

Developing Sustainable Business Models


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MedPharma Partners LLC provides technical assistance for Aligning Forces for Quality, a national initiative of the Robert Wood Johnson Foundation.

**Aligning Forces
for Quality** | Improving Health & Health Care
in Communities Across America

Agenda

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- 10:10 – 10:25 Overview (MedPharma Partners)
 - 10:25 – 10:40 Better Health Greater Cleveland
 - 10:40 – 10:55 Community Health Alliance
 - 10:55 – 11:10 Kansas City Quality Improvement Consortium
 - 11:10 – 11:25 Wisconsin Collaborative for Healthcare Quality
 - 11:25 – 11:50 Discussion
 - 11:50 – 12:00 Wrap Up

What is a Sustainable Business Model?

- A sustainable business model is a robust, strategic funding plan that enables an Alliance to sustain and extend its work beyond the initial grant period

Process Overview

Characterize Stakeholders

Gather information on requirements and motivations of stakeholders

Develop Value Proposition

Determine value of collaborative activities and align with stakeholder needs

Determine Scope

Assess strategic options and determine initial scope

Define Business Model

Define service offerings and sustainable funding/revenue models

Identify Risks

Identify risks and develop mitigation approaches

Draft Transition Plan

Develop roadmap to achieve sustainable state

Typical Challenges

- Macroeconomic and political environment
- Alignment of Alliance mission with stakeholder interests
- Track record/communications
- Alliance's origins

Seven Success Factors

1. Understand the market
2. Determine what the Alliance does especially well
3. Develop a clear point of view on what the Alliance wants to do
4. Articulate a value proposition by identifying activities in the “sweet spot”
5. Identify an appropriate funding model
6. Match governance to desired future state
7. Evolve over time as the environment changes

Challenges and Leverage Points (I)

	Better Health Greater Cleveland	Community Health Alliance	KC Quality Improvement Consortium
Major challenges	Lack of critical mass, infrastructure Limited involvement of a key provider org.	Limited financial capacity of local stakeholders Gap at Executive Director level	Little financial involvement by local stakeholders Spread over many activities
Potential leverage points	EMR-based reporting Purchaser involvement	Consumer engagement Laboratory to draw outside funds	Solid track record Visible, well-networked leader

Challenges and Leverage Points (II)

	Wisconsin Collaborative for Healthcare Quality	Greater Detroit Area Health Council	Healthy York County Coalition
Major challenges	Multiple quality-related organizations competing for same funders	Economic crisis	Dominated by one provider organization
Potential leverage points	Thought leadership and data assets in quality measures CEO-level commitment of members	Established business model Infrastructure	Statewide chronic care initiative Success with wellness initiative

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