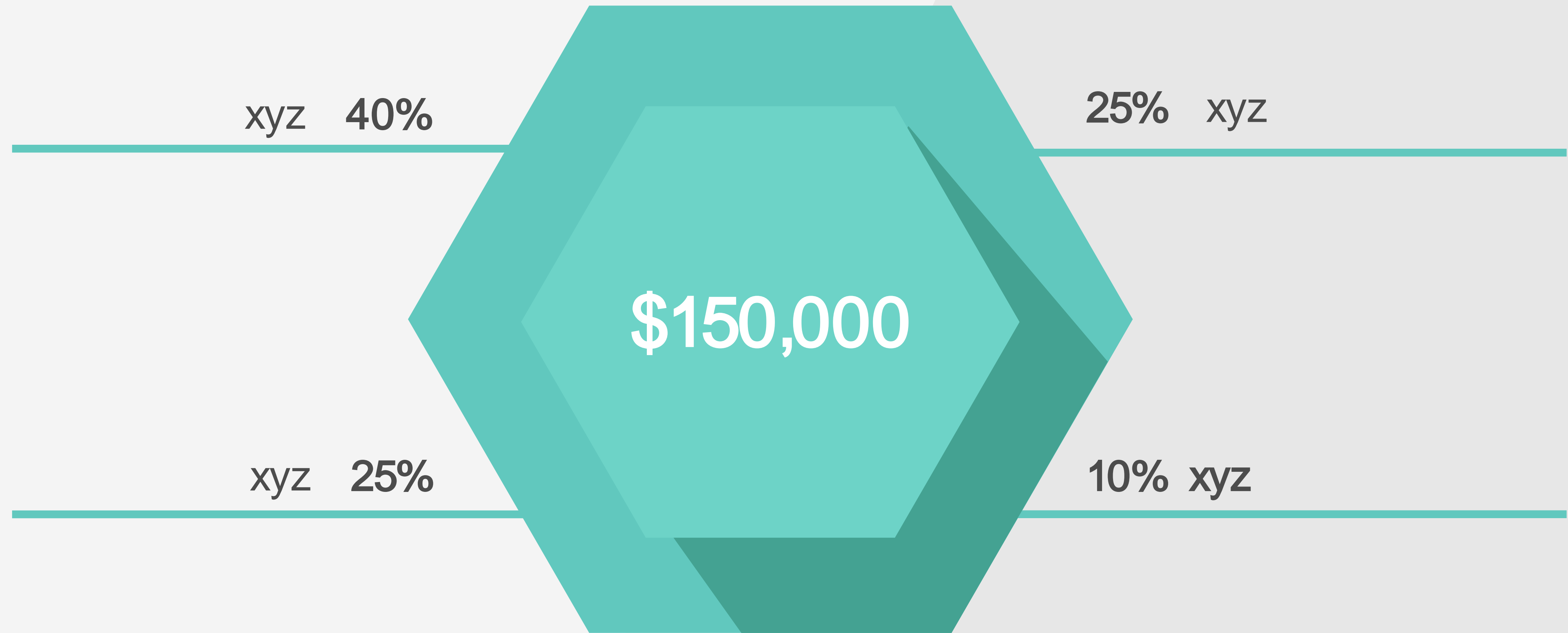
- **Organization funded** (revenue generating services pay for non-revenue generating services)



# Revenue Streams: ongoing, over time



# Potential one time revenues e.g., Repurpose assets



# Revenue questions

1. Which revenues will come **first or earlier** and why?
2. Who will be your **biggest/bigger customers** and why?  
What are you doing to acquire and keep them?
3. Which revenues may have the **greatest variability** or risk?
4. Is there an option to **rethink the price per use**?
5. Is there an option for a **premium solution with higher revenues**? A **basic solution with a lower price** (to create/extend a market)?
6. What is your **closest competitor's revenue model(s) and stream(s)**? Is yours the same or different and why?
7. What if your **revenue was half your expectation** (total revenues or time to secure revenues)?  
What is your back up plan?



# Financial sustainability

## A. BREAKEVEN POINT:

How many patients or users will we need to breakeven?

