Brief Recap: January Workshop

Overview

- Joined by 21 members of the OpenLMIS community on January 29, 2019 on the phone and in Washington, DC – thank you!
- Presented Phase 1 findings: culmination of desk research, stakeholder interviews, stakeholder mapping, and market sounding
- Established 7 core attributes that are most important for future state
- Reviewed and evaluated 8 theoretical constructs for OpenLMIS sustainability

Materials

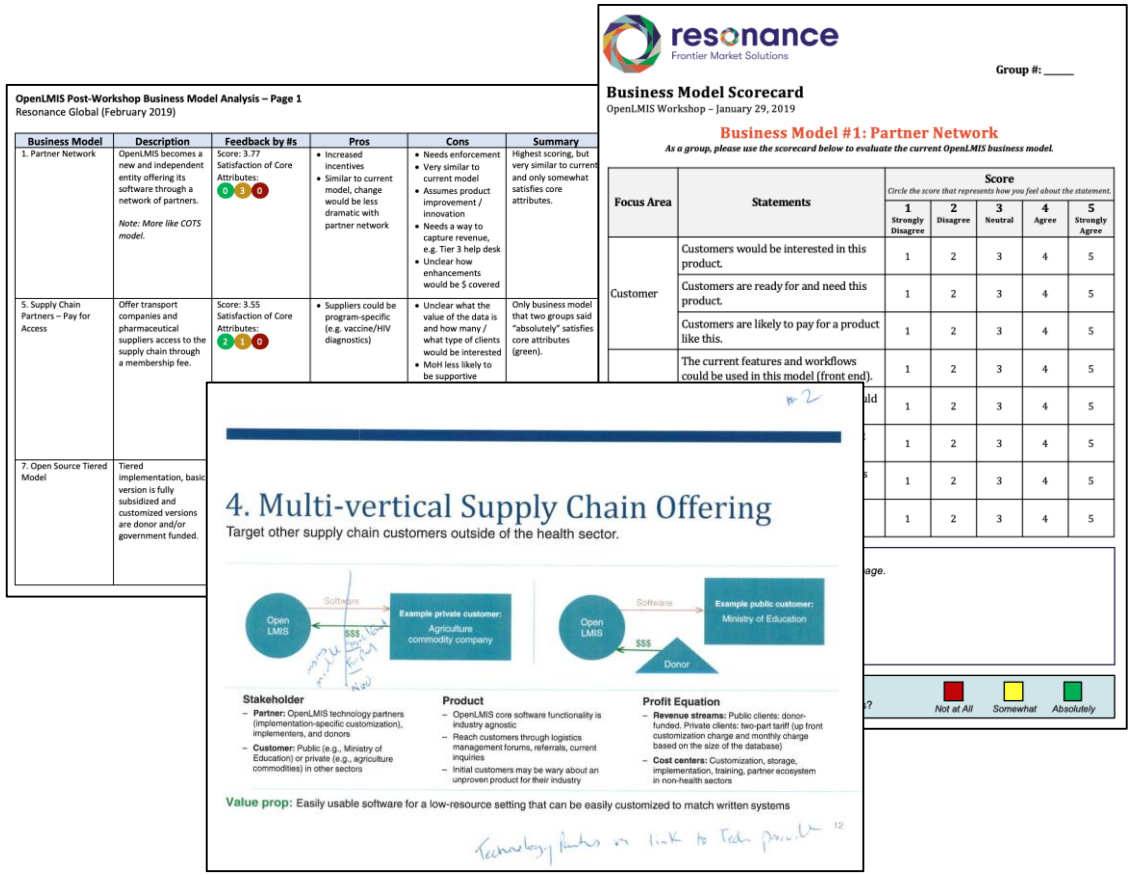
The following materials were posted on the Wiki page here:

- Presentation
- Notes
- Recorded sessions
- Photos
- Pre-meeting materials

Business Model Selection

An analysis of:

- Workshop scores
- Individual scorecard feedback
- Satisfaction of core attributes
- Small and large group discussions
- Pros/cons and feasibility based on interviews and desk research
- Conclusions based on market sounding observations and interviews



OpenLMIS Post-Workshop Business Model Analysis – Page 1
Resonance Global (February 2019)

Business Model	Description	Feedback by #s	Pros	Cons	Summary
1. Partner Network	OpenLMIS becomes a new and independent entity offering its software through a network of partners. *Note: More like COTS model.*	Score: 3.77 Satisfaction of Core Attributes: 0 3 0	• Increased incentives • Similar to current model, change would be less dramatic with partner network	• Needs enforcement • Very similar to current model • Assumes product improvement / innovation • Needs a way to capture revenue, e.g. Tier 3 help desk • Unclear how enhancements would be $ covered	Highest scoring, but very similar to current and only somewhat satisfies core attributes.
5. Supply Chain Partners – Pay for Access	Offer transport companies and pharmaceutical suppliers access to the supply chain through a membership fee.	Score: 3.55 Satisfaction of Core Attributes: 2 1 0	• Suppliers could be program-specific (e.g. vaccine/HIV diagnostics)	• Unclear what the value of the data is and how many / what type of clients would be interested • MoH less likely to be supportive	Only business model that two groups said "absolutely" satisfies core attributes (green).
7. Open Source Tiered Model	Tiered implementation, basic version is fully subsidized and customized versions are donor and/or government funded.				

resonance
Frontier Market Solutions

Group #: ____

Business Model Scorecard
OpenLMIS Workshop – January 29, 2019

Business Model #1: Partner Network
As a group, please use the scorecard below to evaluate the current OpenLMIS business model.

Focus Area	Statements	Score (Circle the score that represents how you feel about the statement.) 1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
Customer	Customers would be interested in this product.	1	2	3	4	5
	Customers are ready for and need this product.	1	2	3	4	5
	Customers are likely to pay for a product like this.	1	2	3	4	5
	The current features and workflows could be used in this model (front end).	1	2	3	4	5
		1	2	3	4	5
		1	2	3	4	5
		1	2	3	4	5
		1	2	3	4	5

Not at All | Somewhat | Absolutely

#2

4. Multi-vertical Supply Chain Offering
Target other supply chain customers outside of the health sector.

Open LMIS — Software — $$$ — Example private customer: Agriculture commodity company

Open LMIS — Software — $$$ — Donor — Example public customer: Ministry of Education

Stakeholder
- **Partner:** OpenLMIS technology partners (implementation-specific customization), implementers, and donors
- **Customer:** Public (e.g., Ministry of Education) or private (e.g., agriculture commodities) in other sectors

Product
- OpenLMIS core software functionality is industry agnostic
- Reach customers through logistics management forums, referrals, current inquiries
- Initial customers may be wary about an unproven product for their industry

