B Focus

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Roland Berger

Future of health 2 |
The rise of healthcare platforms

Roland **Berger** B
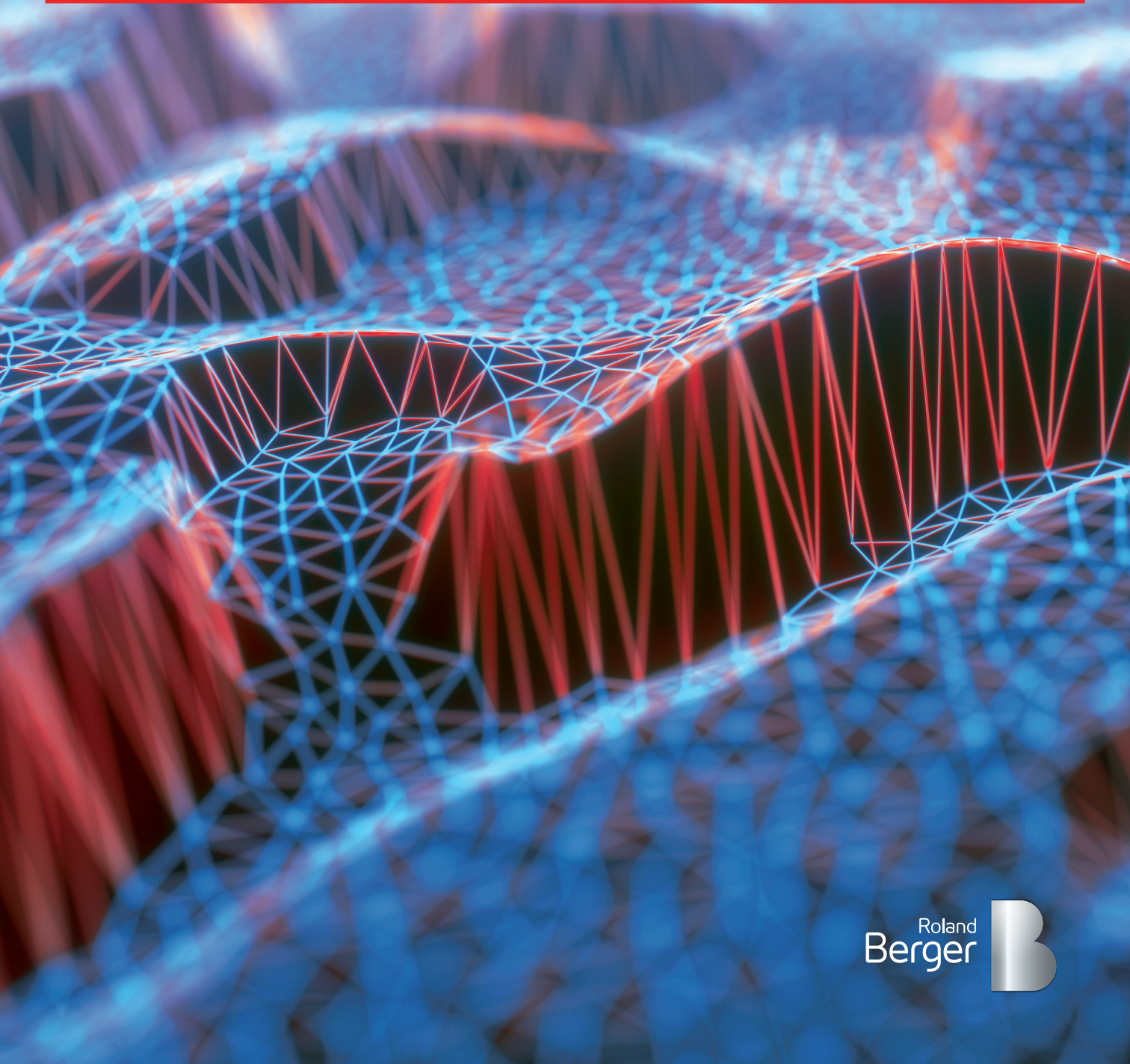
Future of health 2 /
The rise of healthcare platforms

Global spending on digital health is expected to reach almost EUR 1 trillion by 2025. With a wide variety of digital platforms reshaping the market, from pure data platforms to integrated meta-platforms, the industry is grappling with a number of questions of existential importance. What type of platforms will dominate the market in the future? What makes some platforms more successful than others? Who will be best positioned to own the patient interface? And which players face the greatest disruption to their business model?

Our second Future of Health survey, building on our 2019 investigation, provides some answers to these questions. Industry insiders are expecting even stronger growth of digital health than a year ago, partly driven by the Covid-19 pandemic. They see customer experience as the number-one success factor of platforms, more important even than perceived health benefits. Healthcare providers are best positioned to "own" patients, while tech companies have a stronger starting point when it comes to preventive care. Rather than consolidation, the industry is expecting platforms offering specific services to retain their important role in the period until 2025 – particularly in Europe.

Ultimately, it appears that everything is still to play for. Healthcare players must fine-tune their radars and identify upcoming trends in the market. Only then can they define an appropriate strategy for their business, be that building their own platform or entering into partnerships with other players. Access to a strong network of platforms will be a key success factor for all types of players, and this may require boosting the company's "collaborative IQ".

For all types of healthcare players, the key message is clear. It is time to define a platform strategy – and with no clear winner in sight, there is no time like the present to make your platform play.

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1 / **A sector in transition**

PLATFORMS ARE TRANSFORMING HEALTHCARE

There is no doubt about it: Digitalization has transformed our day-to-day lives. Hardly an hour goes by when we do not go online to book a ride with Uber, arrange a vacation with booking.com or order some new product from Amazon. Our regular, everyday activities have to a large extent shifted onto digital platforms.

We all know what "digital platforms" are in practice, but how can we best define their role and function? Broadly speaking, digital platforms bring together customer groups with similar interests, using network technologies and often data pools to provide superior services to customers, such as a wider choice of service providers. They strive to achieve critical mass and eventually dominate their markets. Already, they encompass practically all areas of the economy.

The healthcare market is no exception. There is little doubt among experts that platforms will also transform the healthcare sector in the coming years. Industry platforms already integrate healthcare services and different technologies to provide a customized, end-to-end solution for users and patients. Applying new business models, they enable an improved customer experience with easy access to different services and treatments, greater efficiency and – in theory, at least – improved outcomes.

Compared to platforms in other industries, healthcare platforms are both more complex and more fragmented. Want to order lunch? Simply visit your favorite platform and choose between the offers from different restaurants, listed side by side on the website. Want an online medical consultation? That is not quite so straightforward. Type "online doctor" into Google and you get more than four million hits in less than a second. Healthcare consumers are currently faced with a large number of single-solution providers offering different services with various pricing models. More often than not, they are left feeling confused – and not a little exasperated.

TYPES OF HEALTHCARE PLATFORMS

A wide range of platforms currently occupy the healthcare space, ranging from "pure data platforms" to "integrated meta-platforms". The field is highly fragmented: In our survey, the results of which we present below, no one platform was mentioned more than three times by respondents as an example of best practice. Yes, platforms are critically important. But right now it is impossible to say which particular platforms will dominate in the future – or whether, indeed, this is how the landscape will develop.

We can classify the different platforms found in healthcare by the following categories: pure data platforms, platforms with horizontal integration, platforms with vertical integration, and integrated meta-platforms.

