

Telehealth Video Resource Center: Draft Business Plan

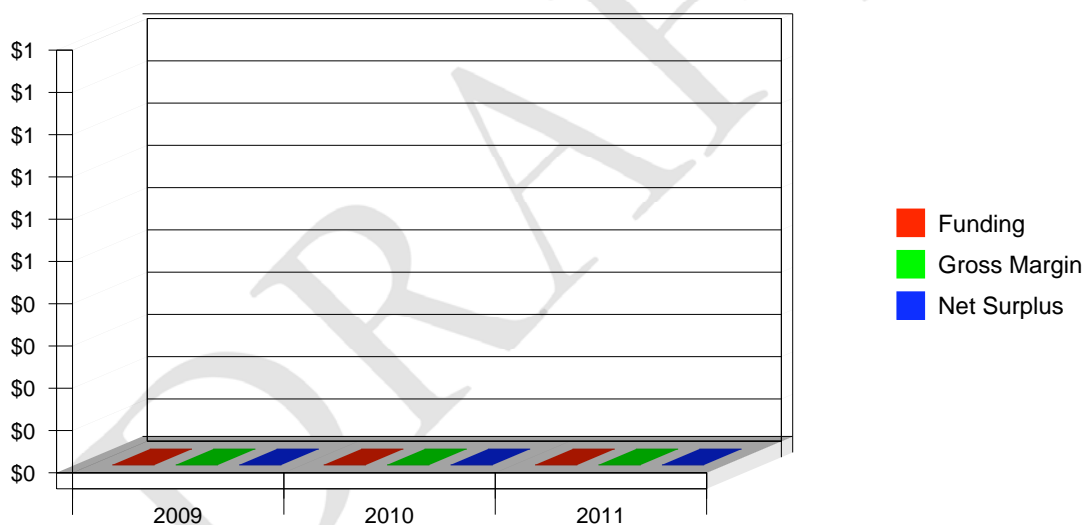
Telehealth Video Resource Center
Ohio Supercomputer Center
Columbus, OH

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NOTE --- This draft business plan contains the approach that will be taken toward the finalized plan. The cost figures are accurate but may not be comprehensive. Before the business plan is completed, the revenue models described in section 5.3.1 need to be considered and a business model selected.

1.0 Executive Summary

Highlights



1.1 Objectives

The Telehealth Video Resource Center encourages, promotes and supports the use of high-quality video for health education and training, research and associated clinical activities. The Center is an international resource with a funding model that allows it to be self-sustaining and processes that ensure appropriate and effective use of its resources.

1.2 Mission

The Center is a video hub of telehealth activities for both domestic and international activities.

1.3 Keys to Success

- Build on the existing expertise and pre-existing telehealth sessions
- Build partnerships with organizations such as the World Bank to promote the Center
- Establish high-quality and easy-to-use technologies and processes
- Develop a fundraising strategy for viable establishment of Center

2.0 Organization Summary

The Center is built on the already substantial resources in existence at the Ohio Supercomputer Center and upon the experience of previous projects, such as those involving Road Trauma conferences, the John's Hopkins Center for Clinical Global Health Education and the World Bank. These activities have brought together experts from around the world, including such countries as Tanzania, Egypt, Canada, Iraq, Brazil and Mexico, and have provided educational and clinical experiences that would not have been possible otherwise.

As the use of advanced networking increases within the healthcare community, the need for high-quality, easy-to-use and well-supported video resources to support these activities is increasing. The expertise and technology required to achieve these results is both expensive and difficult to acquire. Thus, the ability to access a high-quality resource that operates as an independent not-for-profit entity is of significant benefit.

2.1 Legal Entity

To be determined

2.2 Start-up Summary

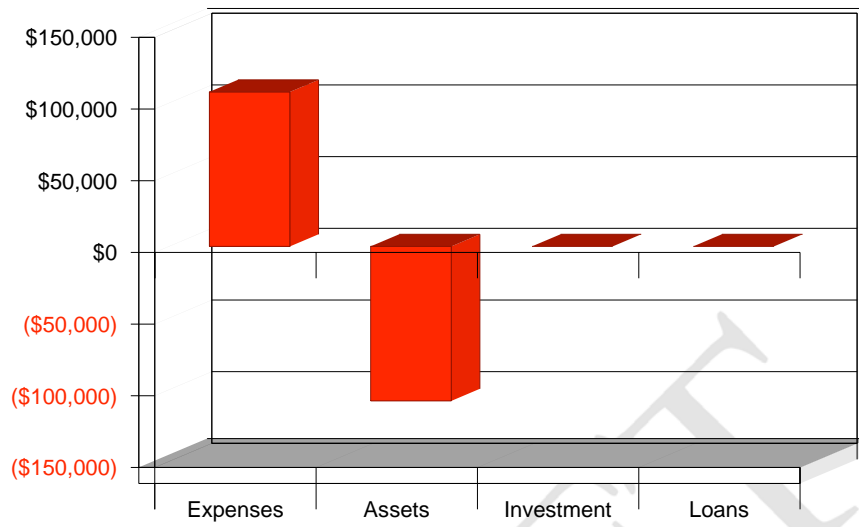
The Center will begin with one full-time staff member and extend to another full-time staff member six months after operations begin. Each staff position is anticipated to cost approximately \$85,800, fully loaded. In addition, the Center is expected to need approximately \$101,000 in capital equipment. Annual maintenance of the equipment is expected to cost \$12,000, and overhead costs for The Ohio State University are expected to run \$48,000 annually.

Donations of equipment from vendors will be pursued, although increasingly difficult to obtain.

Table: Start-up

Start-up	
Requirements	
Start-up Expenses	
Legal	\$5,000
Stationery etc.	\$500
Brochures	\$250
Consultants	\$0
Insurance	\$1,000
Rent	\$0
Research and Development	\$0
Expensed Equipment	\$101,000
Other	\$0
Total Start-up Expenses	\$107,750
Start-up Assets Needed	
Cash Balance on Starting Date	(\$107,750)
Other Current Assets	\$0
Total Current Assets	(\$107,750)
Long-term Assets	
Total Assets	(\$107,750)
Total Requirements	\$0
Funding	
Investment	
Investor 1	\$0
Investor 2	\$0
Other	\$0
Total Investment	\$0
Current Liabilities	
Accounts Payable	\$0
Current Borrowing	\$0
Other Current Liabilities	\$0
Total Current Liabilities	\$0
Long-term Liabilities	\$0
Total Liabilities	\$0
Loss at Start-up	(\$107,750)
Total Capital	(\$107,750)
Total Capital and Liabilities	(\$107,750)

Start-up



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4.0 Market Analysis Summary

Telehealth is an increasingly important component of the healthcare environment. Interest in the use of high-quality video and advanced networks, particularly for medical education and clinical treatment, is recognized as a valuable asset. The ability to gain access to a facility that can readily enable these sessions is often an ad hoc activity that leads to unreliability, variable quality and a lack of consistency.

This Center will provide a one-stop shop for expertise, capabilities and processes that will enable these video sessions locally, nationally and internationally.

4.1 Market Segmentation

Table: Market Analysis

Market Analysis	Growth	2008	2009	2010	2011	2012	CAGR
Potential Customers							
Segment Name	0%	0	0	0	0	0	0.00%
Segment Name	0%	0	0	0	0	0	0.00%
Other	0%	0	0	0	0	0	0.00%
Total	0.00%	0	0	0	0	0	0.00%

4.2 Target Market Segment Strategy

4.3 Service Provider Analysis

The Center provides a niche set of services that are increasingly in demand in the health community.

- It provides a technical resource that allows health providers with little or no experience a facility that will allow them to communicate via high-quality video with other health providers
 - This can be used for the provision of clinical care, such as:
 - neonatal care
 - pediatric care
 - orthopedics
 - psychiatry
 - dermatology
 - radiology
 - It may be used for consultation in any of the medical disciplines
 - It may be used for medical education activities, such as:
 - Grand Rounds
 - Continuing Medical Education
 - New and emerging clinical practices
 - It may be used for research projects, such as:
 - Clinical trials
 - Multi-center interactions
- The Center provides a focus for the development of standards, including:
 - Technology best practices
 - Best practices for use of the technology

- Agreed-upon processes and priorities
 - Coordination of educational resources
 - Agreed-upon prioritization of the use of the technical and human resources
 - A coordination point for demonstrations

4.3.1 Alternatives and Usage Patterns

Telehealth is an active area within the medical community. Typically this has been point-to-point communication between two agreeing healthcare organizations. The use of advanced, broadband networks and the use of high-quality video resources is a relatively new phenomenon. Many of the activities that have been accomplished have been international and have been in the proof-of-concept mode.

The Center is a not-for-profit entity that recognizes that this approach to telehealth is quickly maturing from proof-of-concept to proven concept, ready for production-quality resources. The Center will provide that resource, building on the many international activities that have already been supported by the Ohio Supercomputer Center. A board of community experts will guide the development and use of the Center's expertise and resources. Thus, the Center is cooperative – not competitive – with existing telehealth resources. It builds on existing networking and video expertise and provides a needed focal point to local, national and international use of these resources.

5.0 Strategy and Implementation Summary

5.1 Competitive Edge

Dealing with the highly independent nature of healthcare providers requires an aggressive presentation of the value of membership to encourage prospects to participate in the Center.

The existence of recordings of sessions which have already taken place, the backing of significant organizations, and presentation materials that clearly demonstrate value of membership will be used to reach the Center's objectives.

5.2 Marketing Strategy

The Center strives to be the premier provider of telehealth video resources worldwide. The resources and expertise will be in place to serve the initial needs of the local, national and international healthcare community. In addition, it is anticipated that the Center will be able to grow with minimal additional costs.

The marketing strategy attempts to successfully communicate the unique value the program offers participants. This strategy redirects the focus from the "cost" issue to the benefits that participants derive from their involvement in the program. The marketing strategy will continue to identify the needs of users and communicate with this audience in the most effective and positive manner possible.

Ongoing efforts continually attempt to understand how the Center can maintain the quality and integrity of the program within its finite financial resources. This challenge will be ongoing.

The growth strategy is based on continued attention to the quality of the experience in conjunction with identifying opportunities to expand participation in the programs where possible.

5.3 Fundraising Strategy

The Center is committed to balancing its operating budget and operating on a solid financial foundation. These efforts are based on a mixture of fundraising and fees. Just as revenues are tracked, internal expenses are closely monitored. The goal of the Center is to continue to provide quality expertise and resources at an affordable cost. This is a tremendous challenge. The size of the program and, thus, the Center, may grow or change with seen and unforeseen changes, such as the FCC's recent announcement of its investment of \$417 million to connect rural healthcare facilities to advanced networks.

5.3.1 Funding Forecast

Funding of the Center is expected to occur in two phases.

Phase One is start-up funding, will rely on seed money donated from a government agency or organization, and is expected to last two years or less.

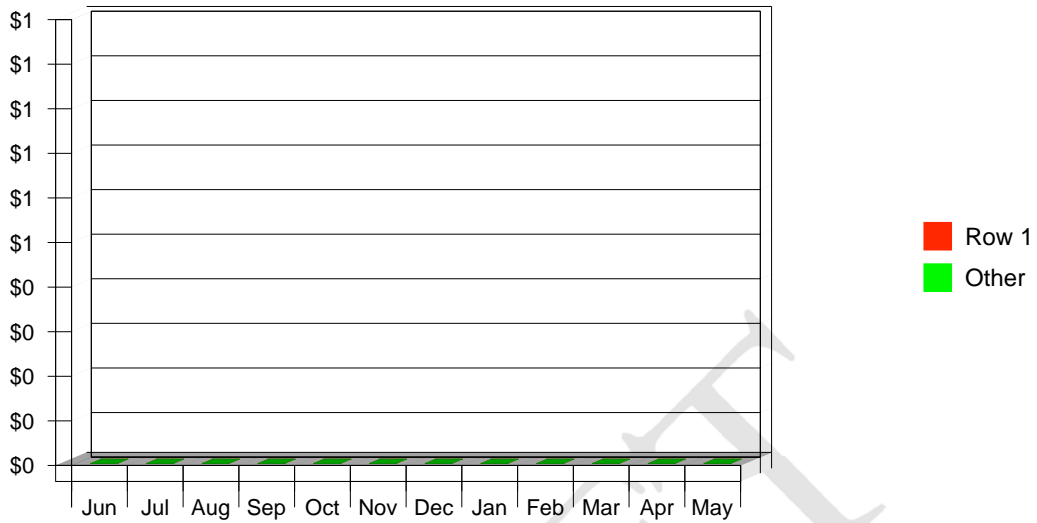
Phase Two funding involves the move to a self-sustaining organization. This must happen within two years. Two models are currently being considered:

- Model 1 constitutes a fee-for-service organization
 - Participating organizations would be assessed a fee for the use of the Center's expertise and resources
 - Fees could be:
 - standard for all uses and users
 - based on the ability of the user to pay
 - based on the type of service that is being used
 - Organizations could be billed annually in anticipation of usage or, alternatively, as they use the resources
- Model 2 constitutes a membership organization
 - Organizations would join the Center and, by virtue of their membership, have access to its resources
 - Membership could be:
 - standard for all uses and users
 - based on the ability of the user to pay
 - based on the type of service that is being used
 - based on participation in Center governance

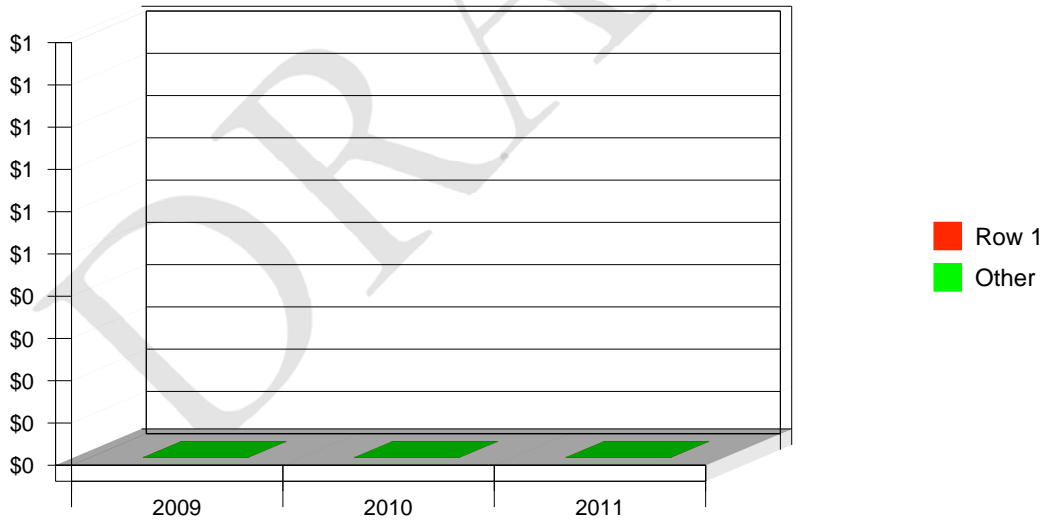
Table: Funding Forecast

Funding Forecast			
Funding	2009	2010	2011
Row 1	\$0	\$0	\$0
Other	\$0	\$0	\$0
Total Funding	\$0	\$0	\$0
Direct Cost of Funding	2009	2010	2011
Row 1	\$0	\$0	\$0
Other	\$0	\$0	\$0
Subtotal Cost of Funding	\$0	\$0	\$0

Funding Monthly



Funding by Year



5.4 Milestones

These milestones are a beginning and will need additional detail.

- A face-to-face meeting is planned for local, national and international experts to address the need for the Center
- A completed business plan is necessary
- An agreement on the location and initial funding of the Center is required
- A board or steering group is requisite

Table: Milestones

Milestones Milestone	Start Date	End Date	Budget	Manager	Department
Initial Face to Face	3/1/2008	3/2/2008	\$2,000	Plouck	
Business Plan	3/15/2008	4/1/2008	\$0	McGill	
Board / Steering	3/15/2008	3/20/2008	\$0	Gray	
Totals			\$2,000		

Milestones



6.0 Management Summary

The staffing will be minimal. The Center will begin with one full-time staff member and expand to two in six months.

Policy decisions for the Center will rest with a board or steering committee:

- Group of 8-10 members
- Representative of the users of the Center
- Represent local, national and international organizations
- Have significant expertise

6.1 Personnel Plan

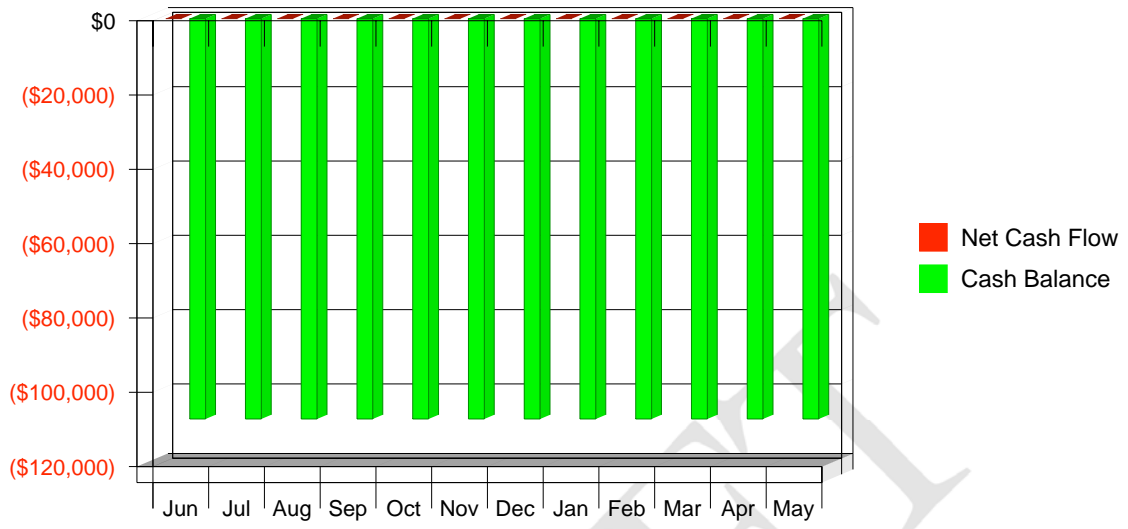
Table: Personnel

Personnel Plan	2009	2010	2011
Staff Member 1	\$0	\$0	\$0
Staff Member 2	\$0	\$0	\$0
Other	\$0	\$0	\$0
Total People	0	0	0
Total Pavroll	\$0	\$0	\$0

Table: Cash Flow

Pro Forma Cash Flow	2009	2010	2011
Cash Received			
Cash from Operations:			
Cash Funding	\$0	\$0	\$0
Cash from Receivables	\$0	\$0	\$0
Subtotal Cash from Operations	\$0	\$0	\$0
Additional Cash Received			
Non Operating (Other) Income	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
Subtotal Cash Received	\$0	\$0	\$0
Expenditures	2009	2010	2011
Expenditures from Operations:			
Cash Spending	\$0	\$0	\$0
Payment of Accounts Payable	\$0	\$0	\$0
Subtotal Spent on Operations	\$0	\$0	\$0
Additional Cash Spent			
Non Operating (Other) Expense	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$0	\$0	\$0
Net Cash Flow	\$0	\$0	\$0
Cash Balance	(\$107,750)	(\$107,750)	(\$107,750)

Cash



7.0 Financial Plan

7.1 Important Assumptions

To be determined

7.2 Break-even Analysis

To be determined

7.3 Projected Surplus or Deficit

To be determined

7.4 Projected Cash Flow

To be determined

7.5 Projected Balance Sheet

Table: Balance Sheet

Pro Forma Balance Sheet

Assets	2009	2010	2011
Current Assets			
Cash	(\$107,750)	(\$107,750)	(\$107,750)
Other Current Assets	\$0	\$0	\$0
Total Current Assets	(\$107,750)	(\$107,750)	(\$107,750)
Long-term Assets			
Long-term Assets	\$0	\$0	\$0
Accumulated Depreciation	\$0	\$0	\$0
Total Long-term Assets	\$0	\$0	\$0
Total Assets	(\$107,750)	(\$107,750)	(\$107,750)
Liabilities and Capital			
	2009	2010	2011
Accounts Payable	\$0	\$0	\$0
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$0	\$0	\$0
Long-term Liabilities	\$0	\$0	\$0
Total Liabilities	\$0	\$0	\$0
Paid-in Capital	\$0	\$0	\$0
Accumulated Surplus/Deficit	(\$107,750)	(\$107,750)	(\$107,750)
Surplus/Deficit	\$0	\$0	\$0
Total Capital	(\$107,750)	(\$107,750)	(\$107,750)
Total Liabilities and Capital	(\$107,750)	(\$107,750)	(\$107,750)
Net Worth	(\$107,750)	(\$107,750)	(\$107,750)

7.6 Standard Ratios

To be determined

8.0 Appendices

Appendix Table: Personnel

Personnel Plan

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	2009	2010	2011
Staff Member 1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staff Member 2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total People	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Payroll	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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