Chapter 10
Lessons for Creating Brilliant Business Models in Healthcare

The creation and construction of a brilliant business model requires years, if not decades. With the nuance that it is not about sequential steps that can be completed once and for all, three phases can be distinguished in realizing a brilliant business model. Following this there is the fourth phase with the challenge to renew yourself without losing the core. Looking upon the lessons from brilliant business models in healthcare the understanding of these phases can be deepened.

- *Phase 1: Start from a vision and bring the brand positioning in line with it. Especially in healthcare the drive to improve the health of (more) people provides the true energy to do the right thing.*
- *Phase 2: Persevere consistently in the conversion of the vision into the business model. In healthcare that requires a good mix between solidarity and responsibility, maintaining the personal scale and stimulating self-management and continuous learning from health practitioners and researchers with the patient as starting point.*
- *Phase 3: Realize breakthroughs in the value creation for all stakeholders with the business model. The triple aim to improve the health of a population and the perceived quality of treatments while lowering costs at the same time, emphasises the need for organizations which increase value for all stakeholders at the same time.*
- *Phase 4: Retain the core and stimulate progress in the business model. The challenges we face together in creating and keeping good healthcare accessible, transparent and affordable for all, makes the necessity to keep on doing the right thing even more relevant in this field!*

This book started with an explanation of the conceptual framework we use to describe brilliant business models. We described which five breakthroughs are necessary for accessible, affordable, and qualitatively good healthcare. The largest part of this book is subsequently devoted to describing each desired breakthrough and providing case studies of four organisations for each breakthrough that have realized a brilliant solution to that end. In this final chapter we want to outline the general

lessons and draw the overall conclusions from the 20 brilliant business models described above—for each and every solution is truly brilliant. The organizations described in this book excel at demonstrable value creation for all parties concerned. Apart from having implemented a breakthrough in healthcare, they have been able to "generate" very satisfied customers, very satisfied employees and good financial results plus make a positive contribution to society. How have they been able to do that? What are the overarching lessons that can be drawn from these brilliant business models?

The conceptual framework described in Part 1 was developed by integrating existing literature and studying successful companies in various sectors. The overall finding was that brilliant business models have a number of elements in common in terms of characteristics and development. This insight has been embedded in this theoretical framework. An organization with a brilliant business model (1) is driven by a vision and brand positioning, (2) perseveres in the business model with a consistent conversion of the vision and brand positioning into market segments, customer value, delivery and operation, and (3) on the basis thereof is pioneering in the value created for and by all stakeholders.[1]

The characteristics of a brilliant business model are not realized overnight. The actual creation and construction or expansion of a brilliant business model requires years, if not decades to achieve and in any case vision and perseverance. This demands leadership from the founders as well as from all other people and parties concerned. Completed phases in the step-by-step development of a company do not exist. Over the course of time, the requested focus in leadership appears to shift, however, and the challenges to alter. With the nuance that it is not about sequential steps that can be "ticked off," the following phases can be distinguished in realizing the characteristics of a brilliant business model:

Phase 1: Start from a vision and bring the brand positioning in line with it.
Phase 2: Persevere consistently in the conversion of the vision into the business model.
Phase 3: Realize breakthroughs in the value creation for all stakeholders with the business model.

This is a process of nested phasing, each time satisfying an extra characteristic of an organization with a brilliant business model. Phase 1 and 2 are not easy and can also result in failure, but organizations that successfully complete these phases receive confirmation and appreciation in phase 3. But it does not just stop there. The impression could arise that the difficult work has been done after Phase 3 and that it will only become easier from that point forward. Nothing is further from the truth! In particular, when success is achieved, a new dynamic envelops organizations. The success that is created changes the interaction with stakeholders. This is not only nice, but also makes things tense. On the one hand it can lead to reinforcement, confirmation and motivation to pursue doing it even better; on the other hand it can produce conservatism, idleness, haughtiness, an inflated ego and temptation. And as Jim Collins has shown in his book *How the Mighty Fall*, the decline starts precisely

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[1] Kemperman et al. (2013).

where pride and a self-congratulatory air start. In old Greek terminology the risk of *hybris* arises or as the book of Proverbs in the Bible states: "*a haughty spirit goes before a fall*." Switching to more modern parlance, the company arrives at the *next level in the game* with a corresponding set of new, as yet unknown enemies and challenges. In sum, there is also a Phase 4 to come: retain the core and stimulate progress in the business model. Every brilliant business model will end up in the storms of Phase 4. Even more, a couple of organizations described in this book are currently right in the thick of it or will soon enter this phase. But we leave that discussion until a later point in this chapter ….

When we started studying brilliant business models in healthcare, it became evident that the idea of defining and phasing brilliant business models was many times stronger in the healthcare sector than in most other sectors. It was precisely here that there was generally a strong intrinsic Phase 1 drive to do good, which in and of itself is logical given the societal and human relevance of taking good care for others and the value attached to the health of both yourself and your neighbor. It was also precisely here that the difference between the brilliant companies and the also-rans ended up being found in the specific choices in and consistent conversion into the daily actions within the organization in Phase 2. Within healthcare above all, there is a subtle game that revolves around whether all stakeholders are happy with you in Phase 3. Pure profit optimization is not accepted and creates countervailing powers that threaten continuity. Organizations who create value for one stakeholder on expensive of another, instead of realizing the triple aim as a whole, meet a lot of resistance from other parties and in society as a whole. While dividends are not always needed, unadulterated altruism is not sustainable either since it does not provide additional means to invest and pay for more treatments if you are successful. Finally, healthcare is in a state of great flux. Many care institutions in Western countries have been present for a while now. As it stands, they are currently confronted with the Phase 4 challenge of having to reinvent themselves if they do not want to become part of the problem, but rather part of the solution. Think for instance about the challenges associated with altering your role when healthcare treatments are less bound to a geographical location while your entire organization continues perceiving itself as a physical place where care and cure are provided to visiting patients who also stay over for the night.