Profit Equation
- **Revenue streams:** Public clients: donor-funded. Private clients: two-part tariff (up front customization charge and monthly charge based on the size of the database)
- **Cost centers:** Customization, storage, implementation, training, partner ecosystem in non-health sectors

Value prop: Easily usable software for a low-resource setting that can be easily customized to match written systems

Business Model Selection

Our process:

- Removed several theoretical constructs reviewed during the workshop
- Determined elements (from the constructs) that are required for sustainability in a future state
- Took these elements and decided to look at future state through a customer-centric lens of two options

Ranking & Score		Name of Business Model	Desired Impact
1	3.77	1. Partner Network	0 green, **3 yellow**, 0 red
2	3.55	5. Supply Chain Partners – Pay for Access	**2 green, 1 yellow**, 0 red
3	3.52	7. Open Source Tiered Model	**1 green, 2 yellow**, 0 red
~~4~~	~~3.25~~	~~3. Bundled Software Offering~~	~~0 green, **2.5 yellow, 0.5 red**~~
5	3.22	4. Multi-vertical Supply Chain Offering	**1.5 green, 0.5 yellow**, 0 red
~~6~~	~~3.17~~	~~6. Collective Impact for Health Data~~	~~**1 green, 2 yellow, 1 red**~~
~~7~~	~~2.56~~	~~8. Licensed Software~~	~~0 green, 0 yellow, **3 red**~~
~~8~~	~~1.90~~	~~2. Training / Implementation as a Service~~	~~0 green, **1 yellow, 1 red**~~

Taking a Customer-Centric View

Description

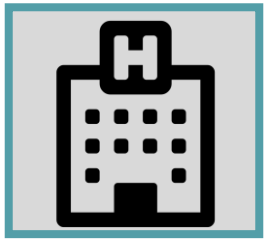
Option A:
Privatized / Expanded Health Offering

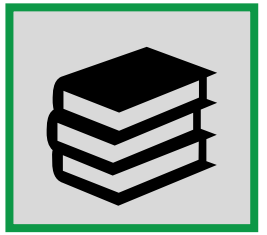
Explore go-to-market strategies in other health-related areas beyond public health

Option B:
OpenLMIS Goes Beyond Health

Expand OpenLMIS to customers who are outside of the health sector

Target Market


Key Decision Point (business modeling process)

- Pricing structure
- Core funds revenue strategy
- Go-to-market strategy
- Governance structure
- Partner roles

OpenLMIS Current State

Overview

OpenLMIS is a powerful, open source, cloud-based electronic logistics management information system (LMIS) purpose-built to manage health commodity supply chains.

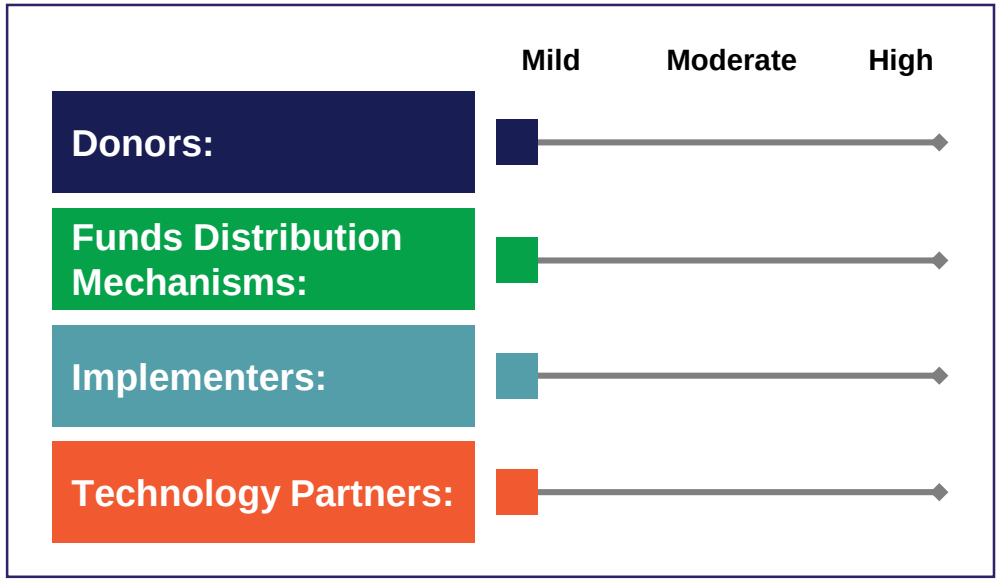
Key Questions

- Is the current state sustainable?

Delta from OpenLMIS Current State

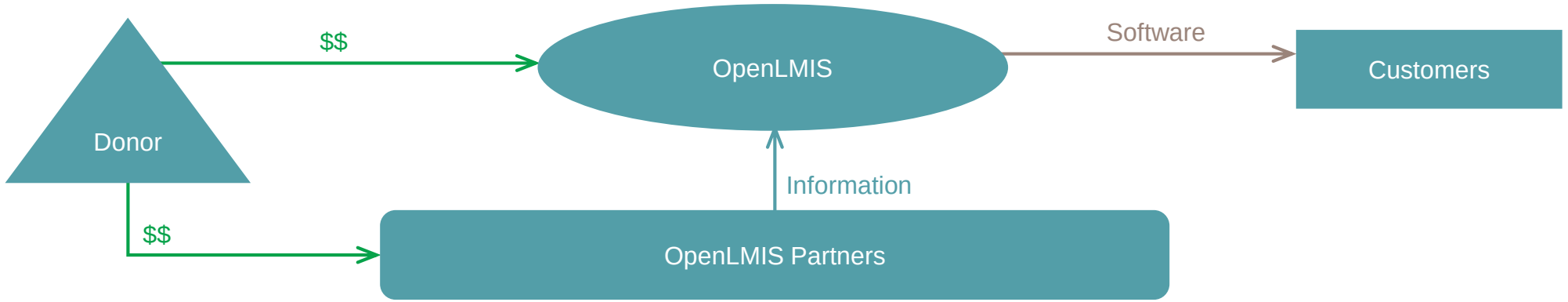
N/A

Anticipated Shift in Partner Roles



OpenLMIS Current State

Open source, cloud-based electronic logistics management information system (LMIS).



Stakeholder

- **Partner:** *C*urrent OpenLMIS community
- **Customer:** MoH in low- and medium-income countries

Product

- Open source logistics management software that can be customized based on a country's needs
- Reach current customers through current implementations, word of mouth, logistics and supply chain forums

Profit equation

- **Revenue streams:** Donor-funded implementations
- **Cost centers:** *C*ustomization, hosting, maintenance, new implementations

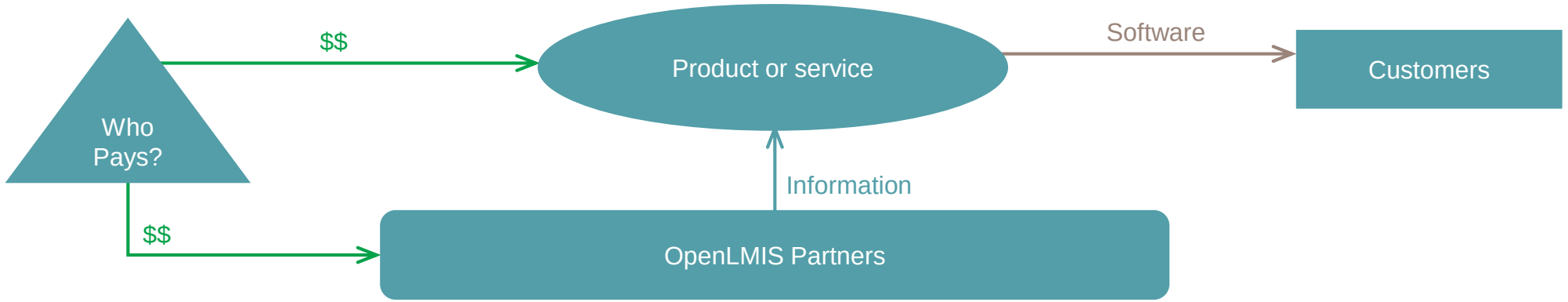
Value prop: A one-of-a-kind logistic management software to help low- and middle-income countries manage public medicine

Introduction

	Name of Business Model	Brief Description	Delta from OpenLMIS Current State
1	**Partner Network**	OpenLMIS becomes a new and independent entity offering its software through a network of partners	Low
2	**Training / Implementation as a Service**	Provide training, capacity-building, and general implementation support for supply chain management	Low
3	**Bundled Software Offering**	Bundle OpenLMIS with similar open source solutions to provide customers with a suite of services offering	Medium
4	**Multi-vertical Supply Chain Offering**	Target other supply chain customers outside of the health sector	Medium
5	**Supply Chain Partners – Pay for Access**	Offer transport companies and pharmaceutical suppliers access to the supply chain through a membership fee	Medium
6	**Collective Impact for Health Data**	Leverage OpenLMIS data alongside data from other partners to boost collective impact	Medium/High
7	**Open Source Tiered Model**	Tiered implementation, basic version is fully subsidized and customized versions are donor and/or government supported	Medium/High
8	**Licensed Software**	Paid license for use of future instances of OpenLMIS, with three tiers of pricing and support options	High

Business Plan Modeling Canvas - Key

Definitions for each section of the business model components.



Stakeholder

- **Partner:** Who are your main suppliers, partners, and alliances?
- **Client:** Who‘s your customer?

Product

- What is the product or service?
- How will the product or service reach the customer?

Profit Equation

- **Revenue streams:** How do you make money? For what are customers willing to pay?
- **Cost centers:** What is driving cost? What in the business model above is the most expensive?

Value prop: What products or services do you offer? What needs or problems do you help to solve?

1. Partner Network

Overview

OpenLMIS becomes an independent entity offering its existing solution through a network of partners to carry out implementation, support, and hosting. In the Partner Network model, it is anticipated some customers will pay. Further, OpenLMIS could be offered to non-Ministry of Health entities.

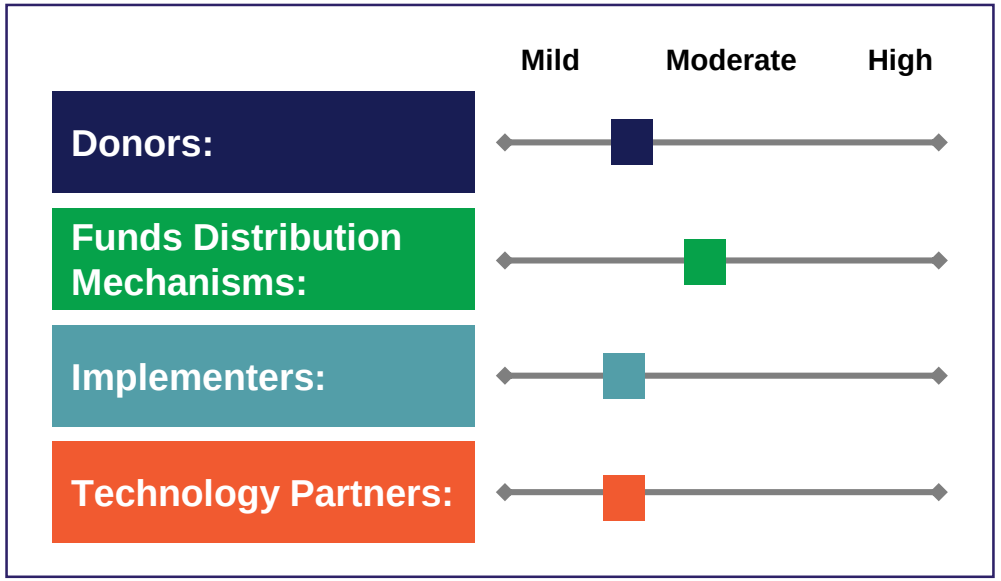
Key Questions

- What are the revenue drivers?
- Is this business model still donor funded?

Delta from OpenLMIS Current State

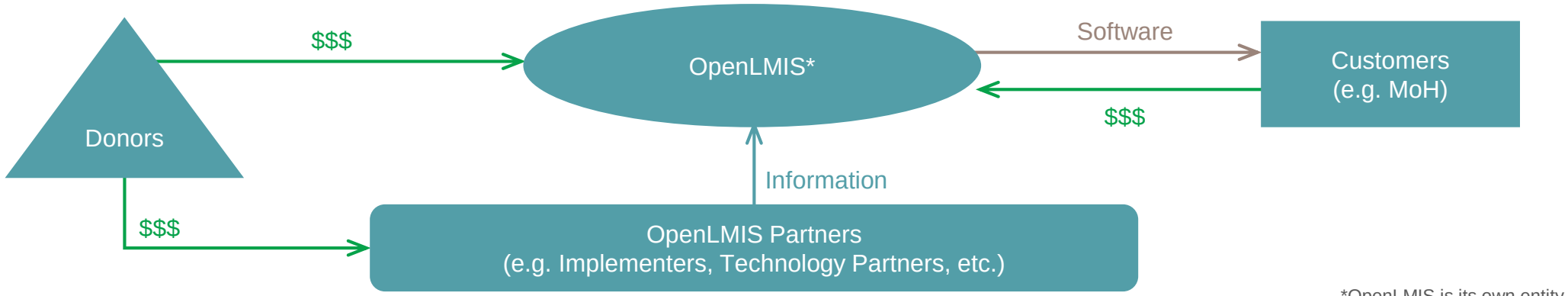
Low – essentially the current state but allows OpenLMIS to become its own entity (either a 501(c)(3), a social enterprise, or for-profit company).