First up is the **pure data platform**. These platforms create value out of collecting and analyzing large amounts of data, which is then used to improve diagnoses and generate personalized treatment plans, as well as better and more tailored products and services, ultimately leading to better outcomes. Pure data platforms also enhance patient engagement. For example, 23andMe, which provides a direct-to-consumer genetic testing service, has access to data from more than 9 million patients.[1] IQVIA, a global provider of advanced analytics, technology solutions and clinical contract research valued at around EUR 9 billion, has access to millions of items of data from patients, providers and payors. Amazon, thanks to its cooperation with Cerner, now has access to around 200 million pieces of patient data.[2]
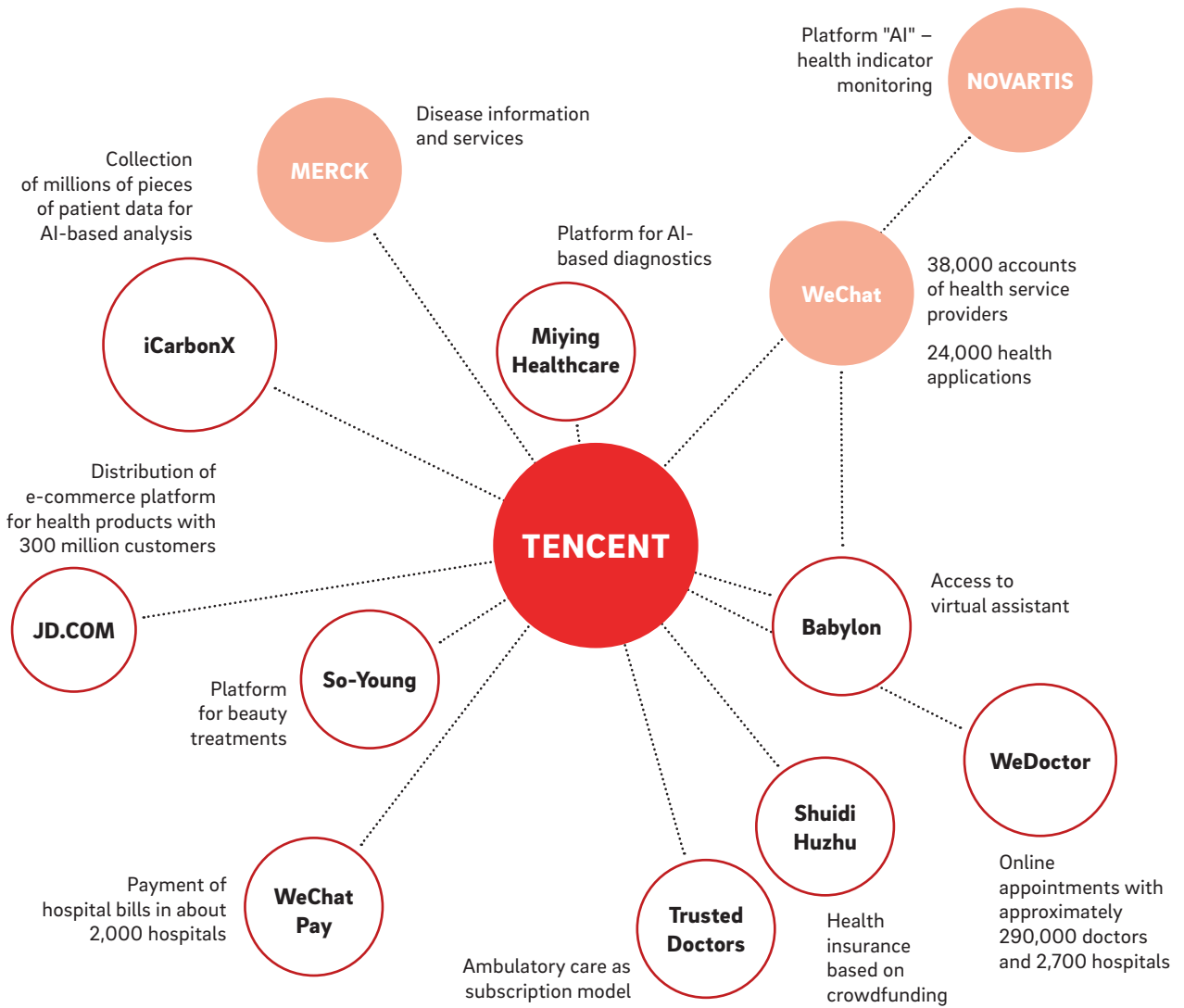
Platforms with horizontal integration generally focus either on a specific indication, such as cancer or diabetes, or on a specific treatment setting, such as health

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[1] Technology review (2019): More than 26 million people have taken an at-home ancestry test
[2] Beckers Hospital Review (2019): How-amazon-is-making-strides-in-the-healthcare-space

A: **Meta-platforms interlink players across the healthcare system**

Tencent's network of healthcare players in China

Platform "AI" – health indicator monitoring

NOVARTIS

Disease information and services

MERCK

Collection of millions of pieces of patient data for AI-based analysis

Platform for AI-based diagnostics

Miying Healthcare

WeChat

38,000 accounts of health service providers

24,000 health applications

iCarbonX

Distribution of e-commerce platform for health products with 300 million customers

TENCENT

JD.COM

So-Young

Platform for beauty treatments

Babylon

Access to virtual assistant

WeDoctor

Payment of hospital bills in about 2,000 hospitals

WeChat Pay

Trusted Doctors

Shuidi Huzhu

Online appointments with approximately 290,000 doctors and 2,700 hospitals

Ambulatory care as subscription model

Health insurance based on crowdfunding

Source: Tencent, Roland Berger

management within companies. They support users along the entire patient journey. For example, health and wellness engagement platform Sharecare, provides consumers with personalized information, programs and resources for improving their health. Another platform, Deep Lens, matches cancer patients with clinical trials and treatments. One Drop, a diabetes management platform, offers solutions for glucose monitoring via an app and personal health coaching. Siemens recently acquired Varian and has created an integrated platform to address the entire cancer care path, from screening and diagnosis to care delivery and post-treatment.

Platforms with vertical integration do not focus on specific indications but integrate different steps along the value chain or patient journey. Quite often, they connect players from different parts of the healthcare value chain, such as pharmaceutical companies with pharmacies, or telemedicine providers with hospitals. In this way they support collaboration across disciplines and specialties. Some also operate across international borders. The insurance company AXA in Mexico connects insurance services with treatments via its technological platform SaludOnNet, which brings together more than 22,000 clinics and hospitals including many outpatient medical care centers and more than 250,000 patients.[3] In Switzerland, Zur Rose Versandapotheke cooperates with the supermarket chain Migros and has recently acquired TeleClinic, a provider of medical video consulting. Hospital chain Asklepios cooperates with startup Samedi for digital appointment booking. And global tele-health leader Teladoc has recently announced an EUR 18 billion merger with chronic disease platform Livongo with the aim of offering technology-enabled longitudinal care – the largest digital health deal seen to date.