In order to inspire people who want to set up or help set up a brilliant business model in healthcare or who want to make an existing company beautiful or even more beautiful, we ponder below the four phases on the basis of the organizations described in this book.

10.1   Phase 1: Start from a Vision and Bring the Brand Positioning in Line with It

A brilliant business model begins with a vision. In other words, it starts with a deep conviction and feeling of need that things have to be done differently. That is to say that it begins from an internal motive and not so much from an explicit market

demand or customer need in the sense of "*your wish is our command*." Every organization in this book has a major passion to start doing things differently and to truly make a contribution. This ambition is usually deployed from the actual start by the founder, but sometimes also at a later time by the successors. Often these goals, and the manner in which the company is set up, are revolutionary. Healthcare must become fundamentally better and more accessible. People must be made healthier. Patients must start to manage their own disorder. In order to treat far more people, the costs have to decline by 95 %. It is no longer accepted that a disease is chronic; it has to be cured. Or a specific disorder must be ruled out forever. The consequences of such convictions and ideas are that in any case the status quo will start to change. Incidentally, there must be many entrepreneurs who never got further than the dream phase, while a brilliant business model could have been derived from it. We will return to this topic later in Phase 2. What is worth noting at this point, however, is that the organization is not initially viewed as a means of becoming rich. The organization and earning money are in particular instruments for realizing the goal for the purpose of improving something in the world or in the company's own sector for citizens, patients or the insured. You do not look merely to find something you must do to get paid. You look for a way to get paid for what you want to do.

This lesson is quite important for entrepreneurship within healthcare. The last thing that healthcare needs is trite entrepreneurs—ones that see a commercial niche in the healthcare market and want to fill it to earn as much money as possible. The phenomenon that patients often do not pay the bill themselves in the healthcare sector provides opportunities to maximize profits and that would erode healthcare in its entirety. Pure profit-driven entrepreneurs will not help healthcare advance, but rather erode the basis of support for mutual caring and sharing. To be sure, they will probably earn money, and possibly a whole lot, too. But whether they will start to realize the desired breakthroughs necessary to make qualitatively good healthcare accessible and affordable is still very much up in the air. Brilliant business models in healthcare do not only require a feel for customers, business and finances, but also for integrity and moral standing to do the right thing. It is precisely healthcare that needs entrepreneurs, employees and managers that operate from a deep inner drive, on the basis of an authentic vision and compassion that it has to be done differently and better for patients and persons in need of care. At the same time, the war will not be won on altruistic ideals. The realization of results that extend further than 3-year terms of subsidies and temporarily innovation budgets demands visionary entrepreneurs. People whose heart is in the right place *and* have a vision for long-term growth and the financing thereof in an organization where many people want to make a contribution.

"Care" is a verb! The heart of many people who work in healthcare is in the right place: they love people and want to help and heal them. Paradoxically, the sum total of all those beautiful, vision-driven people does not add up to beautiful, vision-driven organizations. That is why just removing the barriers for healthcare practitioners to do the right thing as a professional already helps a lot. Whereas many employees have a heart for patients and work from a passion, it appears that does not nearly always go for established care institutions as organizations. Or if we were

to put a positive spin on it: there are still lots of opportunities for growth in the field of vision-driven organizations. Whatever the case may be, a strong vision is a significant characteristic and strength for the brilliant business models in this book.

How Our Brilliant Business Models Provided a Framework for Phase 1 For illustrative purposes, we can ponder the objectives which get people moving and the ambitious promises at the start of the brilliant business models that have been discussed in this book:

Algemeen Ziekenfonds Amsterdam (A.Z.A.): The A.Z.A. health insurance fund was started by doctors to make good healthcare available to the average working man who was not on poor relief but was nevertheless unable to pay for heath care himself. In that regard, the doctors involved wanted to break the power of the directors of sick money boxes who abused their positions in relation to the insured and the doctors themselves.

DHAN: This foundation was based on the ambition to help people organize themselves and help themselves. The goal is to consequently arrive at greater economic self-reliance by lending funds to members and to share risks, such as healthcare costs, among members.

Courtyard houses: These houses were started from bequests by people who, by doing so, wanted to provide a home for people where they could grow old with the guarantee of living space, a monthly provision and the company of familiar people.

Liebenau Stiftung: The foundation was started on the basis of brotherly love, with the goal of creating preconditions for a dignified life for young and old. The foundation wants to help people help themselves, but also by having people help each other. Many related, very successful projects have arisen as a result thereof.

Discovery: The philosophy is that not only a health insurance business is necessary, but also a vitality company to motivate people using positive stimuli and to reward them to stay healthy, so that they require less care.

Healthways: The goal is to make people demonstrably healthier, so that they require less care and will live longer. That can also be offered as a promise to parties that have an interest therein, such as employers, insurers and authorities.

Kaiser Permanente: This started from the insight that it is costly to organize care for everyone and that prevention and health programs result in lower healthcare costs. Kaiser Permanente prompts people to lead a healthy and safe life. In that regard, it looks at more than just the individual, taking his/her environment into consideration as well. It offers care in an integrated healthcare system, employing general practitioners and owning hospitals to ensure that the care is organized as efficiently as possible.

