

Case Study

Building Effective Market Entry Strategy for Telemedicine Platform Through the Examination of Industry and Regulatory Environment

CLIENT

Porton Health Corp.

PRODUCT

Alternative medical opinion online platform that links patients and physicians globally.

TARGET MARKET

Physician specialties who are likely to participate in the online platform.

TARGET GEOGRAPHY

Canada, USA, UK, Nigeria.

PROJECT OBJECTIVE

Identify and evaluate target market segments and develop strategy for approaching them.

Business Opportunity

Porton Health Corp. (the Client) is the developer of a virtual medical second opinion service online platform that links patients and physicians globally. Standard services comprise consults provided either in a written form or as an online video and/or voice sessions accompanied by written reports with diagnosis and recommendations.

As the Client was approaching the software beta release stage, it became apparent that in order to attract participating patients, the platform should have already featured an adequate number of recruited service providers (physicians). OVG was engaged to identify these service providers, estimate potential market size for each location and physician specialty, and develop strategy on how to recruit these specialists to participate in this telemedicine platform.



“We engaged OVG to develop a market assessment and go-to-market strategy for our new online platform. The resulting study report was very deep, analytical and insightful; supported by the Excel model calculating projected revenues, it surpassed our expectations for such project. The recommendations were not only based on detailed industry, regulatory, social, and quantitative market research and analyses, but also very creative. The project was a great experience and I will absolutely recommend OVG Consulting to any business looking for consulting services, which require insightful research, deep analysis and original solutions.”

Dele Omueti
CEO, Porton Health

Methodology

OVG followed a standard methodology for identifying target market segments, calculating their size and developing the best suited strategy for approaching them. This methodology:

- Developed a set of criteria that best described users of the Product and then applied these criteria against potential consumer groups to identify the best matching market segments;
- Analyzed demand driven by these segments, as well as political, regulatory, demographic and other factors that influence the current market size and its future changes;

Analysis based on 227 public data sources, daily data of 2012-2017.

- Examined supply: similar services and products that constitute competition to the Client;

Calculated the total market size and that of the Client's capture;

- Developed the SWOT analysis and Product's differentiators for market positioning and messaging; and
- Prepared the go-to-market strategy with inputs from the previous steps.

Observations

Target Market Segments

OVG assumed that the main users of the platform will be patients with critical noncommunicable diseases with a high premature mortality prediction or incapacitation rate because these patients are most likely to look for alternative medical opinions. These

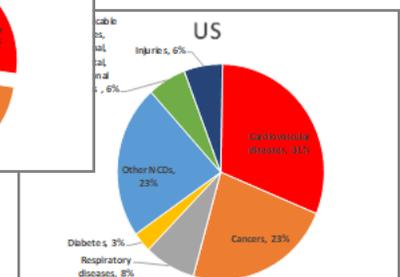
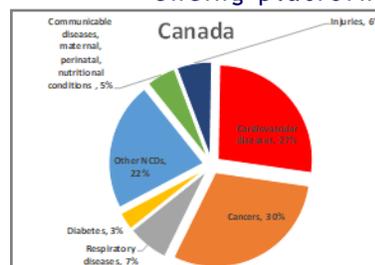
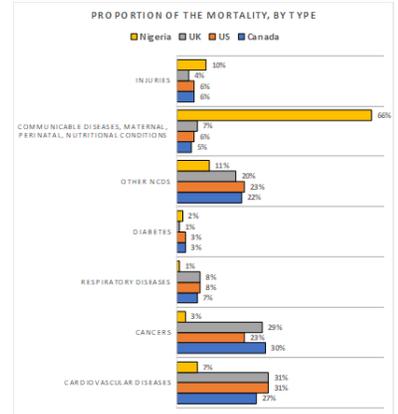
critical diseases were identified on the basis of the global and regional mortality data. Physician specialists that treat these diseases constitute specific target market segments for the Client:

- Oncologists
- Dermatologists
- Cardiologists
- Neurologists
- Pulmonologists
- Endocrinologists

Demand

Demand for the Product is defined by the current and projected number of critical diseases. Some of the factors that directly and indirectly impact the number of physicians treating them are:

- Demographic shifts leading to increase of ageing populations and affecting both the patients and the physicians treating them;
- Regulatory provisions and structural makeup of the healthcare systems that either support or create barriers for alternative telemedicine solutions to enter regional markets;
- The level of public awareness and viable incentives for physicians to participate in the platform influencing platform adoption across regions.



Supply

Examination of 30 identified commercial and state-run telemedicine solutions available in the marketplace helped to develop a view of market maturity, which varies based on different geographies. Competition analysis disclosed that other telemedicine platforms target physicians of the same specialties as those identified by OVG. This means that market validation for these specialties has been completed. Hence, the focus for the Client is to communicate the Product’s differentiators in value proposition messages, which also differs by region.

Information on features, pricing, geographical coverage and types of physician specialties participating in the platform was also used for the preparation of SWOT analysis and marketing strategy.