Integrated meta-platforms operate on an even larger scale. They interlink most of the players in a specific healthcare system and are both vertically and horizontally integrated. The Chinese group Tencent is a good example. It brings together different categories of players: iCarbonX collects millions of pieces of patient data for evaluation using artificial intelligence (AI); WeDoctor enables online appointment scheduling with around 290,000 doctors and 2,700 hospitals; and WeChat integrates 38,000 accounts belonging to health service providers and offers 24,000 health and wellness-related "Mini Programs".[4] Tencent integrates digital and analog care processes, at the same time collecting large amounts of data. The company also cooperates with startups and pharmaceutical companies from Europe. → **A**

Some integrated meta-platforms go even further, encompassing a country's entire public health system. Saudi Arabia, for example, has launched two healthcare initiatives – the Saudi Health Insurance Bus (SHIB) Project and the Saudi e-Health Record (SeHE) Platform – which will together create an integrated platform called UniPlat, a national e-health program for the digital transformation of all healthcare-related services in the country. The aim of the platform will be to increase efficiency for payors and providers and deliver an enhanced healthcare experience to the country's citizens.

Given the current diversity of platforms and fragmentation of the healthcare landscape, a number of questions present themselves. What type of platform is likely to dominate in the future? Will we see a multiplicity of platforms with no one particular type dominating? What makes certain platforms successful and others less so? Who will own the patient interface in the coming years? And which areas of healthcare will see the greatest disruption? We turn to these questions in the following chapter.

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[3] https://www.saludonnet.com/
[4] Figures based on Roland Berger research findings

2 / **More change is coming**

INDUSTRY EXPERTS GIVE THEIR PREDICTIONS FOR THE NEXT FIVE YEARS

How does the healthcare industry see platforms developing in the period to 2025? To find out what industry insiders think, we carried out a survey of more than 500 experts from around the globe.[5] This was the second in our series of major industry surveys on the future of health, following on from our 2019 study. We also carried out qualitative research into the top 100 healthcare platforms worldwide.[6]

The results of our research were in many cases surprising. In particular, the survey reveals how actors right across the healthcare industry have changed their minds about the future of the market since last year. We look at six of our key findings below.

Customer experience is the key success factor for platforms; trust and health benefit come next.

KEY FINDINGS OF THE 2020 FUTURE OF HEALTH SURVEY

1 Growth expectations for digital health have risen strongly

2 Platforms build on customer proximity and relationships

3 Ownership of platforms is key

4 Different types of platforms will emerge

5 Outpatient care will see the most disruption

6 Everything is still to play for

1. GROWTH EXPECTATIONS FOR DIGITAL HEALTH HAVE RISEN STRONGLY

Respondents in this year's Future of Health survey anticipate that digital products and services will make up as much as 12 percent of healthcare spending by 2025. This is up four percentage points from last year's survey. Industry experts have thus increased their expectations of growth. If they are right, we calculate that spending on digital health in 2025 will be EUR 57 billion in Germany (up EUR 19 billion on expectations from last year's survey), EUR 232 billion in the European Union as a whole (up EUR 77 billion) and EUR 979 billion around the globe (up EUR 326 billion).[7] → **B**
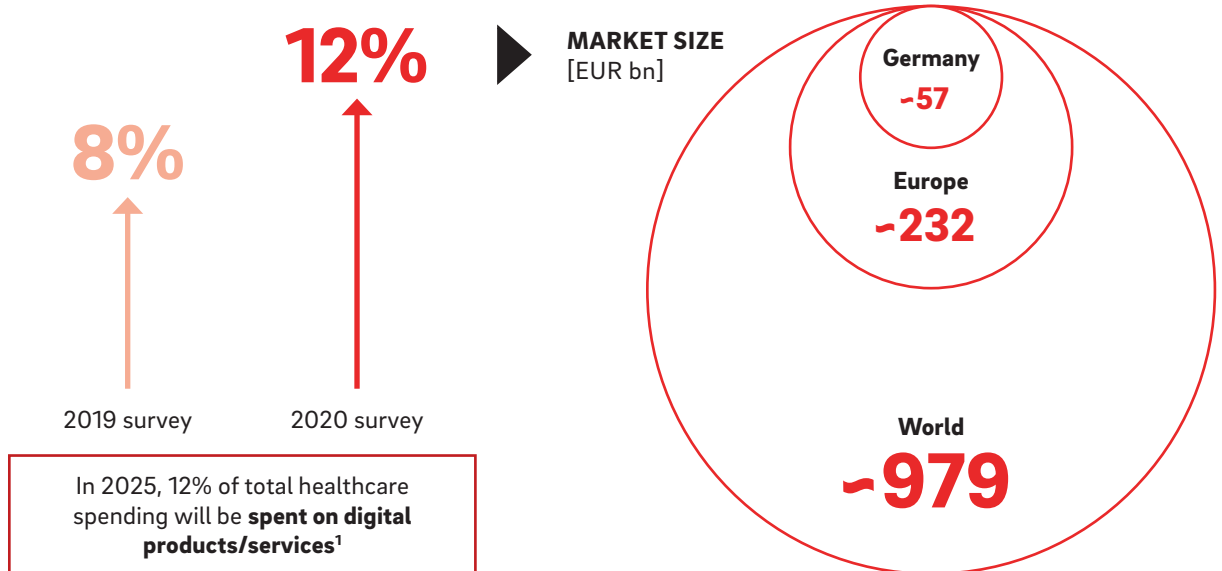
[5] Survey respondents came from Germany, Austria and Switzerland (44%), the rest of Europe (25%), Asia-Pacific (14%), Middle East (8%) and the rest of the world (9%). They included industrial players (23%), healthcare providers (21%), startups and tech companies (19%), health insurers (9%), political bodies (2%) and other stakeholders (26%).

[6] We selected the 100 platforms with the highest number of associated stakeholders. The market leaders together count more than 300 million users.

[7] This figure represents the mean of the experts' estimates.

B: **Digital products and services will grow to a market share of 12% within the healthcare sector by 2025**
Expected share of digital products/services in healthcare

? WHAT PERCENTAGES OF HEALTHCARE SPENDING DO YOU BELIEVE WILL BE SPENT ON DIGITAL PRODUCTS/ SERVICES IN THE YEAR 2025?

12%

8%

2019 survey   2020 survey

In 2025, 12% of total healthcare spending will be **spent on digital products/services**[1]

MARKET SIZE
[EUR bn]

Germany
~57

Europe
~232

World
~979

1 Result calculated as weighted average of medians. Estimated to be higher than 2019 survey

Source: Roland Berger

Covid-19 is one of the many factors accelerating the development and acceptance of digital healthcare. The pandemic has created new demand from health consumers, particularly for remote services, and greater acceptance of such services in general. Digital infrastructure has developed accordingly, with regulations such as the Digital Healthcare Act (DVG) in Germany and similar legislation in other countries facilitating reimbursement of digital medical solutions by payors. Mergers and acquisitions have expanded, both across borders and across the value chain, and many companies have launched new platform services.

More than three-quarters of respondents in the survey believe that the pandemic will speed up the provision of digital healthcare by at least two years as the public adapts to contactless mechanisms for medical treatment. Digital diagnostics and treatments will become increasingly normal, with people only visiting their physician if it is unavoidable. → **C**

C: **Covid-19 is speeding up the development of digital healthcare**
Impact of the pandemic on online health services

? BY HOW MANY YEARS WILL THE COVID-19 CRISIS ACCELERATE THE PROVISION OF DIGITAL HEALTHCARE?

50%
2-3 years

28%
>3 years

>78%
expect
provision of digital healthcare
to **accelerate by at least 2 years** due to Covid-19
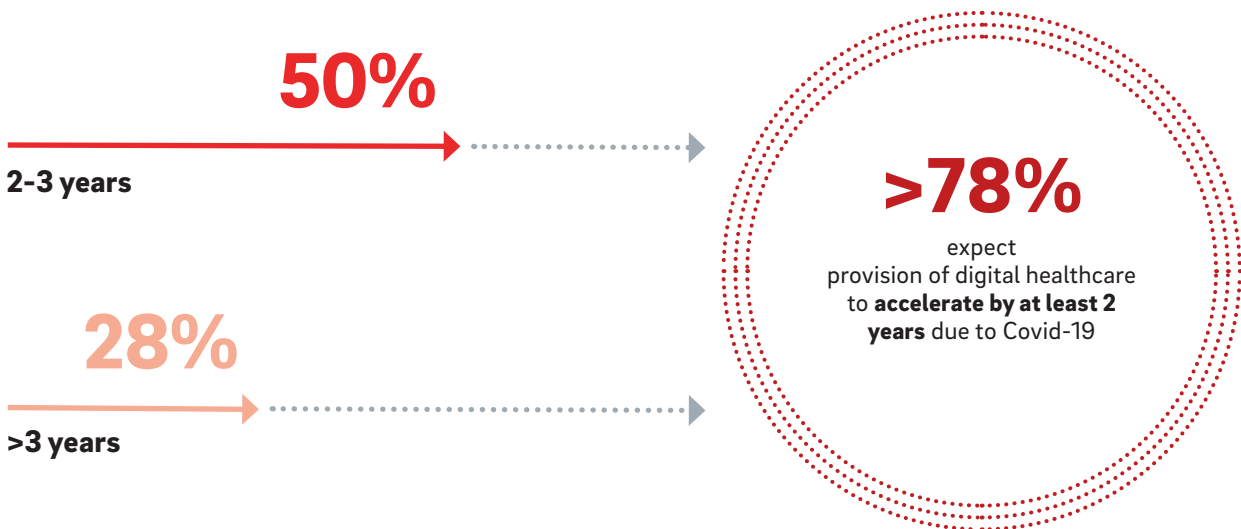
Source: Roland Berger

2. PLATFORMS BUILD ON CUSTOMER PROXIMITY AND RELATIONSHIPS

Three-quarters of respondents believe that patients will increasingly be the owners of their health data and will decide who to grant access to, up 16 percent on last year's survey. For the industry this means that the entry point to platform systems is critical. Surprisingly, customer experience is considered the number-one success factor, not perceived health benefits. Usability, it seems, is the key criterion when it comes to health apps – something that players should keep in mind when developing platforms. Trust in the platform is the number-two factor, and only then come health benefits in number-three position. → **D**
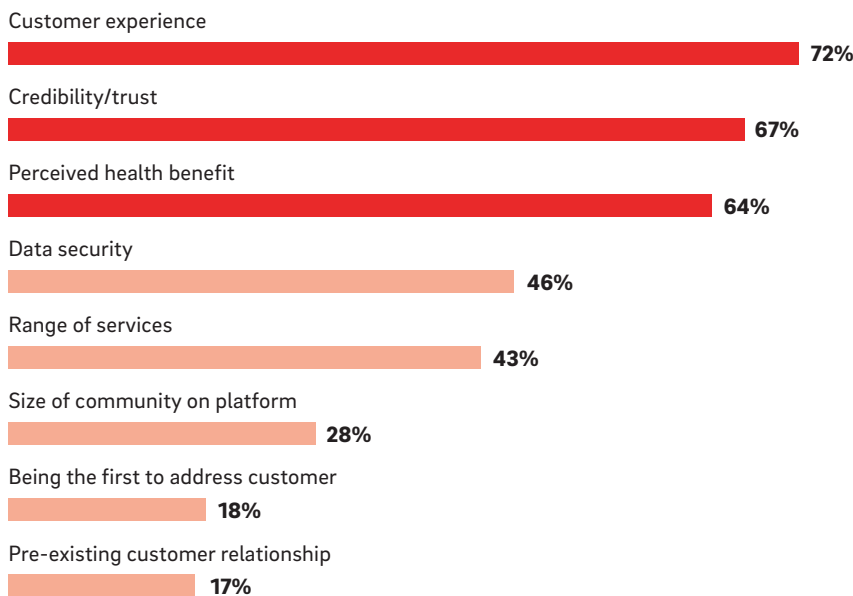
3. OWNERSHIP OF PLATFORMS IS KEY

One of the key questions that everyone in the industry is asking is who will win the platform game? The survey

D: Customer experience is the number-one success factor
Perceived success factors for healthcare platforms

? WHAT ARE THE MOST IMPORTANT SUCCESS FACTORS FOR PLATFORMS TO ATTRACT AND RETAIN CUSTOMERS? (MULTIPLE ANSWERS POSSIBLE)

Customer experience
72%

Credibility/trust
67%

Perceived health benefit
64%

Data security
46%

Range of services
43%

Size of community on platform
28%

Being the first to address customer
18%

Pre-existing customer relationship
17%

Customer experience (cx) is an important success factor for all players

Source: Roland Berger

results offer some important insights into current thinking in the industry. Respondents appear to believe that different types of players will "own" different types of customers: Healthcare providers are best positioned to access patients – individuals who already have health problems – while tech companies are better positioned when it comes to prevention, due to the enormous amount of behavioral data on users that they possess.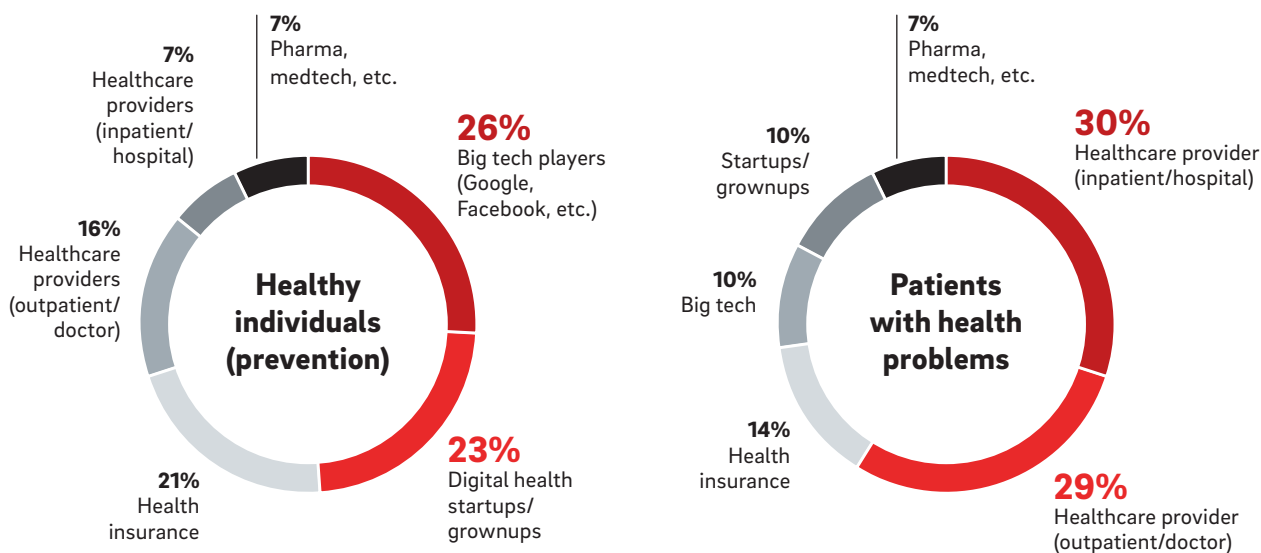 Healthcare providers and tech players, including startups, are expected to occupy different spaces in the market. → **E**

This leads to some important questions. For example, how do tech companies pass customers on to providers when they fall ill? Why is the industry not expected to play a key role in the prevention segment? And how can the fragmented provider sector manage the question of ownership? Here, the survey reveals a certain disconnect between how players see themselves and how others view

E: Providers in best position to "own" patients

Preferred points of access for healthy individuals and patients

? WHO IS THE PREFERRED PARTNER FOR PATIENTS WITH HEALTH PROBLEMS AND HEALTHY PEOPLE?

Healthy individuals (prevention)

- **7%** Healthcare providers (inpatient/hospital)
- **7%** Pharma, medtech, etc.
- **26%** Big tech players (Google, Facebook, etc.)
- **16%** Healthcare providers (outpatient/doctor)
- **23%** Digital health startups/grownups
- **21%** Health insurance

Patients with health problems

- **7%** Pharma, medtech, etc.
- **10%** Startups/grownups
- **30%** Healthcare provider (inpatient/hospital)
- **10%** Big tech
- **14%** Health insurance
- **29%** Healthcare provider (outpatient/doctor)

Source: Roland Berger

them. Around half of the health insurers in the survey see themselves as being in the best position to own patients, that is, as the preferred provider for patients with actual health problems. But that view of insurers' importance is not shared by the rest of the expert group.

Health insurers must decide on what their best approach will be. Should they build their own platforms? Or should they partner with tech companies for prevention-focused pla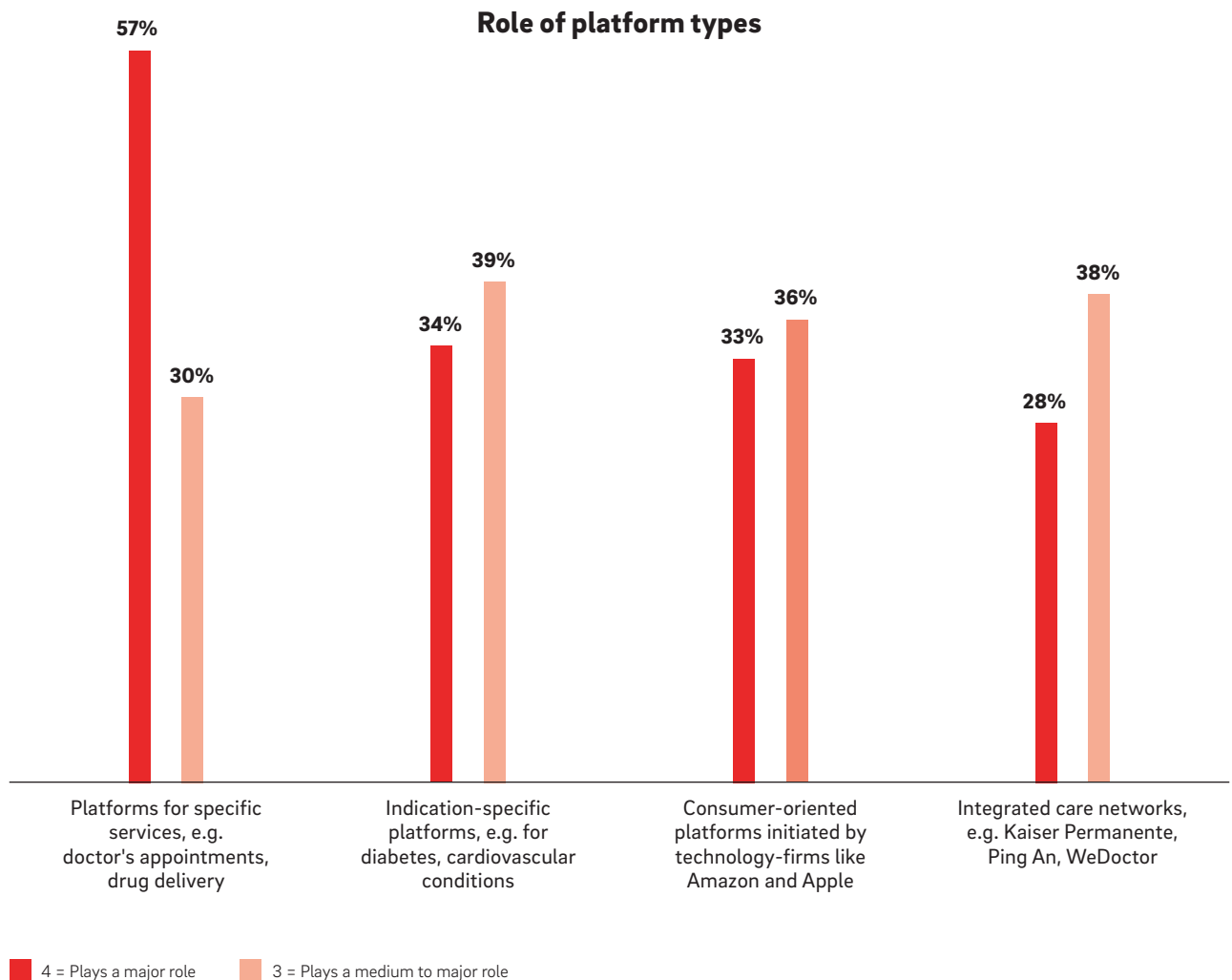tforms and providers for acute-care platforms, fusing them to create a value-adding meta-platform? What is clear is that whoever controls the customer interface will be able to steer patients towards particular providers, and will therefore enjoy a significant competitive advantage.

4. DIFFERENT TYPES OF PLATFORMS WILL EMERGE

Today's healthcare platform landscape is highly

F: **Platforms specializing in specific services are expected to grow**
Expected relevance of platforms

? WHAT ROLE WILL DIFFERENT PLATFORMS PLAY IN THE YEAR 2025?

Role of platform types

57%

39%

38%

36%

34%

33%

30%

28%

| Platforms for specific services, e.g. doctor's appointments, drug delivery | Indication-specific platforms, e.g. for diabetes, cardiovascular conditions | Consumer-oriented platforms initiated by technology-firms like Amazon and Apple | Integrated care networks, e.g. Kaiser Permanente, Ping An, WeDoctor |

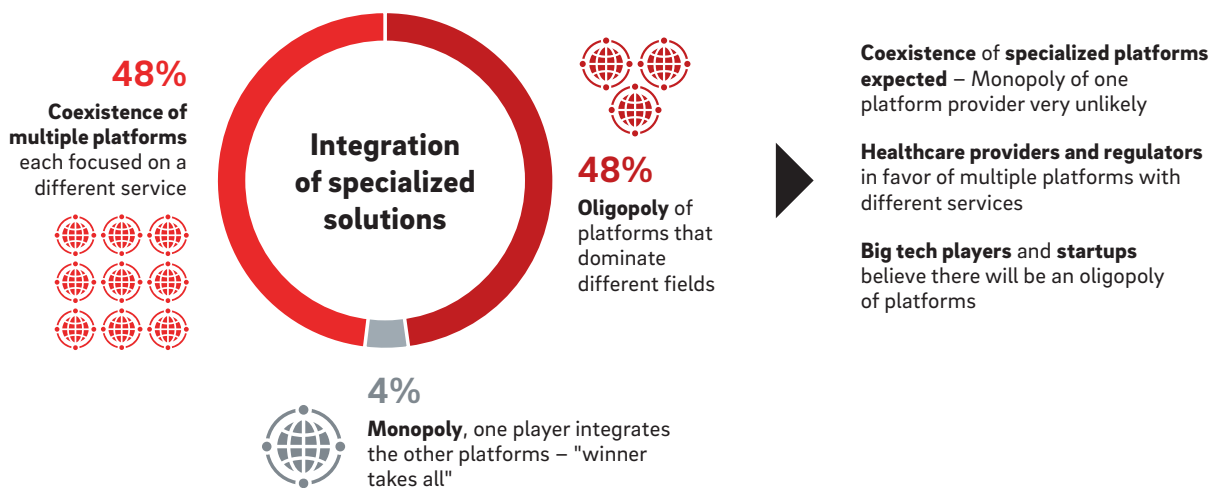■ 4 = Plays a major role   ■ 3 = Plays a medium to major role

Source: Roland Berger

G: Coexistence of multiple platforms or oligopoly of platforms with individual focus on services expected

Coexistence of platform models

? WILL MULTIPLE PLATFORMS COEXIST OR WILL THERE BE ONE "WINNER TAKES ALL" PLATFORM?

48%
Coexistence of multiple platforms each focused on a different service

Integration of specialized solutions

48%
Oligopoly of platforms that dominate different fields

4%
Monopoly, one player integrates the other platforms – "winner takes all"

Coexistence of **specialized platforms expected** – Monopoly of one platform provider very unlikely

Healthcare providers and regulators in favor of multiple platforms with different services

Big tech players and **startups** believe there will be an oligopoly of platforms
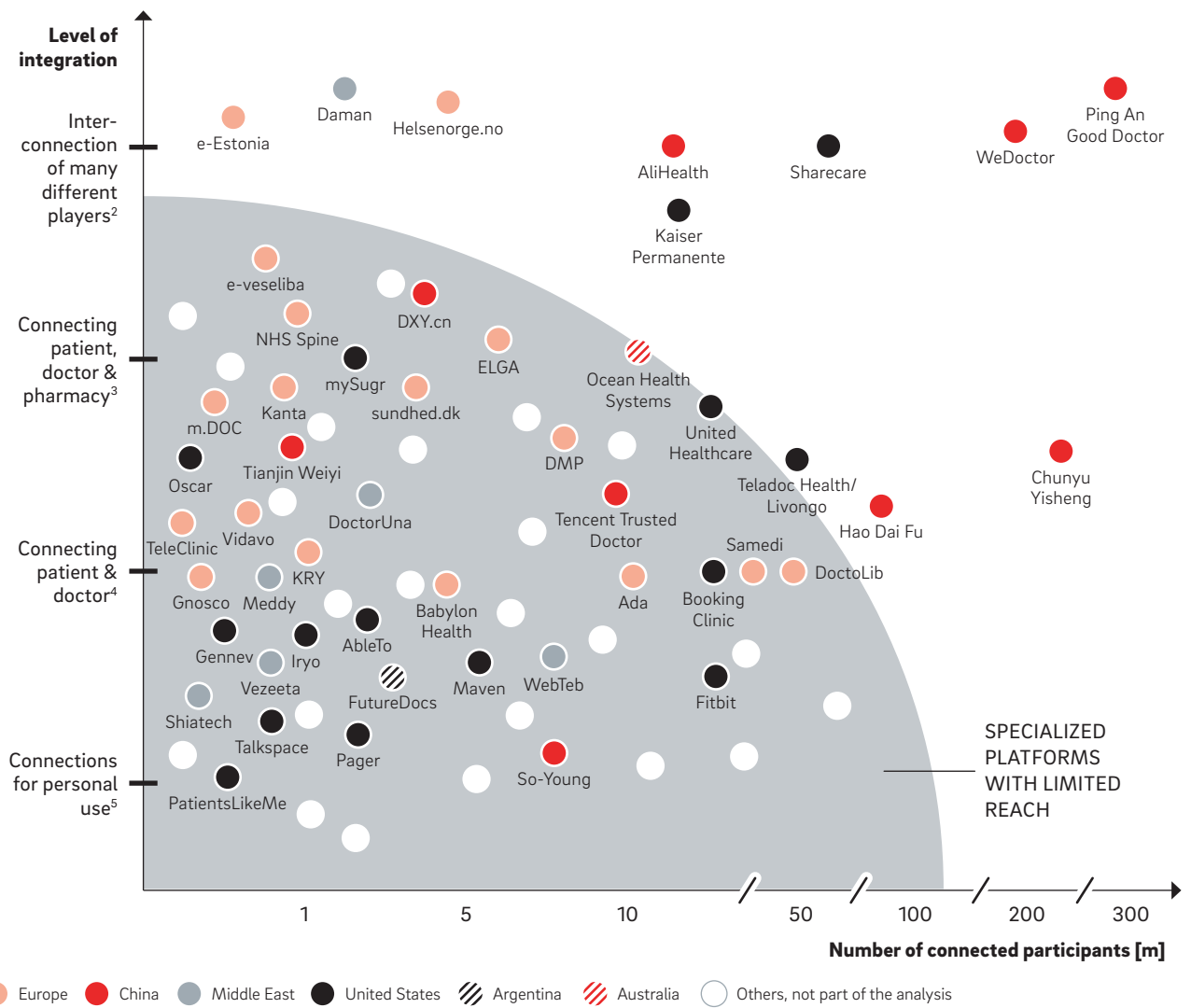
Source: Roland Berger

fragmented. It would be logical to expect a certain amount of consolidation to take place over the coming years. Yet, contrary to expectations, respondents believe that platforms offering specific services are likely to continue to play a major role in 2025. It may also be that Europeans prefer highly specialized, personalized services and would not accept the dominance of a single, government-monitored meta-platform, such as Tencent or WeChat. → **F**

The survey shows, for example, that platforms offering appointments with physicians or drug delivery will gain in importance, as will platforms specializing

in specific indications (mainly horizontally integrated platforms, as discussed in Chapter 1). At the same time, this year's survey shows less of an expectation that Big Tech players such as Google or Amazon will be part of the healthcare system in the same way that insurance companies and hospitals are today. Even specialized platforms can expand and/or collaborate, e.g. by combining telemedicine and drug delivery. But experts foresee different extents of integration. They are, however, in agreement that it will not lead to a monopoly. → **G**

H: The healthcare platform landscape is highly fragmented

Level of integration and number of stakeholders in selected platforms worldwide[1]

Level of integration (y-axis)

- Inter-connection of many different players[2]
- Connecting patient, doctor & pharmacy[3]
- Connecting patient & doctor[4]
- Connections for personal use[5]

Number of connected participants [m] (x-axis): 1, 5, 10, 50, 100, 200, 300

SPECIALIZED PLATFORMS WITH LIMITED REACH

Platform labels: e-Estonia, Daman, Helsenorge.no, AliHealth, Sharecare, WeDoctor, Ping An Good Doctor, Kaiser Permanente, e-veseliba, DXY.cn, NHS Spine, ELGA, Ocean Health Systems, mySugr, Kanta, sundhed.dk, m.DOC, Tianjin Weiyi, DMP, United Healthcare, Oscar, Teladoc Health/Livongo, Chunyu Yisheng, DoctorUna, Tencent Trusted Doctor, Hao Dai Fu, TeleClinic, Vidavo, KRY, Ada, Samedi, DoctoLib, Gnosco, Meddy, Babylon Health, Booking Clinic, Gennev, Iryo, AbleTo, Maven, WebTeb, Fitbit, Vezeeta, FutureDocs, Shiatech, Talkspace, Pager, So-Young, PatientsLikeMe

Legend:
- Europe
- China
- Middle East
- United States
- Argentina
- Australia
- Others, not part of the analysis

1 Disclaimer: Figures are indicative and a snapshot of August 2020, estimations are based on accessible online resources, but deviations are possible.
2 Health institutions, dentists, psychologists, etc.   3 Telemedicine, patient record, e-prescription   4 Telemedicine, patient record, engagement tool, booking
5 For private use of patients

Source: Roland Berger

In our analysis of the top 100 platforms, we grouped companies by their number of stakeholders and level of integration. The results were in line with the findings of the survey. Over three-quarters either operate as single-solution providers or connect fewer stakeholders than meta-platforms; often, they are both horizontally and vertically integrated in order to create increased customer value and reach. → **H**

Another finding of the survey, and one that is of the utmost importance for healthcare players' strategy, is that it will be essential to integrate the online and offline worlds. The idea here is to ensure a seamless journey for patients and other healthcare consumers. As many as 84 percent of respondents expect to see growth of platforms that combine virtual and real-world services. For example, patients may choose to access a video consultation via a diagnostic platform, but if this is insufficient for a valid diagnosis they will need to be transferred to a specialist for a physical examination. Ensuring that this transition is smooth will be critical.

This integration of online and offline realms is not widespread as yet, but we see signs of it emerging. Where it does occur, it often originates in the online world. For example, Tencent initially operated online, and only later started connecting real physicians to the network. Sweden-based provider of digital doctor appointments KRY's merger with Helsa, which runs physical health centers, is another example; the merger of the two companies makes it possible to offer patients a combination of online and offline treatments.

One possible future scenario is the development of patient-centered healthcare built around collaborative ecosystems with different entry points, depending upon the individual's needs (prevention, diagnosis, treatment). Users – both healthy individuals and those requiring treatment – will be able to access a combination of analog and digital services, from consultations and fitness programs to physiotherapy sessions.

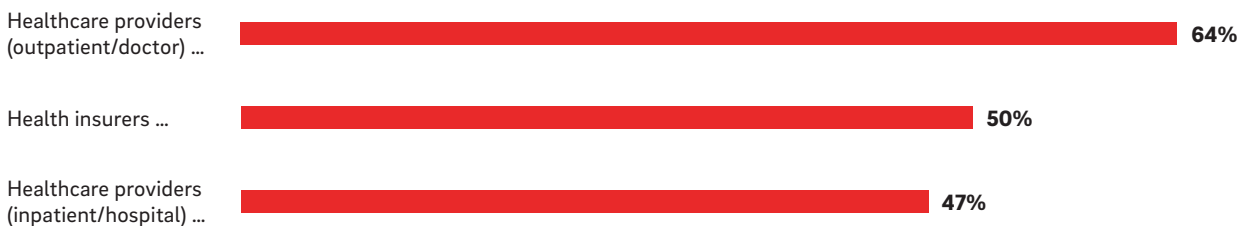*It will be essential to integrate the online and the offline world, say*

84%

of respondents.

I: **Providers of outpatient services and physicians face the greatest disruption**
Threat to business models of various stakeholders

? WHICH STAKEHOLDERS' BUSINESS MODELS WILL BE SIGNIFICANTLY DISRUPTED BY PLATFORMS?

Percentage of participants expecting that[1] ...

Healthcare providers (outpatient/doctor) ...	64%
Health insurers ...	50%
Healthcare providers (inpatient/hospital) ...	47%

... will be disrupted by platforms

1 Disruption potential of other players: startups: 32%, pharma 29%, medtech: 24%, others: 4%

Source: Roland Berger

5. OUTPATIENT CARE WILL SEE THE MOST DISRUPTION

Healthcare providers today enjoy the best access to patients and are therefore in a strong position to succeed with a platform play. However, providers of outpatient services and physicians face the greatest risk of disruption in terms of their business model (64 percent of responses in the survey). Other players at risk of disruption are insurance companies (50 percent of responses) and providers of inpatient or hospital care (47 percent). Less at risk are startups (32 percent), pharmaceutical companies (29 percent) and medtech companies (24 percent). → **I**

Thus, the same category of players have both the biggest chance of "owning" patients and the biggest chance of being disrupted. A contradiction? Not necessarily. Both statements are true for the category as a whole, but some providers will succeed, while others will be swallowed up or displaced by bigger platforms or structures.

The outpatient sector will form a particular battle arena as it represents the normal entry point for patients into the healthcare system. Our qualitative research on the top 100 healthcare platforms worldwide backs this up. Currently, more than 60 percent of the top healthcare platforms connect patients and physicians,

J: Platforms will play an important role in providing and organizing healthcare
Will the following statements hold true for 2025?

? DO YOU THINK THE FOLLOWING STATEMENTS WILL APPLY IN 2025? (YES/NO)

	% change to 2019
Platforms will steer patients to specific programs	
84%	+5%[1]
Payors will offer digital diagnoses and therapies, insured members will use them	
77%	+29%
Patients will be the owners of their health data and will decide whom to grant access	
76%	+16%
Big tech players like Google or Amazon will be part of the healthcare system like insurers and hospitals today	
57%	-5%

1 Question in 2019 survey focused on patient steering by health insurances

Source: Roland Berger

including areas such as patient records, data transfer, online booking systems and telemedicine. By contrast, larger networks that include hospitals, pharmacies, insurance companies and other health institutions are often government supported.

Who will pay for the services offered by platform solutions? More than 80 percent of respondents believe that health insurance companies are most likely to continue acting as payors, as is traditionally the case. However, legislation such as Germany's Digital Healthcare Act (DVG) means that digital health solutions will become an established part of the public health insurance system. At the same time, it is likely that

consumers will partly pay for digital health solutions; more than 60 percent of respondents think that private customers will make out-of-pocket payments for additional services. One possible scenario is that health insurers will pay for most digital solutions but, due to the sheer amount of innovation, a larger portion of healthcare services than today will be paid for by patients out of pocket. → **J**

6. EVERYTHING IS STILL TO PLAY FOR
Our final key finding should give industry players food for thought. Compared to last year's survey, our respondents this year are even more certain that platforms will be

Respondents are not expecting a "winner takes all" market. Everything is still to play for.

highly relevant in the future. Some 84 percent believe that platforms will steer patients towards specific treatments, therapies or disease management programs. All types of platforms are expected to grow in importance through 2025, in a landscape characterized by a variety of digital platforms and both analog and digital services.

