



Disruption: No one is immune

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Fuse by Cardinal Health

Himss[®]

CENTRAL & SOUTHERN OHIO *Chapter*

A Country Without Borders...

Die



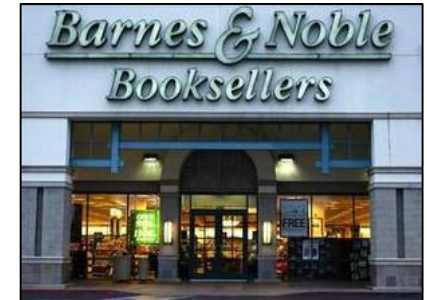
BGP
Chapter 11 - 2/16/2011
2/15/2011 share price - \$.23

Thrive



Up 66.5% in 2 years

Survive



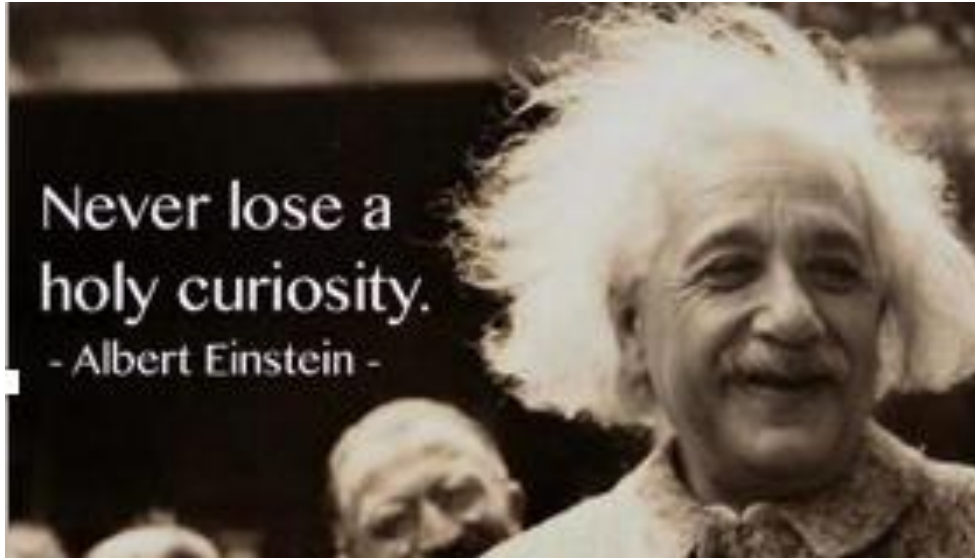
Up 15.9% in 2 years

Quick Quiz: Who has been disrupted?



Finding the Disruption "Antidote"

Themes that influence our technique



Experimentation

“In today’s real-time, online environment, **good ideas matter less; testable hypotheses matter more.** Tomorrow’s innovations and strategies will increasingly be the products — and byproducts — of real-time experimentation and testing.”

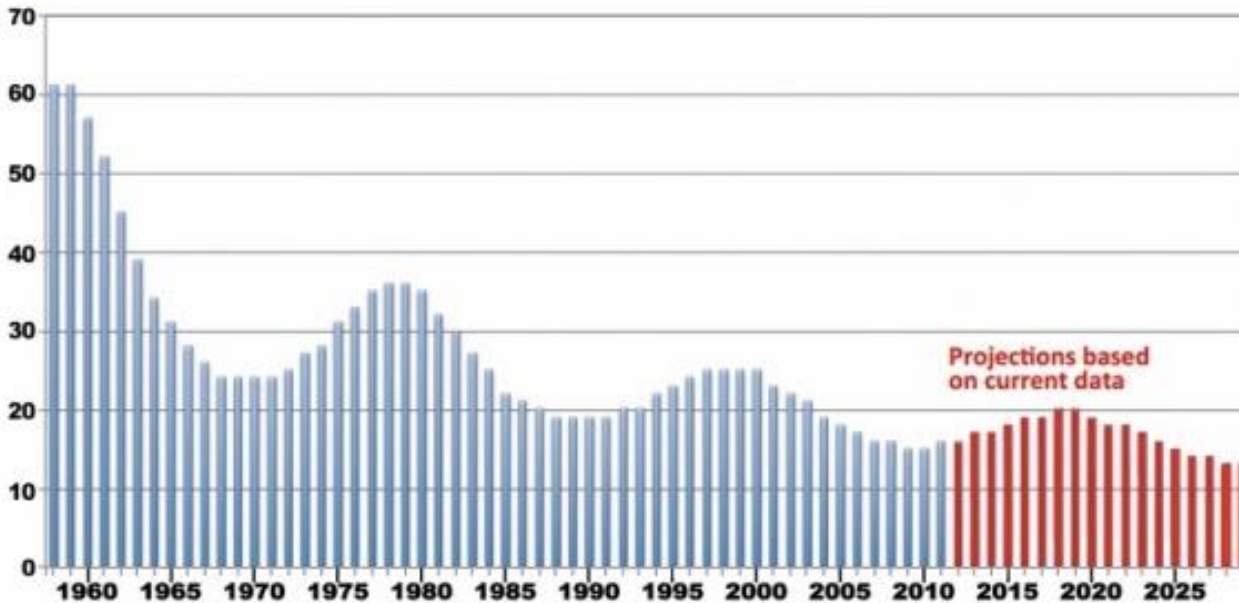
“The biggest challenges are not technical or financial, but cultural and organizational. **At most firms, management overwhelmingly favors planning, programs, projects, and pilots** over the real-world benefits of experimental knowledge and insight. Most **don’t realize how exponential economics of experimentation can bolster their innovation investment portfolios.**”



Article: R&D, Meet E&S (Experiment and Scale)

Why Focus on Experimentation?