PatientsLikeMe: This platform was started on the idea that it is possible to give people with a serious illness a better quality of life by arranging to exchange experiences with others in similar circumstances. In the process, PatientsLikeMe wants to bring about change in the way in which patients deal with their illnesses.

UCLA: The Value Quotient program was established on the philosophy that healthcare can be organized around the common motive of patients, health practitioners and researchers to create value for the patient by increasing self-reliance, quality of life and productivity.

ParkinsonNet: This was established on the conviction that patients being treated by various healthcare practitioners would benefit from coordinated support in their self-management and treatments. Healthcare is already complicated enough. This network provides tools that help to provide insight into qualitatively good healthcare that can be found nearby or elsewhere.

Laastari: This started from the best practices of MinuteClinic, the retail clinic in the USA. The founders saw the success in America, recognized the necessity thereof in their own country due to the waiting list at general practitioners and decided to start a retail clinic on Scandinavian soil to make basic healthcare more accessible.

Patrick Lund: This dentist drastically changed his practice to contribute to the happiness of people: the happiness of patients as well as that of his employees and himself. It was a unique and inspiring step. The number of suicides among dentists is 100 times higher than the average. And happiness also does not initially come to the minds of patients when they think of dentists.

Ryhov: A unique self-serve concept for kidney dialysis patients has arisen to give people control over their lives again, thanks to the open mind of a nurse, an involved patient thinking along and a philosophy of "always the best care for you."

BerylHealth: The founder Paul Spiegelman was driven by the motivation to make patients truly happy by providing excellent service, connecting people to healthcare and at the same time building a business where employees would really like to work.

M-PESA: This initiative was established simply by listening to and observing the customer. In this case, it resulted from the insight that in Kenya paid airtime was often being transferred via mobile as an alternative to banking. M-Pesa decided to make payment via mobile phone possible.

Jaipur Foot: The ambition here was to have people in India and other developing countries take full part in society once again by providing them at unprecedented high volumes and low prices with a prosthesis by which they can resume a normal place in society.

Narayana Hrudayalaya Cardiac Hospital: The heart hospital was founded to save the lives of many more children and later adults with heart conditions who could not be helped due to the lack of healthcare in India.

ThedaCare: This hospital focused on continuous improvement with the patient at the center of attention. Learning and improving are part of the organization and for everyone, thus making it possible to make good healthcare as *lean & mean* as possible.

Princess Margaret Cancer Centre (PMCC): The higher goal behind PMCC is unmistakable: together we will conquer cancer. This higher goal forges in a special

way a state-of-the-art knowledge-driven process on the one hand and the personal approach on the other.

Mayo Clinic: The ambition here is to bring the best specialists from various disciplines together to make the optimum diagnosis and then do everything to give patients the best conceivable treatment possible.

10.2 Phase 2: Persevere Consistently in the Conversion of the Vision into the Business Model

Whereas an inspiring vision and a matching brand positioning are very important, we are still only talking about words and ideas. This does not mean that the actual work is done yet. It is only when they are converted into and implemented in a business model that something actually starts to happen. This means that a sound entity is made up of the customer group to be selected and the corresponding needs (market segments), the value to be offered (customer value), how the product or service arrives at the customer and how the customer contact is carried out (delivery), and the organizational processes are set up to make everything possible (operation). This requires entrepreneurship, creativity and perseverance, as it does not simply happen from 1 day to the next. It is a growth track of continuous listening, learning, experimenting and polishing.

Characteristic of the organizations described in this book is the fact that they consistently and unscrupulously convert their vision into their business models. Compromises are not tolerated. Issues keep on being reviewed as long as is required to find a way to get the job done. If ideas or proposals are in conflict with the vision and market positioning, it seems as if the truly brilliant businesses are opting to show more backbone and to stay true to the principles. In doing so, they find extremely creative ways to do justice to their vision *and* to create value for all parties concerned at the same time. Questions that arise in the process include:

- What are our biggest cost drivers? How can we reduce costs by 60 % in a way that creates much more value for customers and employees?
- How can we convert the conflicting demands we set into paradoxes and turn our weaknesses into strengths?
- What do our customers want to do and what are they capable of doing themselves, so that we do not have to do that? How do we help customers take control?
- What are our truly scarce resources and factors? And how can we deploy them optimally?
- What services are we better off discontinuing altogether, because they do not provide any added value?

In that regard, you notice that brilliant organizations are stubborn in pursuing their vision and living their brand but at the same time more inclined than less

brilliant colleagues to reverse decisions that have been taken if these decisions turn out not so well based on experience and progressive insight. Even when it is difficult, "B" is not said simply because "A" has already been said. In this regard, where it concerns leadership, a dominant, charismatic leader deciding which action to take is not necessarily needed. If the vision and market positioning are broadly support and embedded, that will not only guide the decisions in the upper echelons of management, but also throughout the "capillaries" of the business. It is also clearly present in the smaller, day-to-day decisions and actions of employees where the business model must be consistently fulfilled. It is precisely in the daily practice that this results in the creation of practical examples and narratives that give the vision true substance and that people share with one another.