Anticipated Shift in Partner Roles



1. Partner Network

OpenLMIS becomes a new and independent entity offering its software through a network of partners.



*OpenLMIS is its own entity

Stakeholder

- **Partner:** Current OpenLMIS community and new software solutions bundled with OpenLMIS
- **Customer:** Public sector agencies in low- and medium-income countries

Product

- OpenLMIS product maintains its current shape while becoming a stand-alone entity
- OpenLMIS to serve as a 501(c)(3), social enterprise, or for-profit company
- Relationships with the existing community and donors likely to remain in some capacity

Profit Equation

- **Revenue streams:** Donor funded implementations
- **Cost centers:** Customization, maintenance, legal and administration fees to maintain 501(c)(3) or for-profit business

Value prop: Provides a space for current state OpenLMIS to expand and grow while also exploring new revenue streams

2. Training/Implementation as a Service

Overview

Provide end-to-end implementation support of OpenLMIS including feasibility studies, management, data analysis and reporting trainings, and user support.

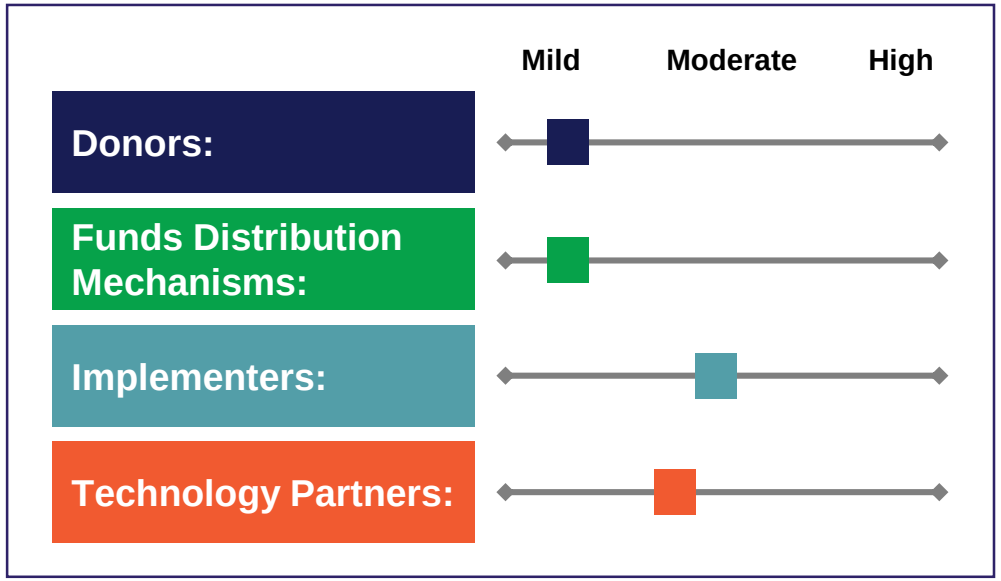
Key Questions

- Are implementers willing to outsource trainings?
- Is there a need for ongoing/repeated trainings given staff turnover and resourcing?

Delta from OpenLMIS Current State

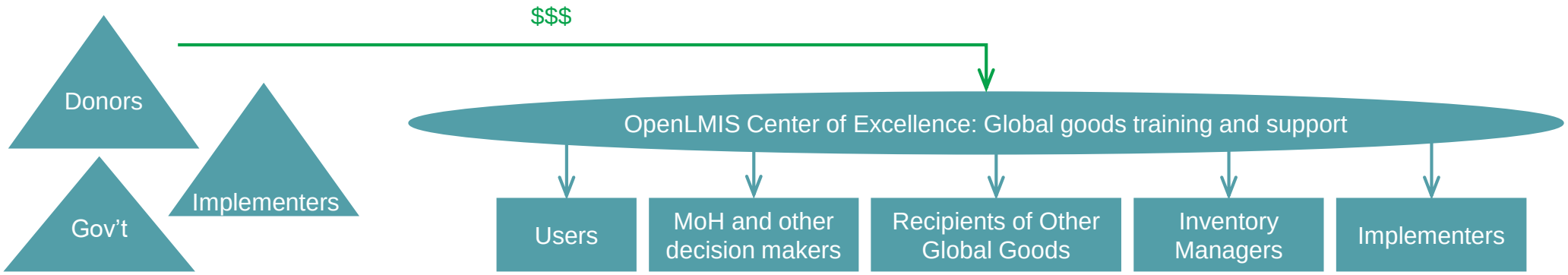
Low – this service is already offered through implementing partners; would need to develop a marketable curriculum.

Anticipated Shift in Partner Roles



2. Training/Implementation as a Service

Provide training, capacity-building, and general implementation support for supply chain management.



Stakeholder

- **Partner:** Current and/or new implementers and technology partners
- **Customer:** MoH and implementers, implementers of complementary products

Product

- Provide evaluation and market sounding, feasibility studies, capacity building, trainings, implementation support, best practices guide, reporting guidance
- Support would be heavier at the start of an implementation and then transition to periodic and/or as needed; could exist across complementary products

Profit Equation

- **Revenue streams:** Training and implementation services (and/or licensing) across global goods products
- **Cost centers:** Curriculum building, implementation experts, data management kits

Value prop: Improve decision making by training MoH managers, establishing data management protocols, and training users

3. Bundled Software Offering

Overview

OpenLMIS joins forces with similar donor-initiated information systems, allowing for a suite of services under a single umbrella. Note, this could include bundled offerings targeting industries outside of healthcare.

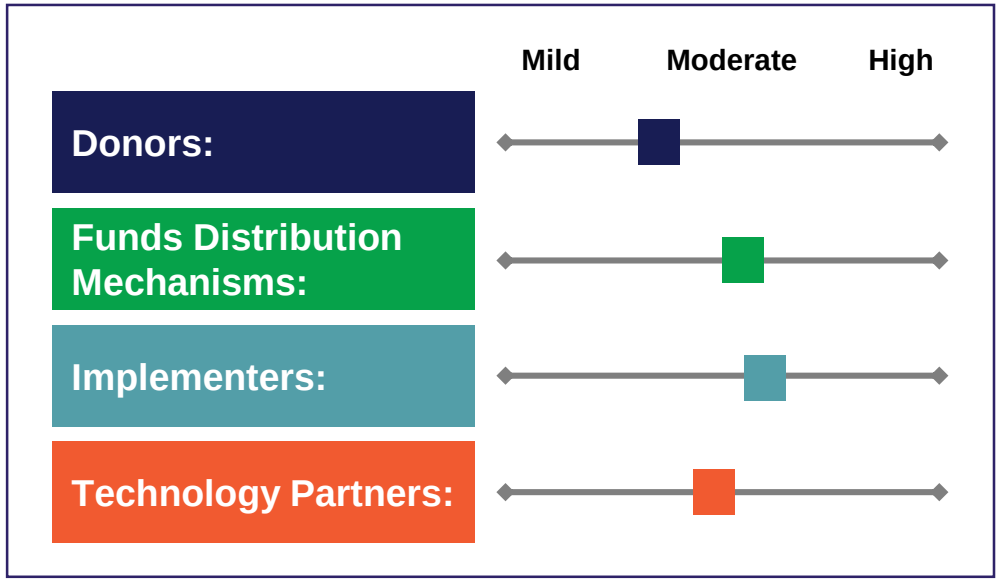
Key Questions

- Will this business model continue to be donor funded or will government's pay?
- What incentive do other software solutions have to merge with OpenLMIS?

