

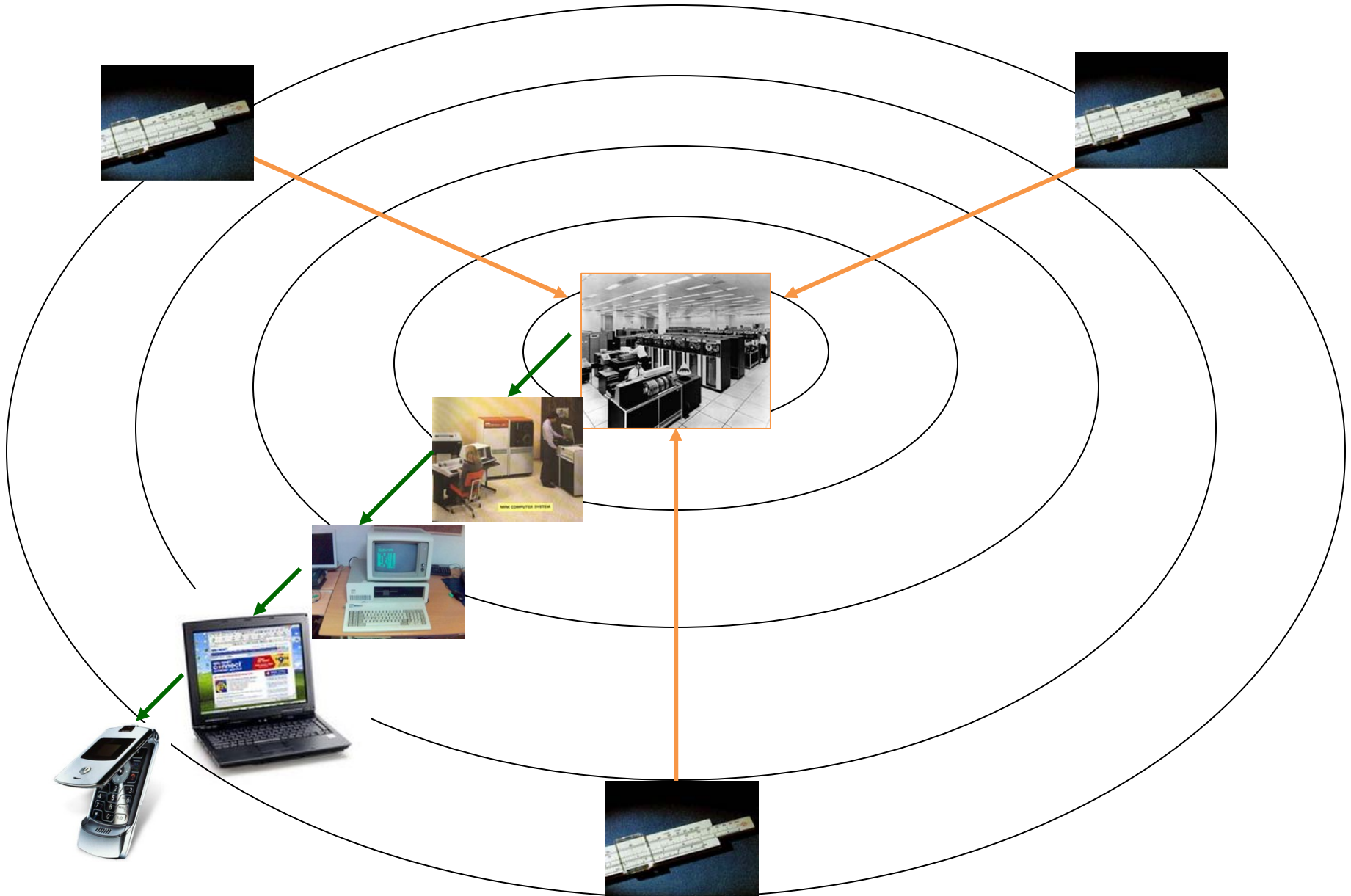
The Innovator's Prescription: How Disruptive Innovation Can Fix Health Care