Tailored to this book, healthcare organizations reveal a number of striking substantive aspects that nearly all of them have implemented in their business model and that reinforce one another:

- *A healthy mix of solidarity and responsibility:* Brilliant organizations in healthcare have found a creative and intelligent mix of everyone's rights and responsibilities. Business models are realized where it is clear what everyone must do and why that is good for everyone. In this way the foundation of the A.Z.A. health insurance fund was in the interest of the doctors who were guaranteed regular income and work on the one hand and the insured who were guaranteed good healthcare for an affordable premium, whereby they could even choose from many doctors, on the other hand. In the business model of Kaiser Permanente, Discovery and Healthways, it is clear that it is in everyone's interest to keep people healthy as this demonstrably makes a difference in healthcare costs and increases productivity. The system works only on the basis of checks and balances; people are rewarded if they live up to their responsibilities, but also vice versa. The shared interests fit practically and intuitively with the common interest to keep healthcare accessible for everyone. Perhaps this is precisely the case because people have to live up to their own responsibilities!

- *A personal approach and self-management:* Connection on the personal level is always a significant part in the brilliant organizations described, irrespective of whether they are large or small. A lot of care is truly organized around people, but even if the process or the knowledge serves as the institutional principle, in the brilliant business models it continues to be all about people. Also, in large, specialized organizations such as the Princess Margaret Cancer Centre, and in massive operations such as NH Cardiac Hospital and Jaipur Foot the patient is at the center of attention. Human contact and the personal discussions with patients result in some situations even in complete innovations, as is seen at Ryhov. A large part of the care and prevention is also done by way of self-management. That is also in keeping with people living up to their own responsibilities. What can people, groups and patients do or still do themselves? To that end, stimuli and incentives are built into the system. You let people do the things they can also do themselves. That results in an upward spiral in which people are "activated," feel happier and become more pro-active, while their health is simultaneously

positively impacted and the costs are reduced. This is abundantly clear at Stiftung Liebenau, where residents help each other and only a single part-time employee is necessary to serve a community. We also see it at DHAN, where self-help groups form the heart of the organization. The movement is further directed from a small office with major shared values (instead of the other way around). This spiral also works downwards. If people need healthcare and are immediately treated as if they cannot do anything by themselves anymore, they will also behave accordingly. Then they are less capable of helping themselves and the whole process has a paralyzing or even negative effect. In that case, it will become comparable to the group holiday where people can no longer find the way themselves after a tour leader has been assigned. The principle of living up to your own responsibilities and self-management does not prevent mutual caring and sharing. In fact, it belongs to the process.

- *Learning capacity and big data:* The organizations in this book are focused on facts to improve themselves and help their customers to do the same. They constantly reflect on how they are garnering and imbedding information in their organizational processes to constantly realize improvement in their daily work. They have incorporated a learning capacity based on information, customer feedback and ideas into their business model. This often demands enormous investments in big data, advanced information systems and the implementation and maintenance of digital patient dossiers. The information is used in various ways and is truly the fuel in the machine. Data and feedback loops are used at three levels.

  1. It is used directly as a feedback loop on the first level for the relevant person in charge of a case or the patient who assumes personal responsibility for making choices in that specific treatment. This is ideally also the level at which the ownership is felt and information is enriched.
  2. It is clustered, and often made anonymous, into mirror information and a feedback loop on the second level. This helps to learn what does and does not work and when and thus provides input for better prevention, diagnosis, intervention and choices in general.
  3. It is ultimately used as a feedback loop on the third level to have evidence and information on the basis of which the relevant parties can review and assess what each individual's added value is and the joint result. In that regard, information makes it possible to clarify and tighten up the joint interests to make people healthy, be thrifty in allocating available healthcare resources and save healthcare costs.

  These different levels are present in diverse business models, such as those of A.Z.A., Discovery, PatientsLikeMe, Healthways, Value Quotient of UCLA, Kaiser Permanente and the Mayo Clinic. While words like big data are new, the fundamental way of working goes further back. This is not a trend. It appears to attentive readers that there is indeed a leitmotiv here.

How Our Brilliant Business Models Provided a Framework for Phase 2 For illustrative purposes, we can ponder a number of choices of the organizations in this

book to conduct to implement practises and behave in a way which is truly consistent with their business model:

Algemeen Ziekenfonds Amsterdam (A.Z.A.): When major losses were being incurred in the first year, it turned out that the doctors themselves were prepared to give up part of their salaries to make up for the shortfall, by which they immediately showed that they took the responsibility to do the right thing.

DHAN: The possibility of achieving self-reliance and being the desired change oneself is internalized and embedded in the way of working. This is done following the principles how relevant parties work together to maintain the water supply which was already being used during earlier centuries in India.

Courtyard houses: Each of these houses was designed with the front door facing the inner courtyard. As a result, the fulfillment of the desire to give people a safe and protected place for their old age was made immediately tangible and visible.

Liebenau Stiftung: Helping people to help themselves and each other has produced a very effective model, whereby the youth help the elderly in a residential community—and vice versa. As a result only one part-time employee is needed for a community of more than 100 residents to function.

Discovery: The company intelligently converts the ambition to insure people and to make them healthier by providing and marketing a sophisticated savings and reward system that prompts and tempts people to really start leading healthier lives.

Healthways: Employing a cash-on-the-barrelhead type of proposition, this organization links its own compensation to the promise and allows itself to be paid only if costs have really been saved and profit has been made for the employer, insurers and/or the authorities.

Kaiser Permanente: This company prompts people who want to lead a healthy life to do so for themselves and with people around them. In that regard, the relevant parties strive for prevention based on the conviction that this results in better health and lower costs. All this is supported by an integrated healthcare system that contributes to transparency and insight, leading to efficiency.