Delta from OpenLMIS Current State

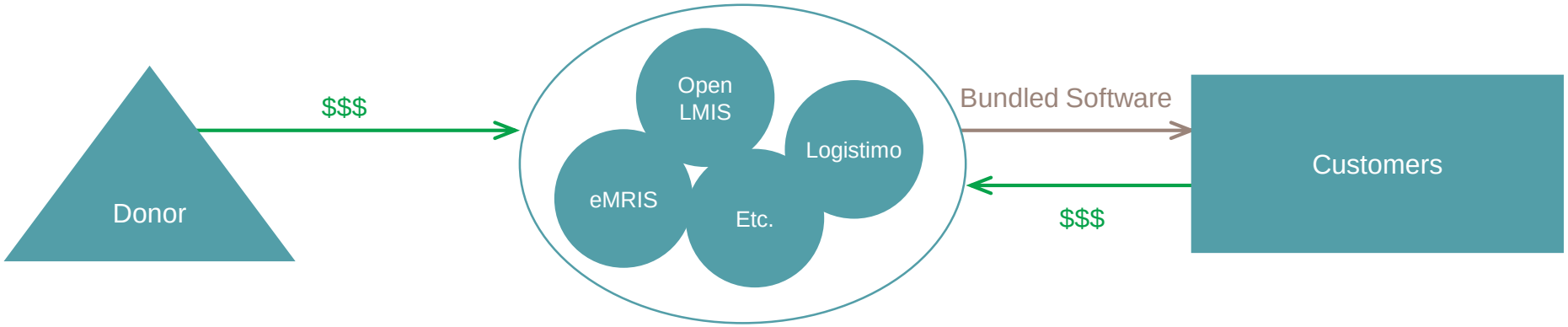
Medium – same target customers and same product but with the addition of related software solutions.

Anticipated Shift in Partner Roles



3. Bundled Software Offering

Bundle OpenLMIS with similar open source solutions to provide customers with a suite of services offering.



Stakeholder

- **Partner: C**urrent OpenLMIS community and new software solutions bundled with OpenLMIS
- **Customer:** Public sector agencies in low- and medium-income countries

Product

- OpenLMIS would bundle with similar software solutions (e.g. open source platforms) to offer a suite of services to customers
- This suite of services would likely still be somewhat funder/donor driven
- Opportunity to charge a varying amount depending on the services requested

Profit Equation

- **Revenue streams:** Public clients likely still donor funded
- **Cost centers: C**ustomization, maintenance, improving interoperability

Value prop: Provides customers with a one stop software solution to serve a multitude of needs

4. Multi-vertical Supply Chain Offering

Overview

Deploy industry-agnostic platform in multiple verticals and use-cases to spread costs across different industries and customers. Customers can be public or private.

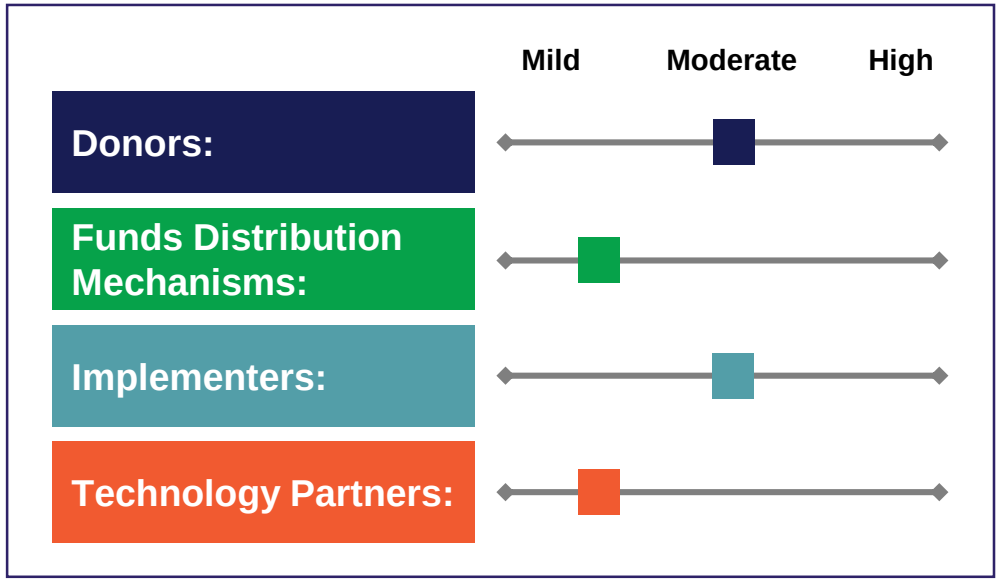
Key Questions

- What private companies would be interested in the software?
- Is the OpenLMIS brand too tied to the health sector?

Delta from OpenLMIS Current State

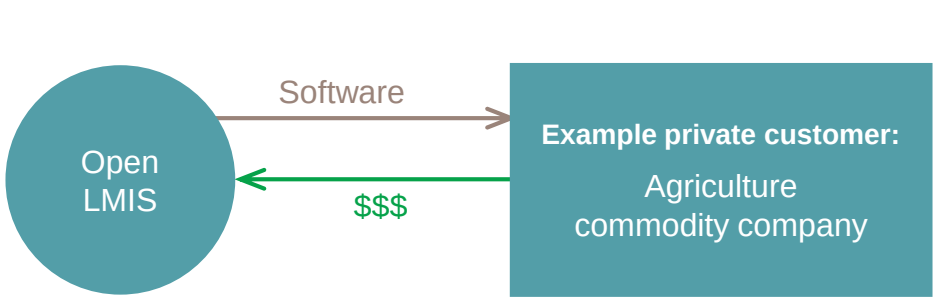
Medium – Work with different customer types and different industries.

