



Fulfilling the Promise of mHealth Through Business Model Innovation

ADD TO INTERESTS SAVE CONTENT PRINT PDF

BROWSE THIS ARTICLE	
Overview	
Perpetual Promise, but Profitability Is Elusive	▶
Three Key Barriers to Commercializing mHealth	
Solution 1: Redefine the Offering	
An Aligned Offering	
An Integrated Experience	
Targeted Solutions	
Getting Started	
Solution 2: Redefine the Monetization Strategy	
The Free or Low-Cost Model	

Perpetual Promise, but Profitability Is Elusive

Stakeholders are justifiably enthusiastic about the opportunities arising from mHealth. Companies in several key industry sectors have the greatest opportunity to capture value by commercializing mHealth, and many are already experimenting with mHealth solutions:

- *Biopharmaceutical companies* can use mHealth technologies to reduce costs (for example, by conducting clinical trials remotely) and to generate new sources of revenue through improved compliance (for example, by providing innovative packaging that reminds patients when to take their medication).
- *Medical-technology companies* can provide the technological backbone for mHealth by developing solutions to patient care, such as pacemakers that communicate with mobile devices or blood glucose monitors that transmit data to physicians, as well as by using mHealth solutions themselves to test product efficacy.
- *Providers* can develop innovative ways to manage care and facilitate communication with patients and among physicians—for example, by expanding remote-consultation services into hard-to-reach areas.
- *Payers* can encourage adoption of mHealth by reimbursing users for applications that reduce costs and improve patient outcomes.
- *Telecommunications companies* can provide the communications infrastructure for mHealth and enable expansion into adjacent health-care services, such as digital imaging.

As noted, however, mHealth has had few sustained commercial successes to date, and the market is still far from reaching its potential despite high levels of investment and excitement. The gap between the current market size and five-year projections is significant—in the tens of billions of dollars, according to [some estimates](#). Significant policy changes are needed over the long term if mHealth is to achieve its full potential. For instance, there is a clear need for new approval processes, reformed malpractice laws, a shift in public-funding models to value-based health-care solutions, and enhanced privacy and security regulations.

Yet companies shouldn't wait for the ideal policy environment to take shape. There is ample room to succeed in the short term—with the right business model. The core technology required to support mHealth largely exists today in the form of smartphones and related devices. And there are already bright spots in the regulatory landscape, which are creating pockets of opportunity for companies able to exploit them. For instance, some U.S. states are working to develop favorable standards of care that include reimbursement for mobile offerings.

Most important, while examples are rare, some companies have managed to achieve early success despite an imperfect regulatory environment. For example, WellDoc's BlueStar "mobile prescription therapy" provides diabetes patients with evidence-based, real-time feedback when they use their phone, PC, or tablet to input information about their medications, glucose level, diet, and activity level. BlueStar also provides clinical-decision support to patients' physicians so that treatment changes can be optimized. Some payers have agreed to reimburse the product in a manner comparable to a monthly drug prescription. However, the jury is still out as to whether these solutions will be able to generate revenues over the long term.

Thus, a significant opportunity exists, but capturing the prize won't be easy. To achieve broader success in mHealth, companies must build on existing technologies and bring them to market using breakthrough business models. And they will need to convince investors and internal stakeholders of the long-term business case for mHealth to ensure sufficient investment to build and scale the business.

[« Overview](#)

[Three Key Barriers to Commercializing mHealth »](#)

RELATED ARTICLES	
INNOVATION & GROWTH SEPTEMBER 2013	Building New Boxes: How to Run Brainstorming Sessions That Work
INNOVATION & GROWTH NOVEMBER 2012	Business Model Innovation in Social-Sector Organizations
INNOVATION & GROWTH SEPTEMBER 2013	Innovation Systems: Aligning the Incentives
INNOVATION & GROWTH SEPTEMBER 2013	Six Habits of IP Winners
INNOVATION & GROWTH JANUARY 2013	The Most Innovative Companies 2012
INNOVATION & GROWTH MARCH 2009	Variabilization

[BACK TO TOP](#)

CEO AGENDA	Big Data & Beyond · Global Advantage · Leadership & Talent · Six Simple Rules · Strategy Needs a Strategy · Sustainability · Winning in the Digital Economy
INDUSTRIES	Automotive · Consumer & Retail · Energy & Environment · Financial Services · Hardware, Software, & Telecommunications · Health Care · Industrial Products & Processes · Media & Entertainment · Private Equity · Public Sector · Social Sector · Transportation, Travel, & Tourism
BUSINESS TOPICS	Change Management · Corporate Development & Finance · Innovation & Growth · Marketing & Sales · Operations · People & Organization · Postmerger Integration · Strategy · Technology · Transformation & Turnaround
VIEWPOINTS	BCG Fellows · Classics · Now Is the Time · Strategy Gallery · TED@BCG
Home · Help · Contact Us · Site Map · Terms of Use · Privacy Policy · BCG.com	

- [RSS FEEDS](#)
- [FEEDBACK](#)
- [MOBILE](#)
- [TABLET APP](#)

Copyright © 2015
The Boston Consulting Group
All rights reserved