PatientsLikeMe: PatientsLikeMe succeeds in building a community of patients who share similar circumstances based on a revenue model with paying partners from the healthcare sector. These partners buy the data of PatientsLikeMe at an aggregated level, based on which they can improve their products and services, so that societal value is created as well. One customer group does the work for the other one!

UCLA: The Value Quotient program organizes online platforms supplemental to the normal physical interaction of patients, healthcare practitioners and researchers. These are deployed so that the relevant parties can really work together and learn for the purpose of arriving at the best treatment(s) to create value for patients.

ParkinsonNet: This network as a whole arrives at quality standardization and forms a "quality mark" in healthcare for Parkinson's disease. This creates one coordinat-

ing point for the customer and the healthcare practitioner to realize the best available healthcare for the disorder.

Laastari: This company helps patients go from a 2-month waiting period for a doctor's visit to being immediately helped in a retail clinic, at an accessible location and for a fixed price—and with the possibility to leave the clinic with a prescription and/or medication in no time.

Patrick Lund: Patrick Lund set out to really listen and discovered what made people unhappy during a visit to the dentist. He then flipped all these experiences involving accidents and fear into practises of happiness. All this has thrown the entire approach of the traditional dental practice overboard in a radical manner.

Ryhov: By letting patients do what they are able to do themselves and breaking through objectives such as perceived safety risks and loss of work, this hospital allows them to experience more self-control and improve the quality of their lives. At the same time, the costs consequently declined by one third and patients could be further assisted to learn to live with a chronic disorder, for instance by means of a personal health plan and a learning café.

BerylHealth: By focusing on a very specific target group (hospitals with more than 400 beds), Beryl was able to really listen to and deliver what that target group needed. Beryl became an unique organization not only by reducing costs for hospitals as an efficient call center, but by also expanding services that help the hospitals generate more turnover and making patients fans of the hospital concerned.

M-PESA: This telecom operator now facilitates mobile money transactions for everyone, in a country where a bank account is only for the happy few. This has resulted in the more secure and more efficient use and transfer of money and makes certain services, such as dedicated healthcare wallets, accessible as well.

Jaipur Foot: This organization provides an artificial foot for less than 1 % (!) of the cost of a similar prosthesis in the West. At the same time, it meets more extreme demands on daily use in India and is able to offer a prosthesis that can be measured in one continuous appointment, so that customers do not have to travel twice.

Narayana Hrudayalaya Cardiac Hospital: This heart hospital has to deal with more demand than it can take on. It grows rapidly to help more people and has never opted to increase the return and make the work lighter by helping fewer but wealthier people and let them pay more.

ThedaCare: This hospital stands for continuous learning and improving, keeping the patient at the center of attention. It is all about delivering patient-focused care and improving a little bit every day. Improvement dialogues, insight and transparency in quality play the leading role here.

Princess Margaret Cancer Centre (PMCC): By making a clear choice to become a top institute for treating cancer, PMCC has laid the basis for their unique business model. On the one hand, this guarantees the customization for people, the focus on

hospitality and the patient-focused care processes. On the other, the focus on top research is indispensable. The combination of these factors makes PMCC unique.

Mayo Clinic: The Mayo Clinic is fulfilling its ambition to realize the best conceivable diagnosis and treatment in the world and become the hospital regarded around the world as the best place for a complicated diagnosis and treatment.

10.3   Phase 3: Use Pioneering Value Creation for All Stakeholders to Realize the Business Model

"*Charity is not scalable*." These words of Dr. Shetty—the visionary leader behind the pioneering Narayana Hrudalayala Cardiac Hospital—came as a bombshell to us. It summarized and concluded some long-lasting discussions we faced in healthcare. At first, you think: "What in the world?" But if you consider Dr. Shetty's comment carefully, there is much more than a kernel of truth to it. You can do good things for society, but if they are not backed up by a revenue model, it is extremely difficult (if not impossible) to let it grow and to have even more people benefit from it. After all, at that point you are reliant upon the benevolence of others willing to do something without being paid or getting value in return. In other words, the creation of societal value in and of itself does not make you a brilliant. The key is to create societal value in a way that is not dependent upon charity or subsidies. A self-supporting and –reinforcing business model produces something for all stakeholders—and all this in such a way that all parties concerned are content with what the organization does for them, so that in return they also continue to do their best to make their own contribution.

Brilliant organizations identify what the joint interests of the various stakeholders are. In that regard, they certainly take financial results into consideration, but in particular also customer value, employee value and societal value. These insights are often already incorporated within the way the business model works. The resulting "value creation for all" is at the heart of Phase 3. When organizations, driven by a vision and a matching brand positioning, implement this throughout their business model, this will get results. Most "average" companies focus on optimizing a single goal such as shareholder value and are willing to do that at the expense of the other parties involved. Those with brilliant business models bear the value they are creating for all stakeholders in mind when taking really important decisions. In healthcare they look upon the impact they have on the triple aim as a whole. The realization of the vision must create balanced value for all parties concerned. In practice that does not always happen simultaneously from the start. An example of this is innovation. This often gets off the ground or going when two or more stakeholders profit from such an effort. But brilliant organizations continue to develop it into a model where balanced value is eventually realized for everyone. A good example of this is Ryhov, where an individual patient and an employee arrived at a pioneering idea for self-dialysis. Over time this was developed into a model where pioneering financial and societal value have also been created. If you

fail to create value for all parties concerned, your business model will not be sustainable on the long term because there are players who wait for the moment they can step out of the equation.