■ Average company lifespan on S&P 500 Index (in years)



Year (each data point represents a rolling 7-year average of average lifespan)

DATA: INNOSIGHT/Richard N. Foster/Standard & Poor's

- 88% turnover in Fortune 500 list from 1955-2014
- Only eight companies from 2000 Fortune 20 remain in 2016
- 52% of Fortune 500 companies have merged, been acquired or gone bankrupt since 2000

*Mark Perry, AEI 8/18/2014

*Tech.com

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CENTRAL & SOUTHERN OHIO Chapter

Our Challenge...

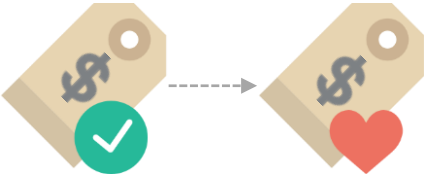


Healthcare System Observations



Global Trends

Healthcare



People



Technology



Patient Experience

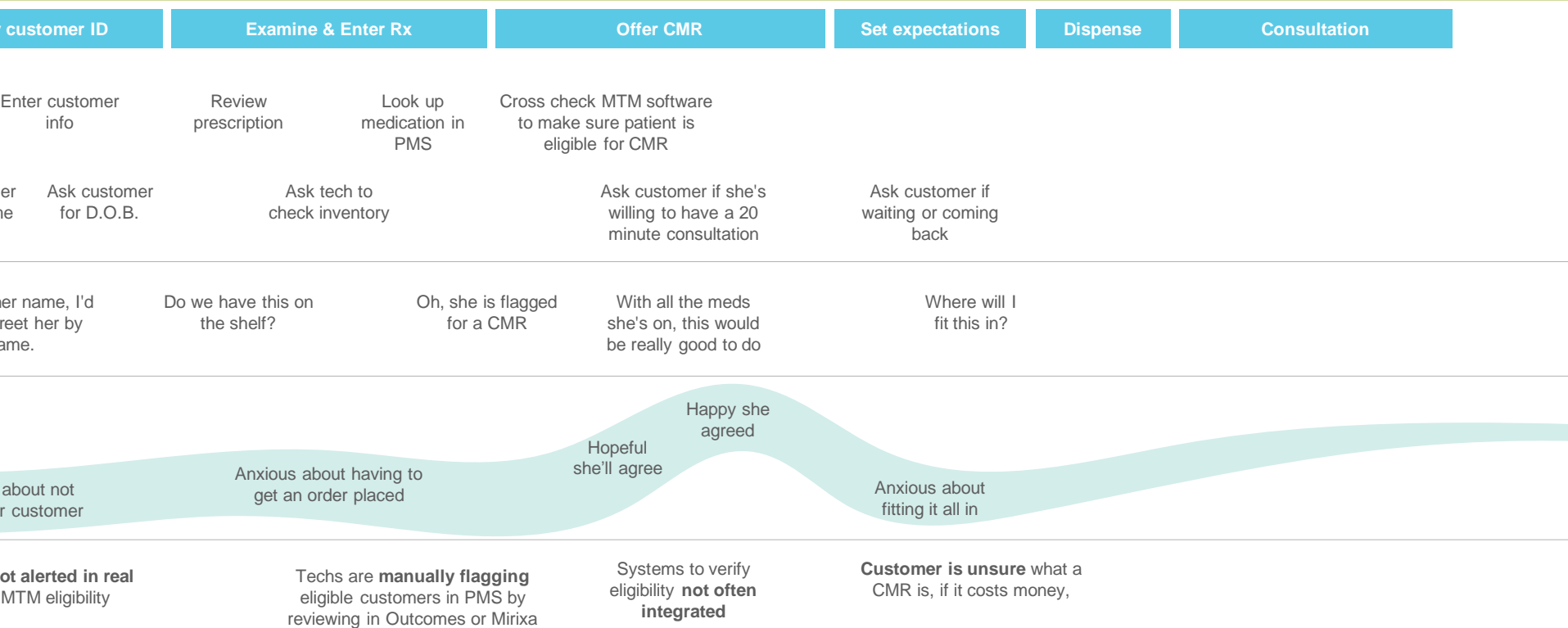


JOURNEY MAP | Independent Pharmacist servicing a CMR-eligible customer

| | before | during | | | | |
|----------------|---|--|--|--|---|--|
| STAGES | