

E-Business Strategy Assessment & Integration Lay Groundwork for Enhanced Customer Experience and Operating model

Industry & Client Situation

A large Health Care Insurer was concerned with the increasing influence of health-related e-business activities in the market. Unsure of its own position on the role of e-Business in healthcare and how to react to competitive thrusts, Bridge was retained to help address a few key questions:

- What action should it take in response to the threats posed by competitors' e-business initiatives? What level of investment might be required? How urgently was a response needed?
- How could e-business be used to support & improve emerging customer experience, service design and supporting operating model?

At the same time, the Insurer was investigating ways to generate sustainable advantage through its customer experience, service design and supporting operating model. However, the role of e-business in the service/delivery model was not yet clear.

Approach

To answer these questions, we first analyzed the spectrum of e-business capabilities and initiatives in the health care market to determine which had the potential to create value for each of the client's key constituencies – members, groups, providers and brokers/consultants. That spectrum ranged from simple transaction management & automation, to product design and development, to web-based tools incorporating predictive modeling to improve treatment and impact the cost of care. We believed that the sum of all these elements defined a 'Digital Health Plan' – essentially, an insurance plan that had e-enabled all of the core components of its business.

Next we assessed each capability in terms of value-creation; specifically, the financial impact that resulted from providing the capability. Amongst those initiatives that had value-creation potential, we analyzed competitor offerings to identify 'table-stakes' requirements and opportunities. In parallel, we also identified a series of potential "first-mover" initiatives.

A gap analysis was used to not only evaluate current capabilities relative to the identified table-stakes and opportunities, but also assessed the current state against the planned customer experience, service design, and supporting operating model. This analysis provided the foundation for estimating the investment required to compete and provided the basis for prioritizing the set of initiatives included in the implementation plan.

Results

Analysis revealed our client was at a competitive disadvantage in terms of capabilities but given adoption levels and our belief that talk of a "Digital Health Care Revolution" was probably overstated, we recommended pursuing a cautious investment plan focused primarily on improving their own emerging service design and operating models.

An important take-away for the client was a new perspective – that e-business technologies should be considered tools to support business objectives rather than independent initiatives or products. The business objectives – a revamped service design and operating model supported by e-business – are expected to be the real source of sustainable advantage.