## B. TIME TO VIABILITY:

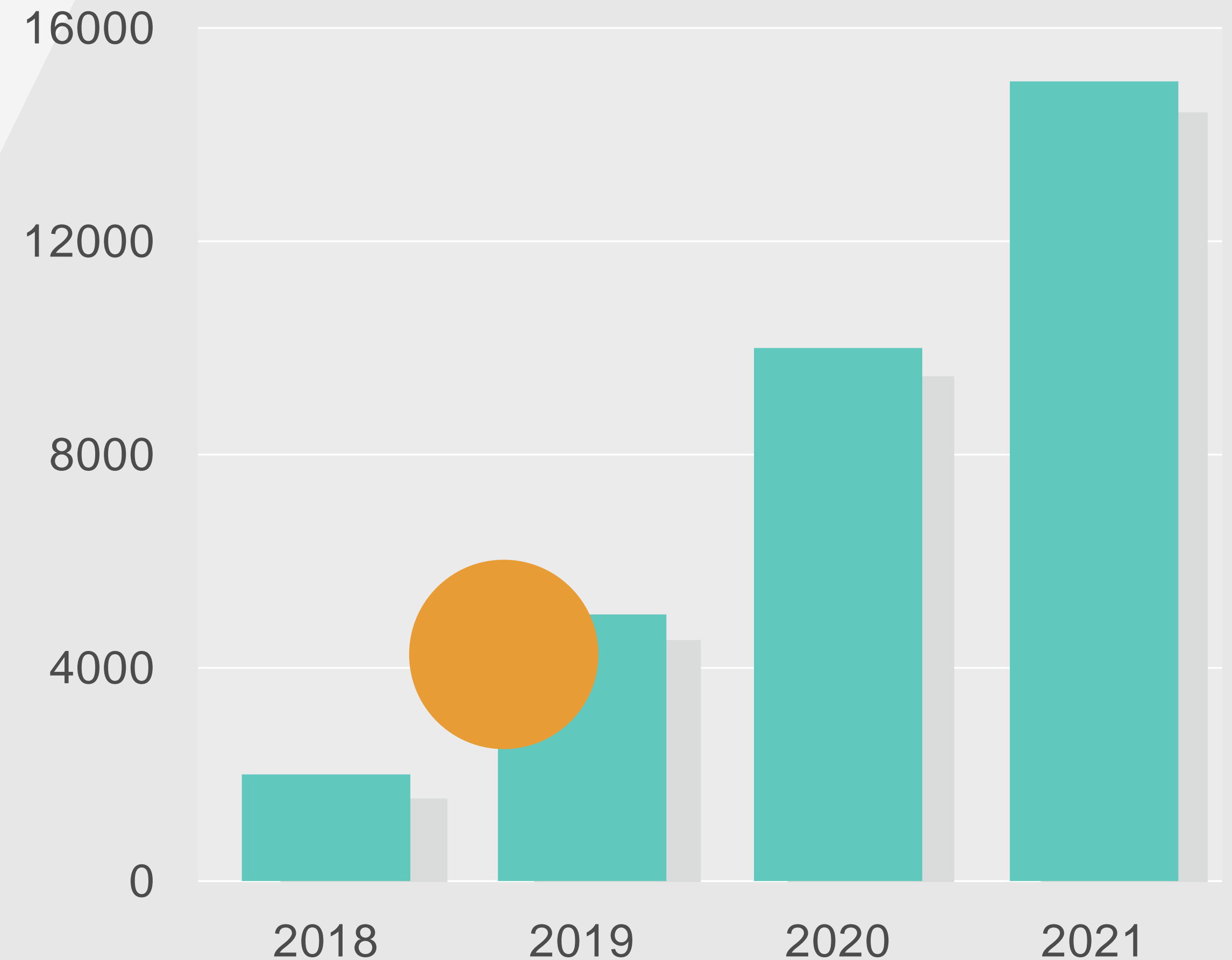
When does the solution support itself OR financially contribute to the enterprise?

## C. TIME TO PAYBACK:

When does the solution return the upfront costs?

## D. PLAN TO MAINTAIN YOUR CUSTOMERS/REVENUES:

Why will your customers stay with you/your solution?





