



Health Care Initiative

Target Market: Blood Testing Labs, Hospitals and Doctor Groups

Case Study: Health Care Initiative

A new blood testing process and technology was being developed and targeted the following potential customer markets: blood testing labs, hospitals and doctor groups. The development process was in year two when NorthPoint was contacted to assist in improving the offering development process and the “Go to Market” strategy and (commercialization and scaling) process. NorthPoint was initially asked to assist by using software from the Software Powered Offering (SPO) suite that supports internal offering development.

The NorthPoint Customer

The NorthPoint customer was a major US medical university with a distinguished reputation in the health care sector. The blood testing process and technology was being developed by a professor and his department.

The Offering Initiative

The customer offering includes obtaining accurate blood samples, testing the blood through a series of instruments to identify the targeted disease or diseases. The testing process requires approximately eight hours of time to accurately perform the required statistical analysis. The statistical analysis includes the identification of the disease and or diseases by source and by country as the tests are performed globally.

The Challenge

As mentioned previously, the project had been underway for approximately two years and the project was significantly behind schedule and over budget.

The NorthPoint Initiative Assessment product was selected to evaluate the project due to the scope of the project. This SPO (Software Powered Offering) contains all of the Fundamental Business Activities (FBAs) required to identify and mitigate risks as well as identify value opportunities that can be leveraged for a successful development and launch process. The SPO was specifically designed for internal offering development, connecting the developers to the internal organization, the regulatory reviewers and approvers and ultimately to the clients / customers providing a balanced, accurate, disciplined and repeatable process.

Assessment Process

The Northpoint process and software selected to support the initiative included a baseline risk and value assessment. The baseline risk and value assessment was performed in less than a day and included the project team, which was comprised of the lead professor, students and outside hires brought in for their technical knowledge. During that session, the development team scored, on a consensus basis, 400 statements that include the Fundamental Business Activities (FBAs) and supporting Steps Tasks and Processes (STPs) that are required for project success. Each of the FBAs and STPs in the statements are weighted in terms of their impact on the performance of the development project.

In addition to identifying the risks and value opportunities of the initiative, the leadership team needed to understand the realizable revenue (commercialization) that could be, when the revenue could be achieved and from what channels (timing of the scaling).

Overall Assessment Process Results

The results of the assessment positioned the project in the “High Risk” category at that point in time (assessments are compared to what the risks and value opportunities should be based on the FBAs and STPs) compared to “Best-in-Class” from the NorthPoint database (based on the hundreds of assessments in the database). The assessment identified the issues that contributed most significantly to the high risk and ranked them in order of importance based on their impact to the performance of the project.

Examples included:

- Nurses, doctors and practitioners not properly educated on how to use the testing equipment
- Application architecture of the software supporting the equipment was totally different from the current architecture and the IT resources were not knowledgeable in the new architecture
- The help desk resources were not sufficiently trained to respond to questions from the doctor groups, testing labs, etc.
- Knowledge and preparation for the review from the different regulatory agencies

Significant issues were identified with the Knowledge, Experience and Performance (KEP™) of the groups trained to operate the instruments (60% error rate with nurses, doctors) and perform the statistical analysis that could be required by the FDA. This led to revamping the training program as the knowledge transfer process was inadequate.

There were also accuracy issues identified with the results of the sampling which were identified due to the Problem, Cause and Solution (PCS) architecture of the Initiative Assessment SPO. The accuracy issues were related to the existing KEP™ and the understanding of the practitioners.

Project Initiative Selected Specific Findings

Major risks were identified in 41 areas that would have severely damaged the projects level of success.

1. 44% of the required Fundamental Business Activities (FBAs) were not being addressed (almost half of the required activities were not being performed)
2. The internal team KEP™ Index (Knowledge, Experience and Performance) was scored at 54.4%, at this point in the project life cycle the team score should have been over 80% (significant knowledge and experience was missing when the knowledge was required)
3. External process (example: FDA processes) KEP™ (Knowledge, Experience and Performance) scored at 51%, should have been at 80%+
4. The overall Risk index was at 44.2% and should have been 21.6% (the risk index determines the costs and time lines for completion-current course and speed)
5. The initiative process was instrument (testing equipment) driven but lacked the required internal statistics (statistics weren't defined or tracked relative to test accuracy or failure).

The assessment also identified issues with realizable revenue. Consequently, NorthPoint was asked to utilize another suite of software solutions to identify the realizable revenue and the channels that should be utilized to achieve the revenue. This process included utilization of software to identify value propositions and buying criteria with approximately 65 hospital groups, doctors, etc.

1. Revenue projections changed significantly once international markets and the related demographics of those markets were clearly understood
2. Revenue channel assumptions were also re-evaluated reducing funding requirements by more 36%
3. Commercialization scaling assumptions were analyzed and revised

4. The entire business model was revamped to address the required changes in the market channels. The changes to the business model made the difference between success and failure of the initiative.

Next Steps In The Process & The Improvements

As a result of the assessment, a series of risk mitigation activities were designed and committed to. A series of workshops were established to address the specific findings from the assessment and teams were commissioned to resolve the issues.

1. The overall project risk level was reduced from the 44% to 33.2% in 90 days and to 18.7% in an additional 90 day period (this resulted in reducing project costs and improving the time to profitability)
2. The risk mitigation activities resulted in the project being back on schedule and closer to a realistic budget
3. The risk to value achievement was reduced by 39.2% from this initial assessment (increased funding opportunities)
4. The implementation value was increased by 29% (identified new value to the customer and new capabilities-which improved margins)
5. The company was able to improve the statistical accuracy of the test results
6. The KEP™ (Knowledge, Experience and Performance) of the development team increased 22% (reducing project risk and improving relationships with customer groups)

Summary

The project team utilized the NorthPoint collaborative process and software on a continuing basis to reduce the project time line, costs and increase the value delivered. The realizable revenue analytics provided the team with increased revenue opportunities by better understanding the market channels and timing of the scaling. In addition, the accurate revenue projections enabled funding opportunities that were not available prior to the assessments.