Balanced value creation is an important element in the thoughts of leaders in organizations with brilliant business models. Leaders in organizations that create value for all stakeholders have a creative win-win mindset instead of a trade-off mentality. The latter requires thinking in a straightforward way in terms of "either–or". For instance, when turnover declines, costs have to be reined in and staff members therefore have to be laid off. You can also use the current free capacity in resources to innovate at the edges of the business model by investing with the people, machines, and space that are already paid for. A win-win mindset thinks creatively and can transform dilemmas and paradoxes in solutions which alter the perceived reality. Scarcity is a source of problems but this makes it also a source of new energy and creative innovation and destruction. It demands creativity to grapple with an urgent business problem and simultaneously create value for all stakeholders, but it is certainly not impossible and it is fun as well. That is at least what the examples in this book clearly reveal.

How Our Brilliant Business Models Provided a Framework for Phase 3 For instance, we can look at whether, aside from the regular value parameters, this book also contains examples of unique and surprising value exchange for and by stakeholders in the brilliant cases:

Algemeen Ziekenfonds Amsterdam (A.Z.A.): A.Z.A. created a new reality where doctors more than ever before could rely on the fact that they would receive a reasonable salary and regular work, while the insured could count on the healthcare they needed at a reasonable price.

DHAN: Thanks to the self-reliance of groups within the DHAN Foundation, people improve their own economic position. At the same time, they themselves are also the most important, unpaid employees—the heart and motor of DHAN. They are DHAN.

Courtyard houses: The deposit of a personal contribution in the form of an annuity when people took up residence in these houses ensured that they were also guaranteed of having a home and food when they became very old; yet at the same time, it improved the resources of the almshouse and paid for others when people unexpectedly died young.

Stiftung Liebenau: The strength of the foundation lies in bringing diverse parties together. For instance, the foundation works closely together with municipalities, healthcare practitioners and parties in the real estate market in a way that is valuable to everyone concerned. During our visit to one of the projects, the local burgomaster consequently wanted to join in to express his appreciation for everything that Liebenau had meant for the town.

Discovery: If people start working on their health, this leads to lower healthcare costs and people will simultaneously benefit from it themselves: they become healthier, more attractive and even earn some extra privileges, such as a visit to the cinema or an airfare reduction.

Healthways: If the parties concerned succeed in making people healthier, the resulting benefits impact everyone. The patients themselves become better, literally, the insurer has fewer healthcare costs, the employer has more productive employees and the collective resources of society are relied on less. Healthways succeeds also in specifying this generally accepted shared interest on an abstract level and in implementing it in the revenue model based on the evidence in practice.

Kaiser Permanente: Kaiser offers prevention and safety measures for both individuals and their surroundings. By doing so, healthcare costs are reduced and the health of the customers is increased. Employees, including doctors and nurses, are proud to work for these renowned hospitals.

PatientsLikeMe: Patients feel that they are no longer on their own and are also more compliant in respect of their therapy as they are part of a community with experienced people in similar circumstances. At the same time, they get this for free by paying in kind with the valuable health data only they can provide and the medical world is enriched by the new experiential knowledge of the patients.

UCLA: Learning together about the disorder and improving the treatment thereof is good for everyone involved in the Value Quotient program. Patients get a better handle on their disorder, improve the quality of their lives and are more productive. Healthcare practitioners need to do less administration (as patients do more themselves) and receive greater appreciation based on the health profit derived. Researchers have unique study materials and UCLA is strengthening its position in relation to all previously mentioned parties and sponsors.

ParkinsonNet: Customers can find their specific quality care more easily. Healthcare practitioners improve cooperation and form a network that contributes to efficiency and insight. As a whole this results in savings on healthcare costs, support for patients in self-management and the ability of healthcare practitioners to connect and complement each other better while increasing the number of Parkinson patients as member of the network.

Laastari: The organization assists people with straightforward symptoms and disorders in getting direct consultation for a fixed and low fee. Patients are assisted with compassion by a nurse with years of experience; if necessary, consultations with doctors take place remotely, so that more people can be helped. At the societal level, this has various effects, including the fact that people with latent conditions are not kept waiting too long, because healthcare is made more accessible.

Patrick Lund: Customers do pay a bit more to Lund than at other dental practices. More extreme: they are prepared to travel 800 km to get there. Lund has set the standard as regards happy dental service and is consequently a source of inspiration for many other organizations within healthcare and beyond.

Ryhov: By basing the business model on self-management, healthcare costs have declined by 33 %, the demand on the time of persons treating patients is less, the level of patients' control, ability to plan and the overall happiness in life has increased, and the number of complications has dropped.

BerylHealth: It is a massive achievement for a call center to be crowned a "Great Place to Work" winner. The combination of the vision and their business model was the basis for this. In addition, for the hospitals that are customers (98 % of whom are, incidentally, loyal) and the patients that call there, the services provided by Beryl are priceless.

M-PESA: This organization has made financial transactions and healthcare applications available to everyone via mobile services, resulting in a customer database that is growing exponentially, increased turnover for its agents, and more efficient and safer use of money. And last but not least: increased loyalty to the telecom provider by a service you do not want to miss.

Jaipur Foot: More than one million people have been helped so far. Individuals who can walk again are more productive for themselves, their neighbor and society. Consequently, sponsors receive an unprecedented *do good* return on their investment of a mere USD 50 (EUR 40).