# Non-financial milestones

## EXTERNAL / PATIENT SATISFACTION INDICATORS:

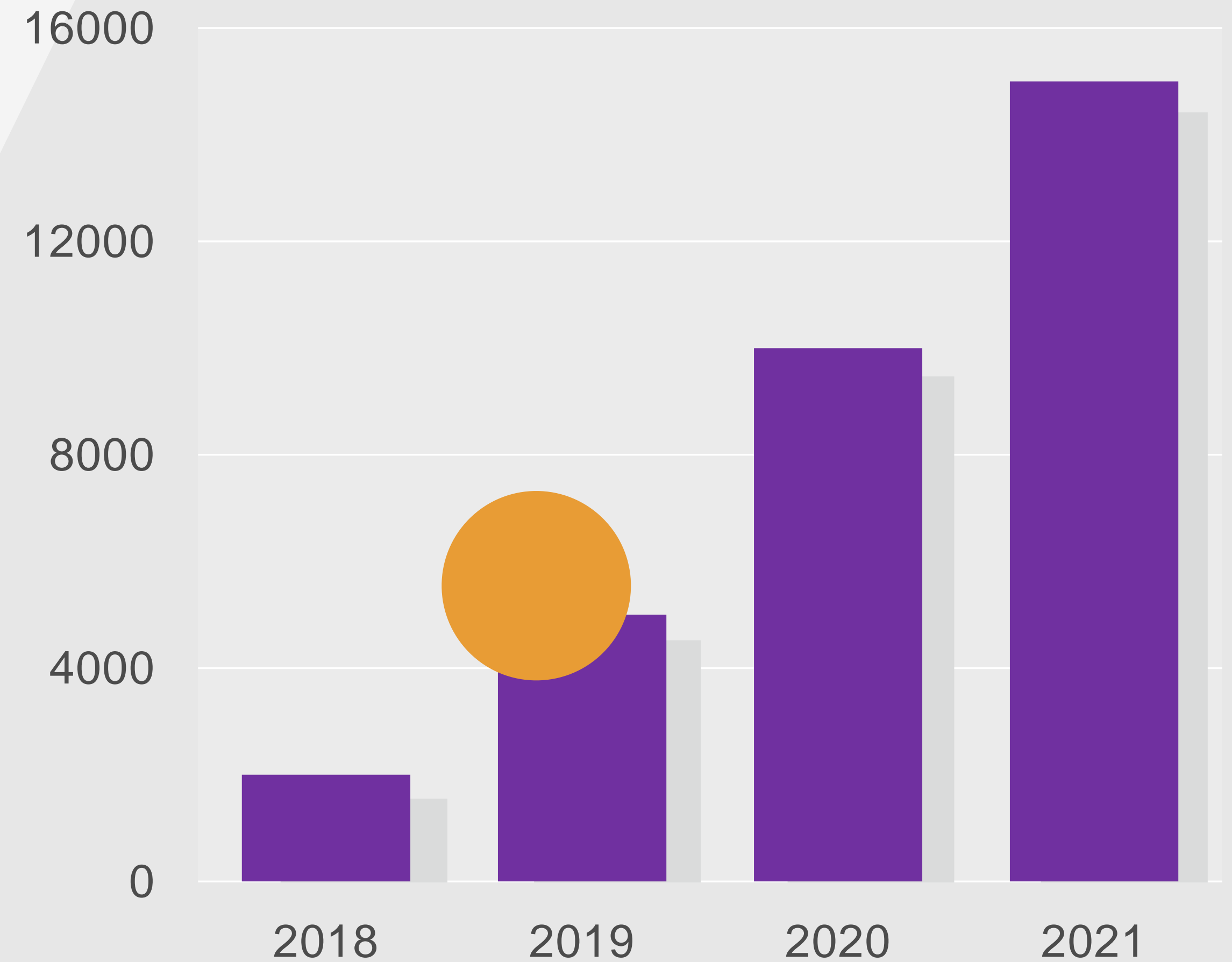
What is your target? By when?

## TOTAL USERS/MEMBERS:

What is the target, when and why?

## INTERNAL INDICATORS OF SUPPORT:

How will you know if the organization is supporting this plan and the solution?



# Biggest risks and unknowns

What do you not know?

What risks have you identified?

Which is the largest risk and why?

What is your plan for risk mitigation?



# Why we want to invest (time, money) in this solution

- **Refocus:** what is the problem you are solving and why does it matter?
- **Why will this solution work?**
- **Summarize the business model first as an ongoing solution** with details on customer acquisition, value delivery, revenue streams and costs; then initial investment costs
- **Review the overall benefits** (hard and soft) to your organization
- **Decisions to be made:** what are you asking for, an initial investment, ongoing costs, people, IT support?