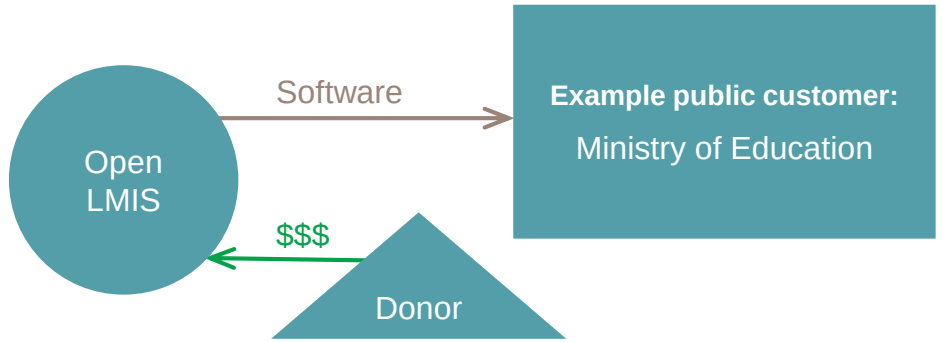
Anticipated Shift in Partner Roles



4. Multi-vertical Supply Chain Offering

Target other supply chain customers outside of the health sector.





Stakeholder

- **Partner:** OpenLMIS technology partners (implementation-specific customization), implementers, and donors
- **Customer:** Public (e.g., Ministry of Education) or private (e.g., agriculture commodities) in other sectors

Product

- OpenLMIS core software functionality is industry agnostic
- Reach customers through logistics management forums, referrals, current inquiries
- Initial customers may be wary about an unproven product for their industry

Profit Equation

- **Revenue streams:** Public clients: donor-funded. Private clients: two-part tariff (up front customization charge and monthly charge based on the size of the database)
- **Cost centers:** Customization, storage, implementation, training, partner ecosystem in non-health sectors

Value prop: Easily usable software for a low-resource setting that can be easily customized to match written systems

5. Supply Chain Partners – Pay for Access

Overview

Extract payments from other partners in the value chain, namely transport companies and pharmaceutical suppliers.

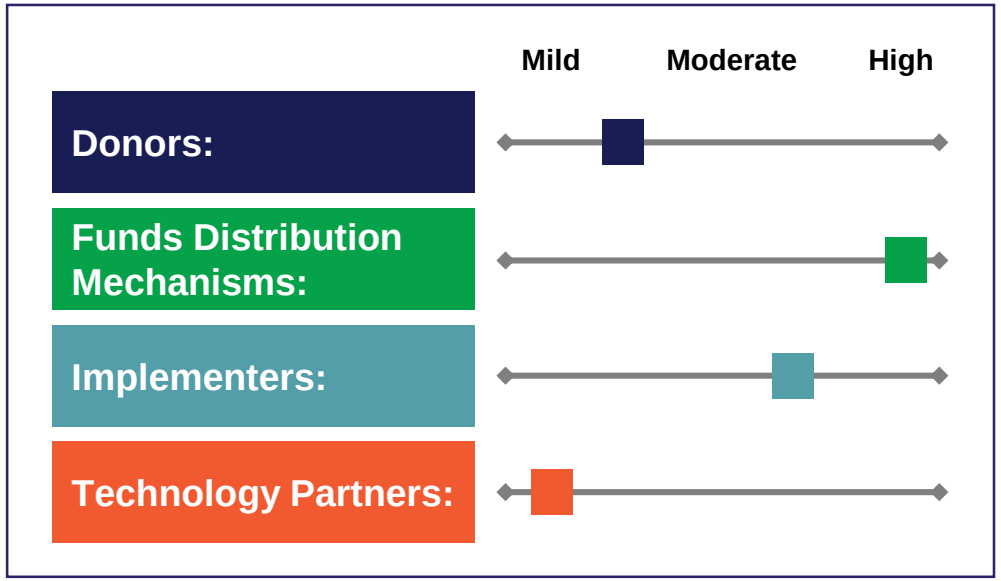
Key Questions

- Can other actors in the supply chain pay?
- Will there be buy-in from current donors, implementers, and customers?

Delta from OpenLMIS Current State

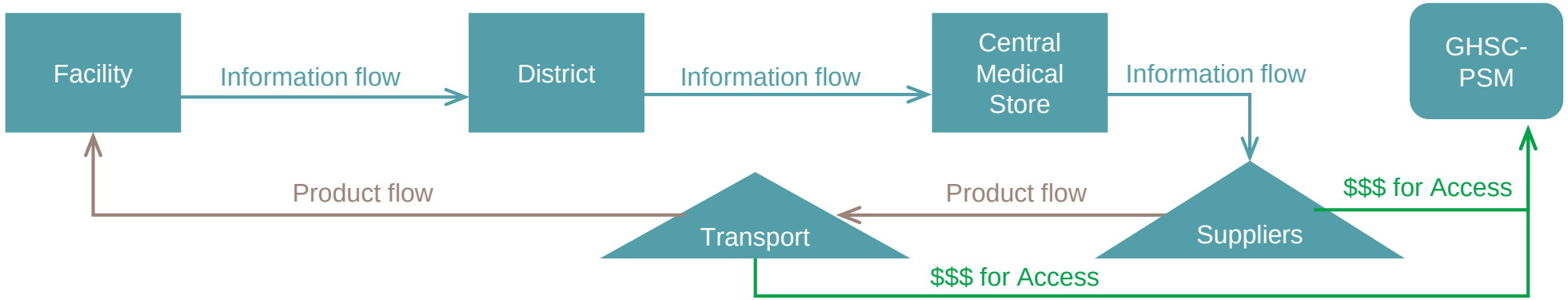
Medium – Same product as current state with an additional payment scheme.

Anticipated Shift in Partner Roles



5. Supply Chain Partners – Pay for Access

Offer transport companies and pharmaceutical suppliers access to the supply chain through a membership fee.



Stakeholder

- **Partner:** Current donors, implementers, and projects (funds distribution mechanisms); technology partners to add customization
- **Customer:** Companies within the public health supply chain (e.g., transport companies, suppliers)

Product

- All participants in the supply chain have (non-admin) access to the product, either linking to their internal systems or managing them
- Feature sets to provide value to the various members can be added to increase usage
- Reach customers through current and future implementations, especially through GHSC

Profit Equation

- **Revenue streams:** Membership payments to participate in the supply chain, or transaction fee based
- **Cost centers:** Same as current, potential for training of new users, customization

Value prop: Grant access to a country's public health supply chain

6. Collective Impact for Health Data

Overview

Leverage data for collective impact, creating a partner network that uses data to elevate the health supply chain network regionally or globally, especially in "data dark" markets.

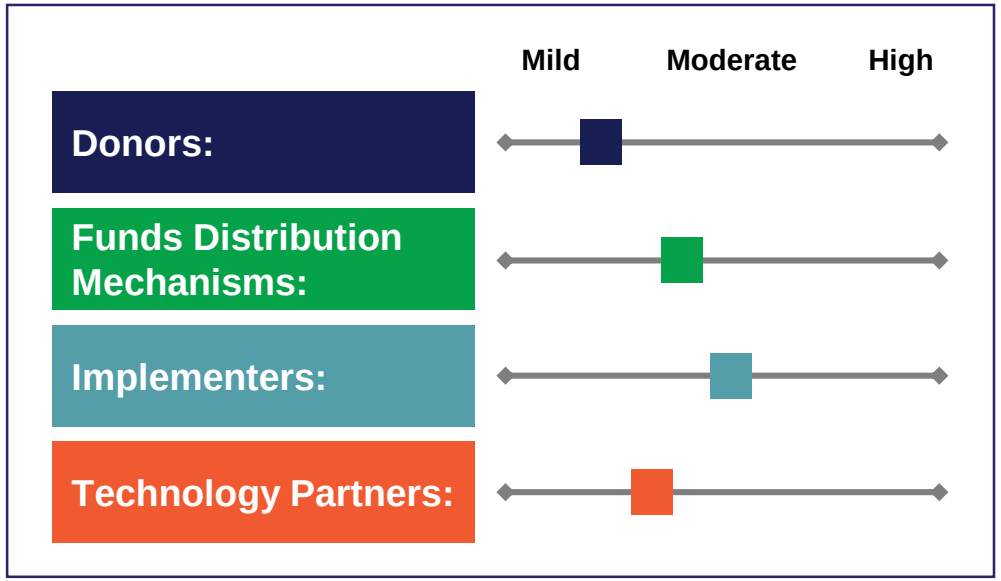
Key Questions

- Does data privacy or data ownership allow OpenLMIS to use the data in this way?
- Do interested parties have other ways of obtaining this data?

Delta from OpenLMIS Current State

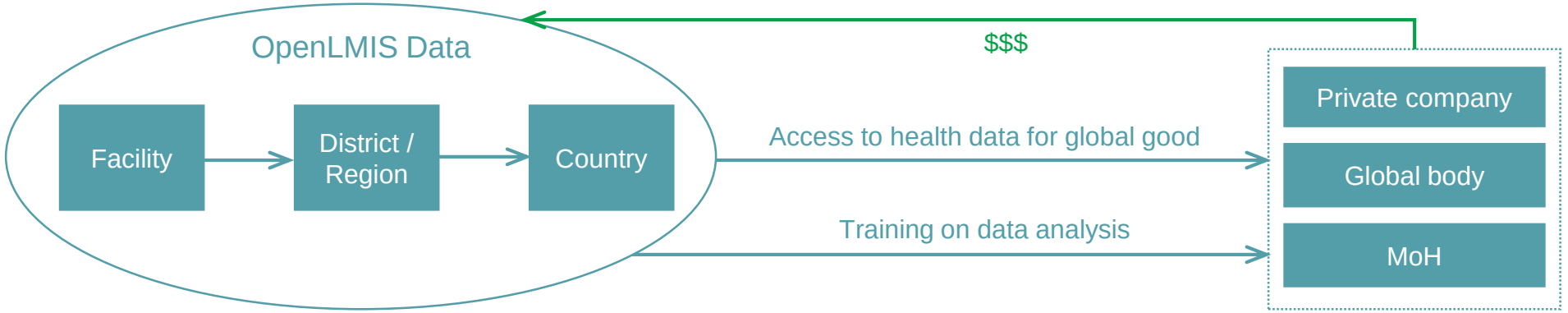
Medium/High – Currently MoH is protective of the data.

Anticipated Shift in Partner Roles



6. Collective Impact for Health Data

Leveraging OpenLMIS data alongside data from other partners to boost collective impact.



Stakeholder

- **Partner:** WHO, UN - Product Partners with open APIs
- **Customer:** MoH, academics, multi-lateral organizations, humanitarian organizations, businesses who want access to information

Product

- Create a cloud-based repository of data, which will spark a movement for better use of data in health
- Personal or identifiable data will be scrubbed
- Shared amongst partners and at UN convenings, DIAL, NetHope

Profit Equation

- **Revenue streams:** Annual fee structure/membership; charge organizations for data or reports
- **Cost centers:** Data management, storage, business intelligence, headcount for secretariat

Value prop: A unified network of regional or global partnerships who collectively enhance data visibility, insights, and efficiencies

7. Open Source Tiered Model

Overview

Tiered implementation model where basic version is fully subsidized, but customized and/or supported versions are donor and government supported.

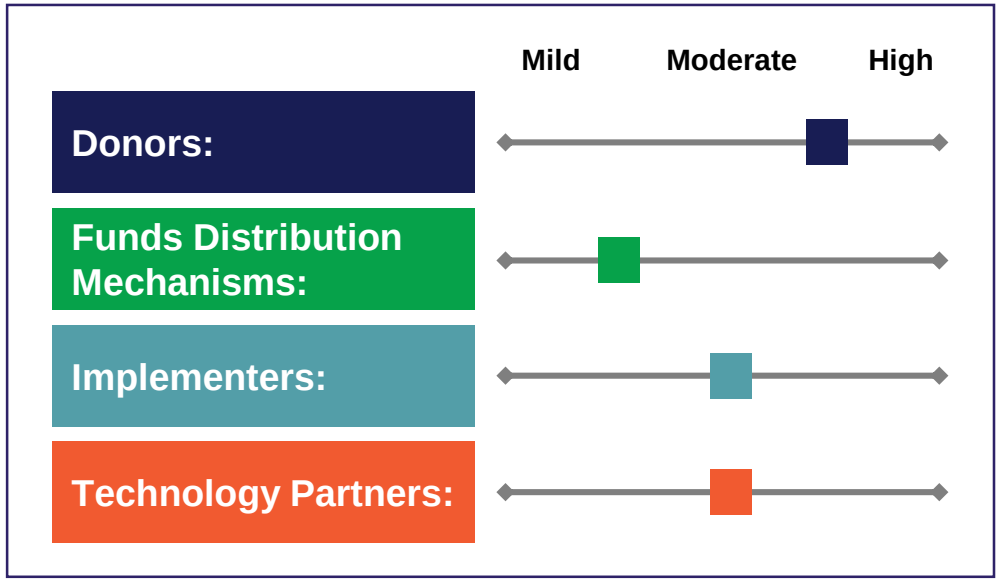
Key Questions

- Would any MoH opt for the plus/advanced donor/gov't-supported model?
- Is the basic version able to be fully subsidized in the long term?

Delta from OpenLMIS Current State

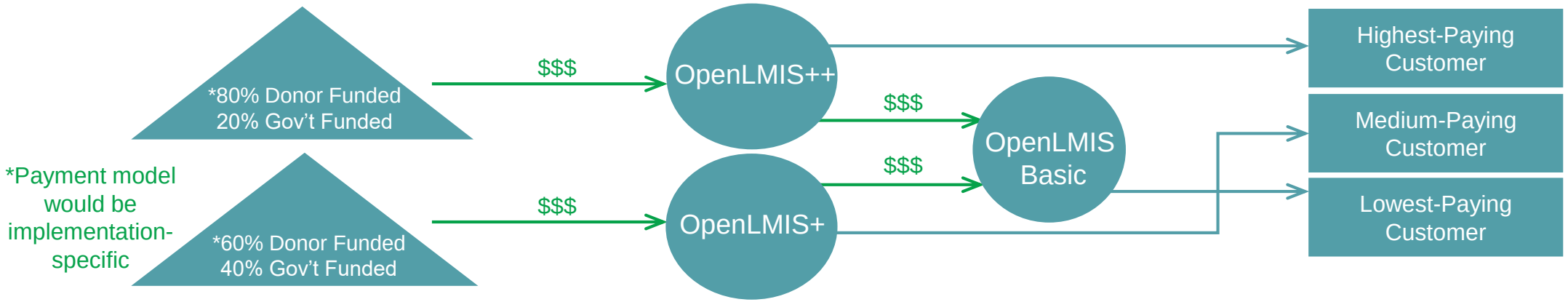
Medium/High – Current versions may remain the same.

Anticipated Shift in Partner Roles



7. Open Source Tiered Model

Tiered implementation model where fee is shared.



Stakeholder

- **Partner:** Countries, NGOs, donors, and implementers
- **Customer:** MoH

Product

- Provide tiers of software, where a basic version is subsidized by paid versions
- Both OpenLMIS+ and OpenLMIS++ version provide levels of support from implementing and technology partners

Profit Equation

- **Revenue streams:** Custom services and ongoing support
- **Cost centers:** Bill of materials and development costs / support for each version, sales team

Value prop: Versions of OpenLMIS that have paid services (e.g. OpenLMIS Basic, OpenLMIS+, OpenLMIS++)

8. Licensed Software

Overview

Departure from the current open source model, where the current release remains open source but all new code and module development is licensed.

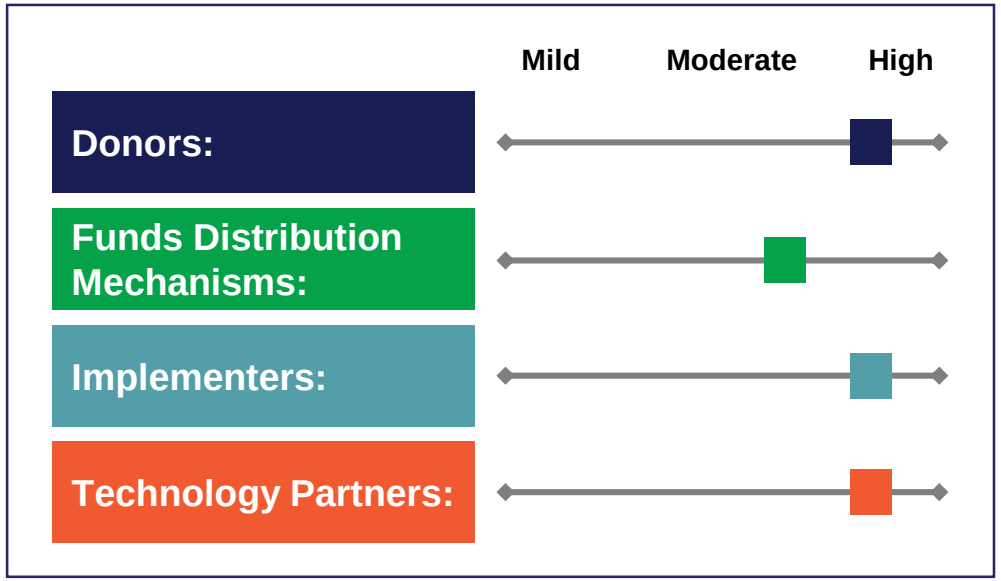
Key Questions

- Is it realistic for the MoH or others to fully or partially support the cost of licenses?
- Are current releases of OpenLMIS sustainable without new module development?
- Who would own the commercial license?

Delta from OpenLMIS Current State

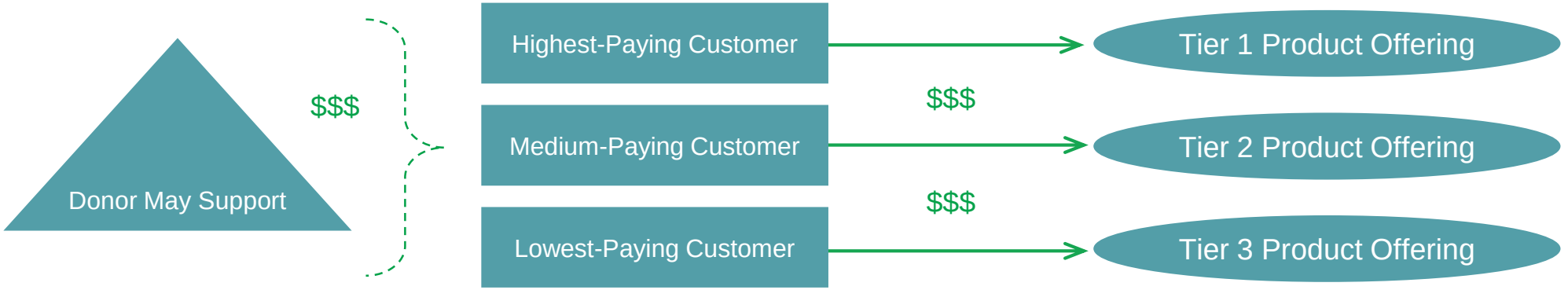
High – New iterations of OpenLMIS will only be available with licenses.

Anticipated Shift in Partner Roles



8. Licensed Software

Paid license for use of future instances of OpenLMIS, with three tiers of pricing and support options.



Stakeholder

- **Partner:** Commercial entities, country-specific technology and marketing companies
- **Customer:** MOH, any company that needs healthcare supply chain management

Product

- License all future instances of OpenLMIS
- Provide three different pricing tiers that offer versions of marketing, support, development, etc.
- Pay structure may be subscription based

Profit Equation

- **Revenue streams:** All versions generate revenue
- **Cost centers:** Highest tier pricing model is the most expensive, but not necessarily the highest driver of revenue

Value prop: Paid version(s) of a health logistics system with different tiers of support