Narayana Hrudayalaya Cardiac Hospital: The heart hospital saves many lives on a daily basis. It performs surgery on people who otherwise could not have afforded an operation. This is valuable for society, but also for employees: in addition to earning a reasonable salary and gaining a lot of experience, they perform truly meaningful work that they can be proud of.

Thedacare: More improvements and less waste means higher satisfaction levels amongst patients and employees and lowers costs—and, of course, a higher level of quality care for everyone.

Princess Margaret Cancer Centre (PMCC): The organization is *the* cancer institute in the world when it comes down to both science and patients. Despite the scale of the hospital, patients boast about the personal hospitality and the customization for people. It is also a "Great Place to Work" winner.

Mayo Clinic: The strong reputation of the Mayo Clinic acts as a magnet, enabling growth. It attracts all stakeholders: new patients that are also prepared to pay for the best treatment, the best specialists that go for the best results and desire to learn (instead of earn) a lot, and donors who gift money to strengthen the Clinic.

10.4   Phase 4: Retain the Core and Stimulate Progress in the Business Model

And then we have a vision that is consistently embedded in a business model that has developed into a platform for interaction where the parties concerned exchange value in a fundamentally new manner! The mountain peak has been reached and brilliance has become reality. This produces the type of examples that we can learn from now and in the future no matter what happens. But what should your organization do once it has reached the top? The challenge is to define and conquer new peaks based on your organization's roots and vision. But that is not necessarily easy; even more, it is a treacherous endeavor. The success that has been achieved

results in a new dynamic where pride, obstinacy, inertia, haughtiness, laziness and such vices can take root. It is the phase in which precisely the giants who are revered by everyone can also fall.[2] In essence and logically, there are two dangers that must be avoided by brilliant organizations:

- *Too much conservation.* There is a tendency to start believing entirely or too much in your own success and becoming the captive of that belief by becoming stagnant, resting on your laurels, discontinuing the improvement processes and leaving everything the way it is. After all, success has been achieved by the way in which we approached the matter; hence, we should not change a thing, or so goes the thinking. Given the achievements that have successfully been made in the past and the position reached, this way of thinking can certainly last quite a while. The parties concerned will carry on for years, producing value for the company, also if they themselves derive a bit less from it. This conservation can arise due to laziness or from an attitude of "*we're untouchable*" but also by listening carefully to existing customers and missing potential new markets and technologies that appear inferior at the start.[3] It is also the risk of organizations that have conquered much and especially now are driven by the fear of losing what they have. That is one of the most important reasons for market leaders that have achieved their position by changing the rules of the game to ultimately lose it when a competitor does the same thing.

- *Too much progression.* The other tendency is to start believing in your own success and becoming the captive of that belief but in an entirely different way. In that regard, haughtiness and too much self-confidence form the basis for looking endlessly for even higher goals and ambitions, which only ends when the company starts to falter. There are a great many well-known examples of this outside healthcare. It falls rather into the category of the decline and fall experienced by both Enron and Lehman Brothers. The problem here is that the organization loses sight of its own roots and the human dimension. It starts to make growth promises about revenues, market share and profit that are excessive and thereby orchestrate its own failure in the future. Once these promises are out in the open the company is considered a failure when targets are not realized. In connection with this, decisions come to mind that appear commercially interesting in the short term, but ultimately do not quite match the vision or the brand positioning. It smells like Harley Davidson venturing into aftershave. A small but clear example of this sort of smell was when Starbucks suddenly started selling hot cheese rolls, because that was commercially interesting. The wonderful aroma of coffee (the core of Starbucks) was masked by the penetrating odour of grilled cheese. And so it went from bad to worse. Thankfully, Starbucks retraced its footsteps and is now fully back on track.[4]

The challenge in Phase 4 is to find the right balance between retaining the core and renewing for the future in the continued development of the vision, the business

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[2] Collins (1999).

[3] Christensen (1997).

[4] Schultz and Gordon (2011).

model and value creation. It concerns discovering the renewed business model based on the inspiration of the roots of yesterday and the technology and challenges of tomorrow. This places a tremendous demand on intellectual capacity and creativity as well as on the ability to persist and to connect. In that regard, it relies on the integrity and ethics of leadership. The opportunity and challenge is now to exploit the acquired position and to use that responsibility to make the business model even more brilliant in an honest and bold way.

How Our Brilliant Business Models Provided a Framework for Phase 4 By way of illustration, we will look at whether the companies from the cases are being or could be confronted with new challenges as successful brilliant business models and how they are dealing or could deal with them.

Algemeen Ziekenfonds Amsterdam (A.Z.A.): At the end of the 19th century, A.Z.A. saw new competitors that stated that A.Z.A. was not doing enough for the lower middle class workers they were serving, whereas that was in fact the initial raison d'être for its creation. Ultimately A.Z.A. remained the leading health insurance fund of Amsterdam and now is the biggest European health insurer via Zilveren Kruis with Achmea in the twenty-first century.

DHAN: This foundation has found a unique way to provide for continuous innovation due to the fact that new groups are set up when the old ones become too large. The pitfall is, however, that it could become difficult to transition to a more modern, professional organization if that were desirable.

Courtyard houses: Most of these houses still have residents, but after a couple of successful centuries most are no longer operating in their original form. The primary reason appears to be that the living demands of seniors have increased over time, but also that they do not comply with pretty bureaucratic legislation on own apartments versus shared houses in the twenty-first century in The Netherlands.