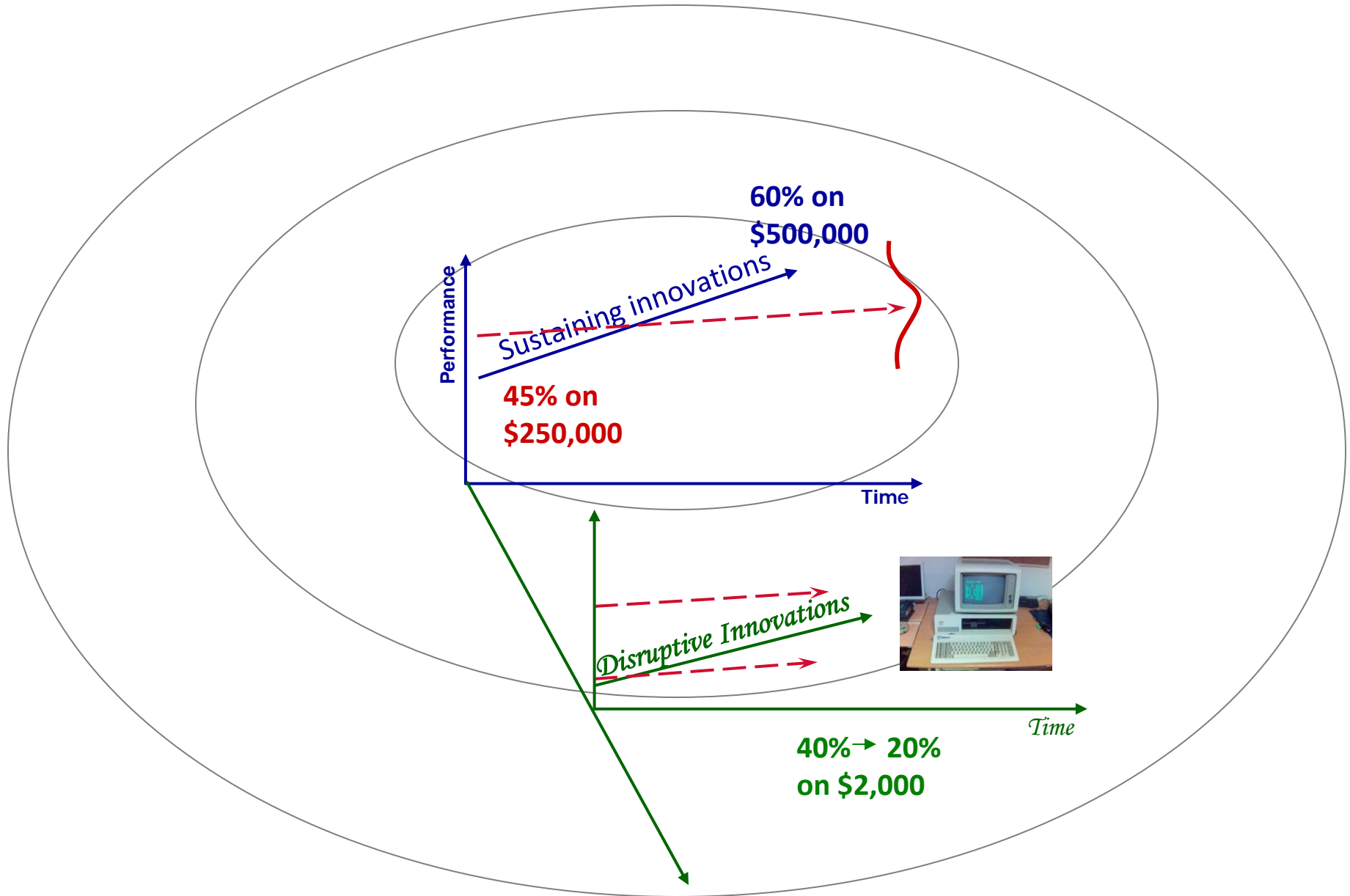
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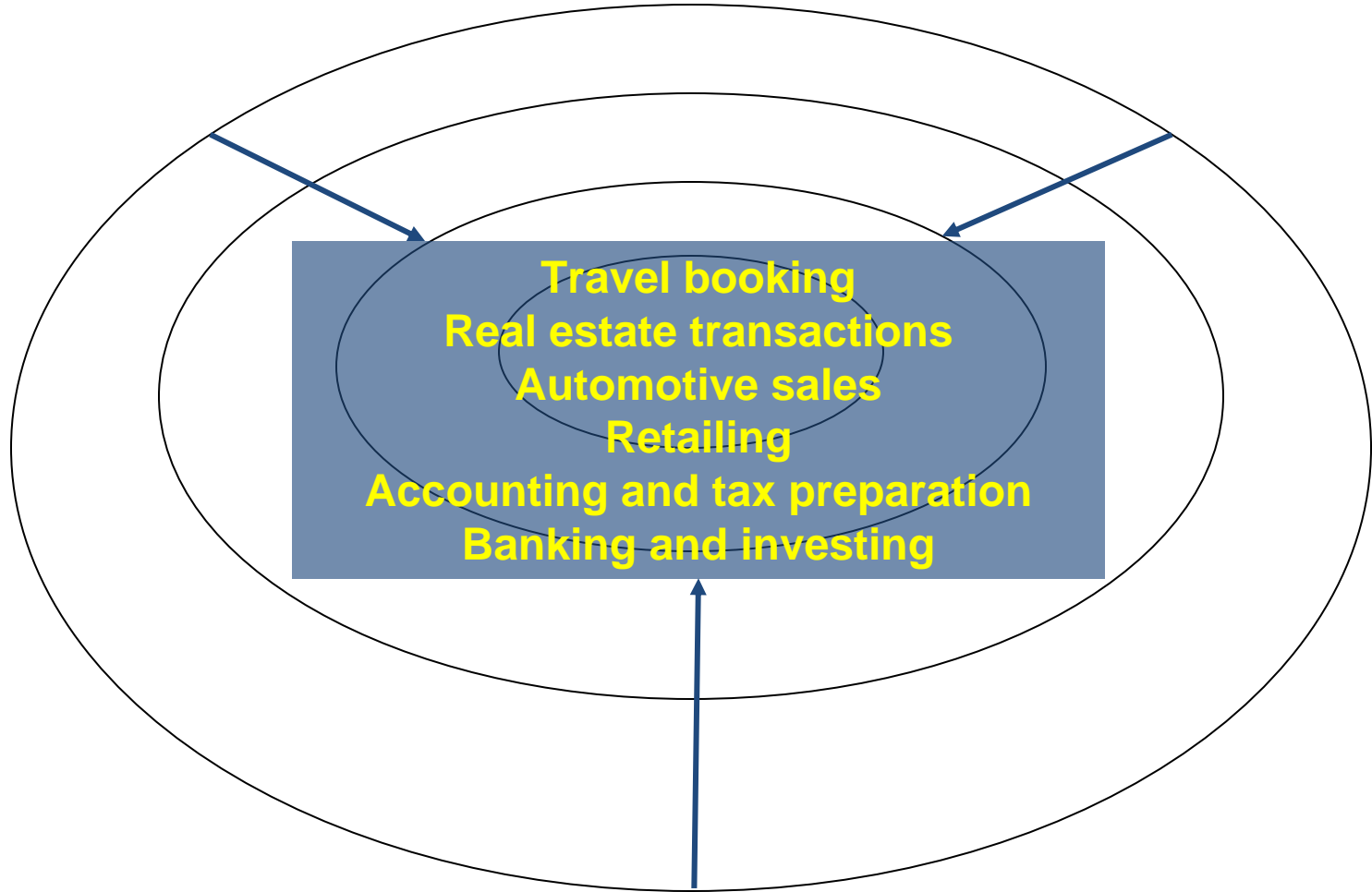
Centralization followed by decentralization in computing



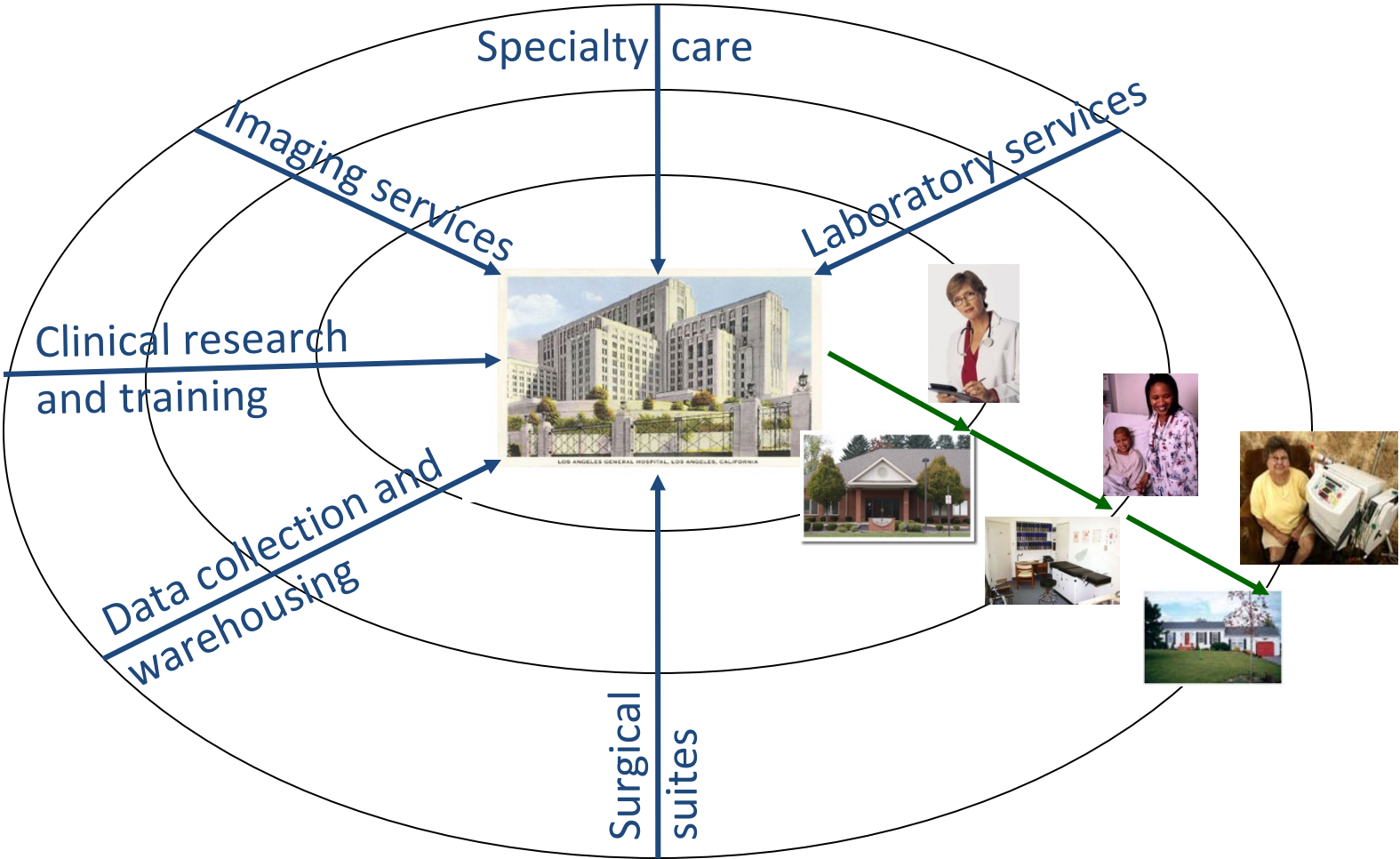
Decentralization through disruption leads to accessibility



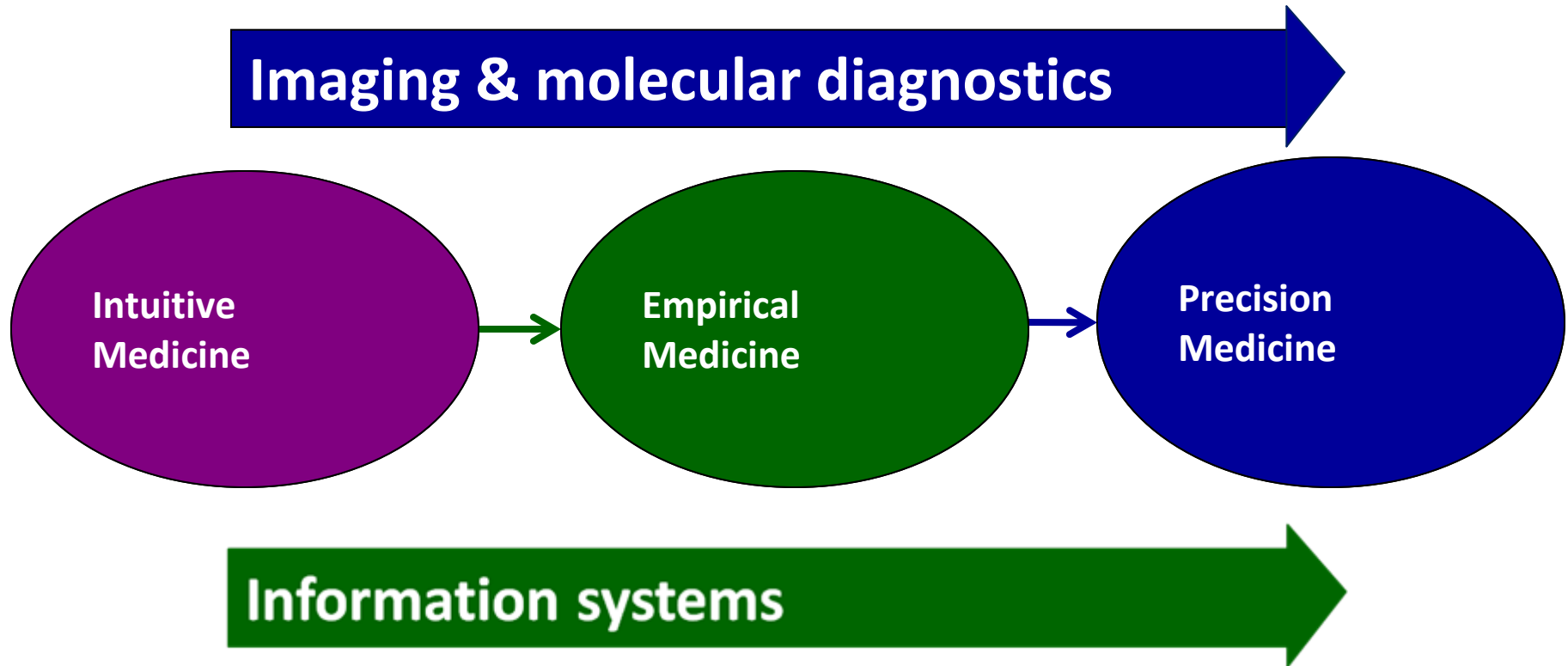
Decentralization is common in service industries



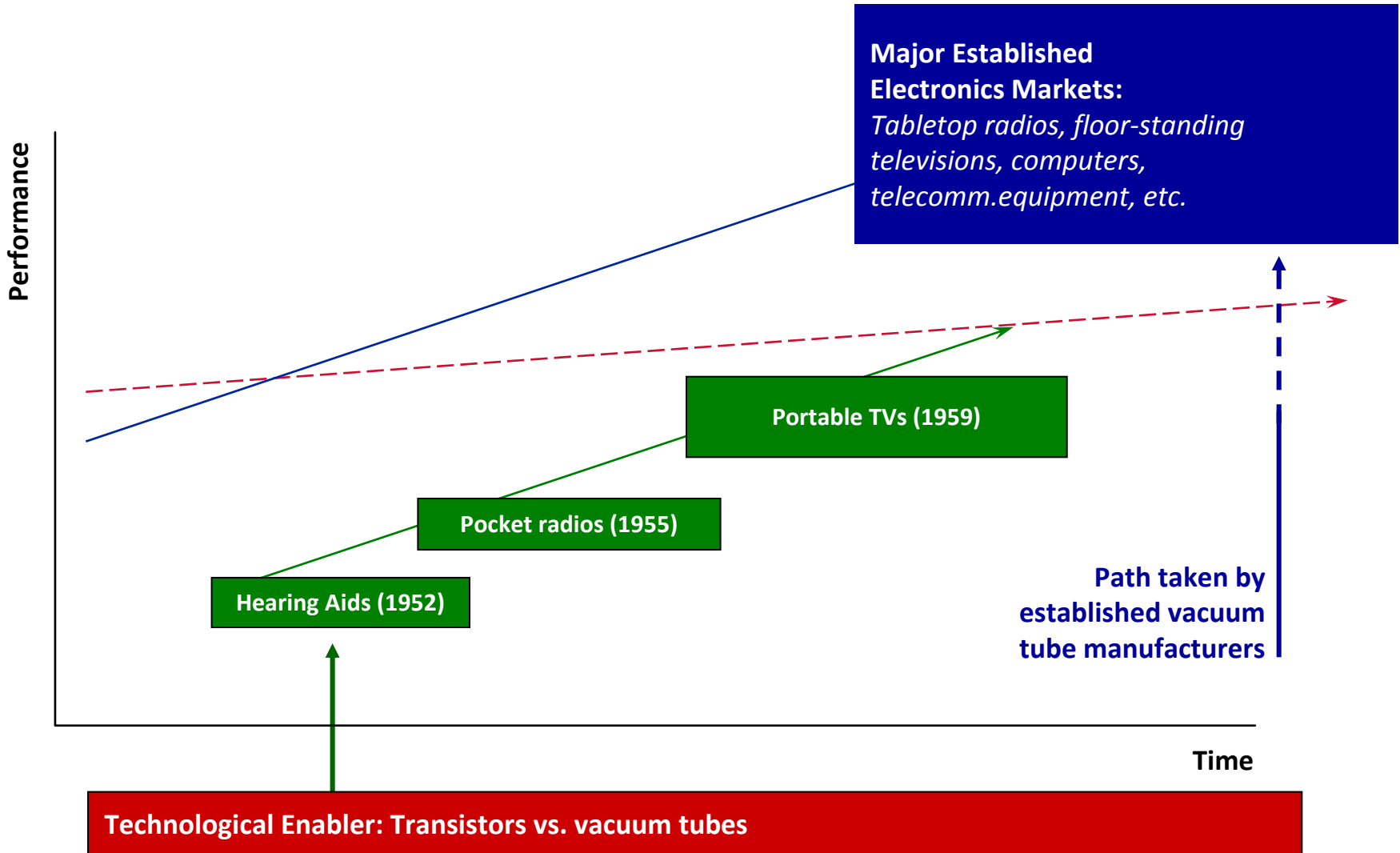
The decentralization that follows centralization is only beginning in healthcare



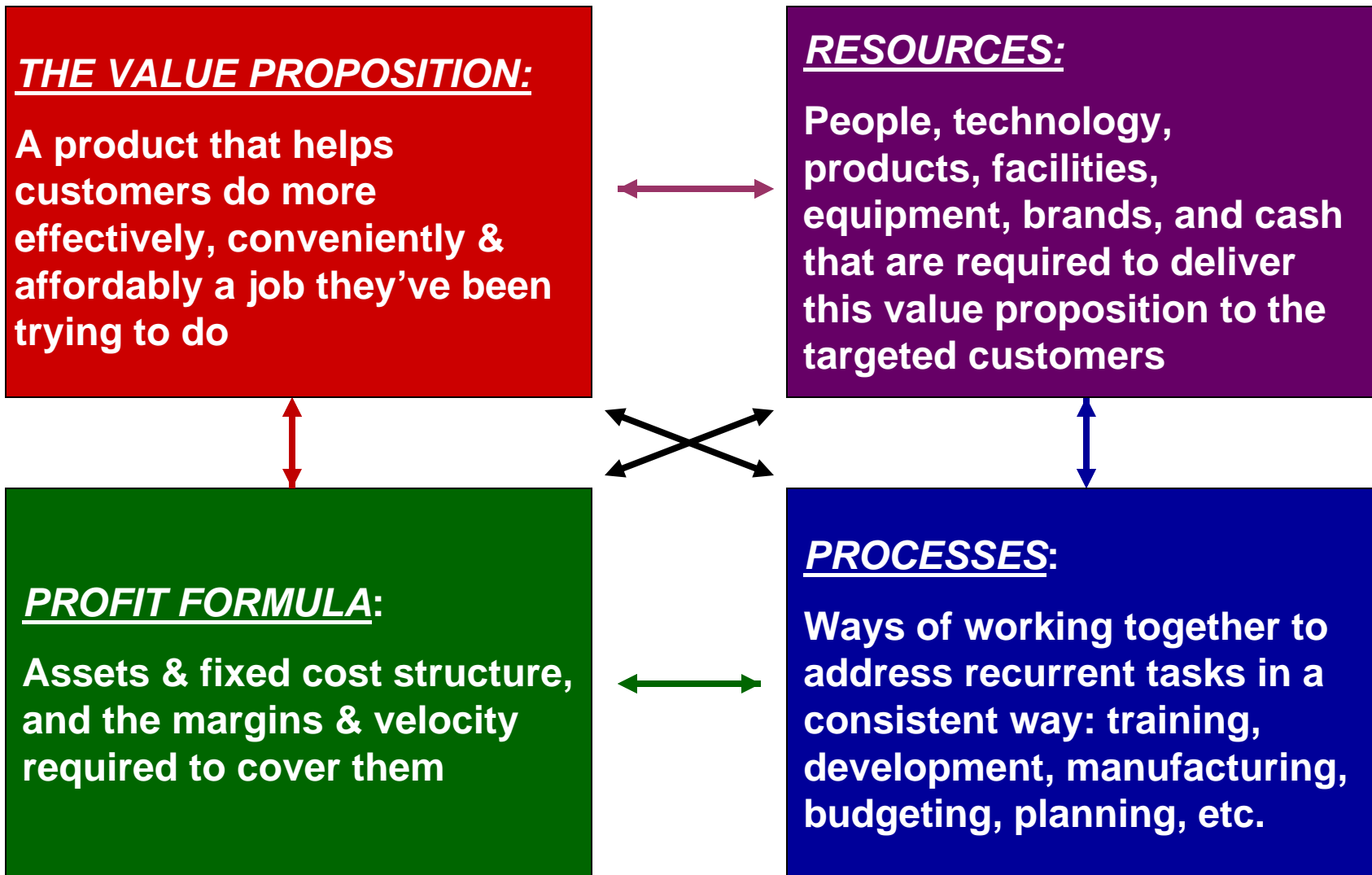
Disruption is facilitated when historically valuable (and expensive) expertise becomes commoditized