Market Size

OVG calculated the current and future market size for each physician specialty in each region. The Client predefined the age limits for physicians who are most likely to participate in the platform. To account for these constraints, the total number of each specialist group was broken down into in-

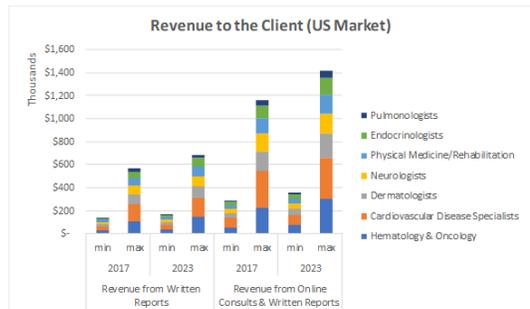
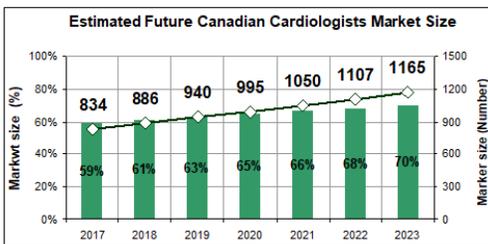
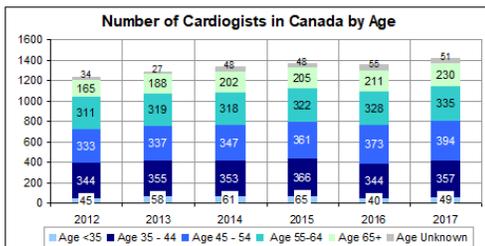
dividual age groups; only relevant age group data was used for all subsequent calculations.

of Physicians, All Specialties

	2017	2023
Canada	3,449	5,403
USA	47,516	57,858
UK	8,626	11,040
Nigeria	2,966 - 4,448	3,460 - 5,190

The future market size was estimated on the historical growth data adjusted to various influencing factors (political, economic, structural, etc.) specific to the region and physician specialty.

Projected revenues to the Client were estimated for different market shares (min 0.5% and max 2%) and included data on the medical consult rates for each specialty prevailing in the region, adjusted to holidays, vacations and other factors that limit the time physicians can dedicate to online consults.



Estimated maximum revenues in 2023 from the USA market can constitute \$1.4M, Canada - \$126k, UK - \$235k, Nigeria - \$64k.

In addition, OVG developed the self-assessing MS Excel model that allows the Client to manually enter input parameters to calculate future revenues under different scenarios.

Go-to-market strategy

Country’s readiness for the Product is mainly dependent on regulatory and economic factors. The Client’s Product is in an advantageous position (positive revenues and regulatory ease on entrance) in regions with currently well developed telemedicine markets. These markets, however, currently lack solutions for alternative medical advice.

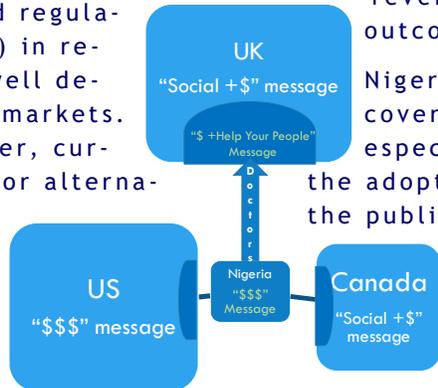
Market entry approach should differ from country to country, with the focus of the message shifting between the social and financial benefits.

The USA is the most accepting of the concept with a wide array of telemedicine solutions already present in the marketplace. The US market, in general, is very affluent, and presents a more welcoming entry point for the Product.

Canadian and UK systems are similar in their predominantly public ownership nature. While the UK system is more homogeneous, Canada is characterized with a regional (provincial) segregation by healthcare license and reporting provisions. There is a limited movement towards consolidation and harmonization of the licensing requirements across the nation. Canadian physicians are also more conservative and less entrepreneurial, when compared to the USA. This is

warranted by the cultural and traditional differences, as well as the business environment. A “social message” (helping disadvantaged communities, globally and locally) in combination with secondary “revenue” messages would bear better outcomes in Canada.

Nigeria, with inadequate healthcare coverage and shortage of specialists, especially in remote areas, supports the adoption of telemedicine services by the public. However lacking infrastructure creates a physical barrier as do the Nigerian medical professionals who continue to leave the country. As a trend, this factor characterizes Nigerian physicians opportunistic and suggests that the “revenue” messages would be better perceived by this medical community. Potentially good results in enrolling the service providers can be achieved by connecting with Nigerian doctors who have immigrated to other counties to improve their living conditions. The Nigerian communities in the UK (and to a lesser degree in the USA and Canada) can be targeted directly with the specific messages that would communicate the fiscal benefits.



The study led the Client to pivot from an Alternative Opinion Telehealth service to a full service virtual healthcare service provider offering customized telehealth SAAS for clinics, solo providers, hospitals, insurances and HMOs. Empowered with the study materials, the Client has been winning government incentives and funding opportunities.

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