Stiftung Liebenau: Liebenau is still growing thanks to the scalability and replicability of the initiatives. This has made it possible for them to fan out quickly throughout Germany and the surrounding countries. But the growth is also due to new projects, by which the foundation repeatedly reinvents itself, while at the same time honoring its vision.

Discovery: Discovery Health and Discovery Vitality are very successful in South Africa and the formula of insurance policies *plus* prevention has turned out to be effective in other areas as well, such as non-life and life insurance. At the same time, some 80 % of all South Africans are not privately insured and international expansion is not taking place as quickly as within the country's borders. In other words, there are still large parts of the market to be tapped into and conquered.

Healthways: After a successful period of growth, Healthways has stabilized the last few years and is now faced with the challenge of reinventing itself and going global. The formula of being paid based on a demonstrable health benefits and fulfilling the role of a front runner in that regard is and continues to be an on-going challenge. Additionally new competitors such as technology providers are entering the (e) health market with large budgets and consumer technology and low prices.

Kaiser Permanente: In regions where Kaiser Permanente has not traditionally been established via its own hospitals, as along the east coast of the USA, a new formula had to be found to start with managed care. Kaiser Permanente appears to have solved that puzzle by working intensively with dedicated general practitioners and is currently also succeeding in areas where it does not own any hospitals.

PatientsLikeMe: PatientsLikeMe can be characterized as the LinkedIn of the medical world. This model is replicable and could—for instance on another continent—be set up by a new arrival on the market. Consequently, it is essential to continually connect patient groups and partners from the medical world to PatientsLikeMe, so that they do not leave when a competitor arrives, and at the same time to keep the patient first and not to sell out.

UCLA: The Value Quotient program has actually only just begun. The results of Phases 2 and 3 are promising, but additional hard evidence is just being produced. Following that its service is currently expanded to include other disorders and care institutions.

ParkinsonNet: Based on the vision of and conversion into the business model, ParkinsonNet is creating balanced value for the parties concerned. The next step to be taken is to be structurally rewarded for the health outcome of patients. The new ambition is to grow internationally. A big promising step is now being taken via a partnership with the established brilliant business model of Kaiser Permanente.

Laastari: For this relatively young organization, the first successes have already been achieved, but it continues to struggle to set up a commercial healthcare practitioner within a public system. In order to continue growing and to create value in the same way as MinuteClinic they will have to expand step by step, tenaciously holding onto their vision.

Patrick Lund: The fact that the prices at Patrick Lund are markedly higher than at other dentists' can be explained: the level of service is also significantly higher. In the context of solidarity and accessibility, however, questions can be raised about this approach. The next nut that Lund may have to crack is: how can we make a happy dental experience accessible for everyone?

Ryhov: The challenge for Ryhov could be described as: how can we expand the legacy of ideas and the practice of self-service kidney dialysis further within the regionally organized Swedish healthcare sector and in the rest of the world?

BerylHealth: Beryl has already reinvented itself, for instance, as the Beryl Institute that performs research into how to give patients optimum service. In the meantime, that institute has already become a business unit that generates its own turnover. Time will tell whether Beryl will also remain brilliant and unique after its acquisition by Stericycle.

M-PESA: The fourth phase has been used by M-PESA to not just play a role in making financial transactions possible, but more precisely to utilize its existing knowledge and network to quickly and efficiently share information on healthcare and to increase and insure accessibility to it.

Jaipur Foot: There is still more capacity and need for Jaipur "feet". It is limited by the number of people that want to contribute to this charity. What would happen if everyone who becomes productive after a treathment and starts earning money again is encouraged to give 2 prothesis as present to following patients?

Narayana Hrudayalaya Cardiac Hospital: The heart hospital is just barely originated in comparison with hospitals in the West. The challenge is to build up a business that is not dependent upon its founder. In that regard, the challenge remains to ensure that scale continues to reduce costs and simultaneously increases the quality while retaining the culture. Logically, this becomes more difficult with several large hospitals in various countries and on different continents.

ThedaCare: If you are truly involved in continuous learning as an organization, you will not quickly arrive in the fourth phase. ThedaCare has now started to share the learning beyond the walls of its own organization, for instance by way of knowledge exchange via national and international networks to jointly achieve a higher level of quality.

Princess Margaret Cancer Centre (PMCC): Although the Princess Margaret Cancer Center operates only from one site, it has succeeded in finding a solution for the problem of remoteness via TeleHealth and partnerships with other hospitals and physicians. This has taken place in a manner that does not detract from quality and simultaneously makes it easier and more accessible for the patient. It is a clever example of "stimulating progress" and "retaining the core".

Mayo Clinic: Given the success that has been achieved, the Mayo Clinic has every reason to become smug. For the time being, it does not appear to be entering Phase 4 and continues to act as a magnet, attracting new patients, specialists and sponsors who in turn effect innovation. The ambition to deliver the best conceivable healthcare to patients apparently keeps stakeholders young at heart as well, and continues to inspire them!

In Which Phase Are We? And in Which One Are You? In this last section we discussed which lessons can be drawn from the brilliant business models that make an appearance in this book. We described which four phases occur in realizing a brilliant business model. This book is finished, but our quest for inspiring business models is far from over. Together with others—and perhaps with you—we will continue to discover and learn from brilliant business models. More books with brilliant business models will follow. In this way we can be inspired by organizations that follow their vision, do something completely different than others have done before, turn the world upside down and make an impact for all parties concerned—businesses that we can learn from for our own organizations. This is necessary, for we are living in a time when many brilliant business models are needed.