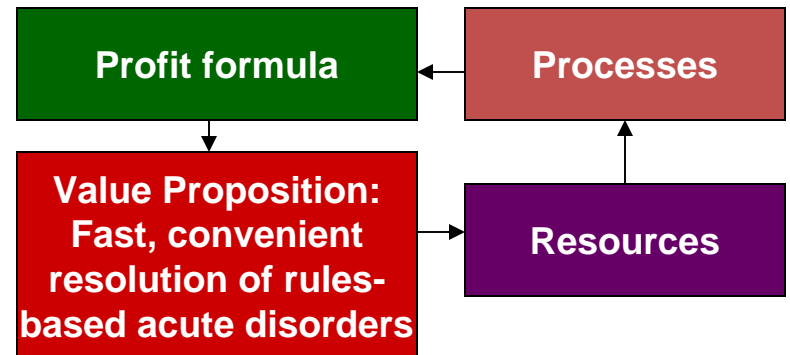
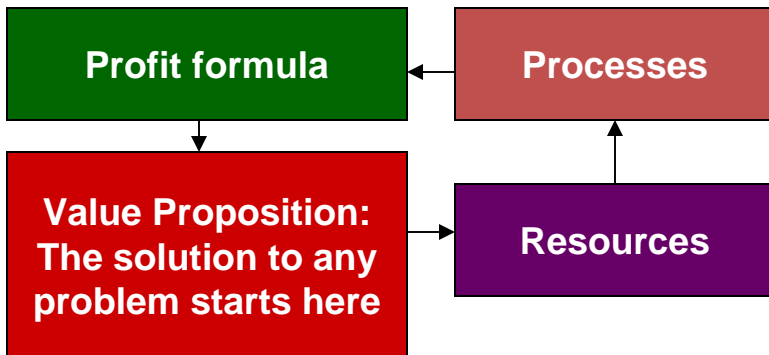
It is often futile to cram new technologies into old business models



What is a business model, and how is it built?



Disruptive business model innovation in physicians' practices



Most health systems are expensive conflations of three types of business models



Solution Shops

- Consulting firms
- High-end law firms
- R&D organizations
- Diagnostic & intuitive activities of hospitals

Fee for service

Value-adding process businesses

- Manufacturing
- Education
- Food services
- Medical procedures following diagnosis

Fee for outcome

Facilitated Networks

- Telecommunications
- Insurance
- eBay
- Provider and patient communities

Fee for Membership

Future Disruption of Health Care Delivery

Solution Shops



Generalist
physicians disrupt
specialist physicians

Value-Adding Process Businesses



Non-physicians
disrupt health care
physicians

Facilitated User Networks



Patients disrupt
health care
providers

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