Notably, respondents are not expecting to see a "winner takes all" market. Everything is still to play for. What is as yet unclear is whether we will see multiple healthcare platforms coexisting, each focused on specific services, or an oligopoly of platforms, in which a small number of players offer services that cut across different medical conditions or fields. Fewer people than last year expect the large consumer tech companies to dominate the market. Rather, the consolidation might be driven from within the healthcare space. In any case, we will likely see further consolidation in the period to 2025, with some players disappearing altogether.

3 / **Our recommendations**

HEALTHCARE PLAYERS MUST PREPARE FOR THE NEXT NORMAL

As platformization begins to transform the healthcare sector, players of all types, be they health insurance companies or hospitals, pharmaceutical concerns or medtech startups, must carefully consider their response. The next normal, when we have learned to control Covid-19, will see the dramatic restructuring of the economic and social order in which business and society have traditionally operated. How can healthcare players prepare for this radical transformation? Here is what we recommend.

#1

FINE-TUNE YOUR TREND RADAR

Players must sharpen their ability to spot key trends, such as those developments that will hit the industry next or have the biggest impact on their own business model. To do this they should fine-tune their "trend radar".

We identify two major trends in the healthcare landscape at present. First is the tendency towards the integration of online and offline worlds. Companies will need to ensure a smooth journey for healthcare consumers across the digital and physical realms. This was reflected in the survey, where almost all respondents predicted growth of platforms combining virtual and real-world services, as discussed above. Second, players may initially become strong in one sector and later expand into upstream or downstream stages of the value chain. For example, a telemedicine provider may start out offering video consultation technology and then progress to employing physicians to provide direct diagnostic services, ultimately developing into a "digital hospital". Likewise, an AI-based diagnostics platform may enter into cooperation with a telemedicine provider and an online pharmacy and start prescribing drugs.

Given the variety of trends in existence, each potentially pulling the industry in a different direction, players would be well advised to employ a scenario-based strategic planning approach. This involves developing multiple scenarios and strategic options. It stimulates companies to take a step back from their familiar environment and more traditional ways of thinking, and to reflect creatively. In so doing it helps them re-conceptualize their vision of the future, identifying new opportunities, counteracting volatility and ensuring that they are receptive to any upcoming changes.

Amazon, as one specific example, has already fully embraced this principle. By partnering with the IT company Cerner, Amazon has gained access to health data from 200 million patients. Similarly, in the United Kingdom it receives data from the National Health Service. This way Amazon will be able to develop its AI-driven Alexa into a voice-controlled health advisor bringing its advice to individuals and families at home. It could also act as a decision-support tool for doctors and, thus, establish itself at the point of care.

#2

SELECT YOUR PLAYGROUND

Having pinpointed the key trends shaping the healthcare industry and identified which scenarios may play out in the future, players need to define an appropriate strategy for their own business. The healthcare sector is a highly complex and fragmented industry with many different stakeholders, markets, and different niches within markets. It varies widely from country to country and branch to branch. Companies may need to reinvent themselves entirely in line with their new strategy. If they decide to create their own platform, they will need to decide how it can integrate different solutions

and connect many different users. If they decide not to develop a platform themselves, they will need to define their place in the platform ecosystem, potentially forming partnerships with other players.

#3

CHOOSE YOUR ROLE

A shift in strategy such as that described above may mean a player moving beyond its traditional core business. That can bring new challenges. The company must now assume a role that differs from its traditional image, in other words, how it is perceived by the general public and other industry players. For example, a firm that is perceived by the market purely as a payor will be fighting an uphill battle if it tries to position itself as a high-quality healthcare provider. Our survey confirmed this, revealing significant differences between the way stakeholders see themselves and how they are seen by others.

Players who wish to shift their role within the healthcare industry need to ask themselves how they can influence how they are perceived by the market. They must review their own positioning from a variety of perspectives and on this basis develop a fitting strategy. One possible solution is to foster new partnerships or broaden their key competencies by means of mergers and acquisitions. If they choose this strategy, they must make it a priority to remain credible in the eyes of the public and their potential customers.

One example of a company that has successfully influenced the way it is perceived by the market is AXA in its operations in Mexico. By teaming up with a hospital group to build a new hospital, AXA acquired credibility as a provider as well as as a payor.

#4

FIND YOUR ENTRY POINT

Finding the right entry point, or combination of entry points, is essential. Companies need to devise a strategy that offers solutions for both the sick and the healthy, attracting customers and quickly achieving critical mass. Human beings pass through different life stages in which they need to access health services: parenthood, employment, aging, acute or chronic illness. To gain access to working individuals, some large tech companies have established prevention centers in offices. Similarly, through its purchase of Fitbit, Google can access the user data of people wanting to improve their fitness levels.

A strategy that addresses both sick and healthy individuals must form part of a more general population health strategy. By collecting data on healthy people, players can help them to stay healthy and at the same time potentially act with them to change their lifestyles, avoiding chronic diseases (or at least delaying their onset). With the right data, companies can divide up the population and identify which segments may change their fitness habits due to their higher risk of developing chronic conditions. On this basis they can define the right strategy.

Healthcare players can theoretically enter the game at any point in individuals' evolution from healthy to sick, and back to healthy – or, in the case of non-communicable diseases, at any point in the journey to proper management of the disease. But identifying precisely the right point at which to enter is today more challenging than ever. Digitalization has empowered patients, giving them access to massive amounts of information about treatments and therapies. Patients are becoming better educated as a result, and the traditional asymmetry between patients and physicians is disappearing. Healthcare players must bear in mind this new balance of power when seeking to engage with their customers.

Whatever your current role, be it insurer, hospital, pharmaceutical company or medtech startup, it is time to define your platform strategy. As yet, no clear winner is visible. There is everything to play for.

#5

STRENGTHEN YOUR COLLABORATIVE IQ

You do not need to do everything yourself. Players need to expand their networks and form alliances with partners operating in adjacent parts of the healthcare value chain, that is to say, areas just upstream or downstream from themselves. Given the fragmentation of the market, access to a strong network of different platforms will be a key success factor in the period to 2025. Players need to rethink their own business or platform model and build innovative business models that incorporate other parts of their network. Strong relationships with partners are essential for an efficient healthcare ecosystem or "network of networks".

To successfully develop their networks, companies need to improve the skills required to fill partnerships with life. In other words, they must strengthen their "collaborative IQ". In the past, companies built partnerships with the aim of maximizing the benefits for themselves; today, they need to establish a system of cooperation in which all partners are winners. This calls for a cultural change – a fundamentally different way of thinking.

Conclusion

Healthcare platforms are set to become part of the next normal, acting as both gatekeeper and driver of future health markets. The option for players of creating or joining a platform will change the healthcare market beyond recognition, lowering entry barriers for tech companies and startups, empowering providers and consumers, and redefining roles for insurers. Sectors that are currently distinct – payors, inpatient and outpatient care, services for healthy people and the chronically ill, appointments, consultations, diagnosis and drug prescription – will become increasingly integrated.

In the drive to ensure a seamless customer journey, it is likely that different platforms will cooperate more and more closely with each other. This may lead to the development of "platforms of platforms" or "platform networks". Within this complex landscape, players that succeed in owning the customer interface will be at an enormous competitive advantage.

The message for healthcare players? Whatever your current role, be it insurer, hospital, pharmaceutical company or medtech startup, it is time to define your platform strategy. As yet, no clear winner is visible. There is everything to play for.

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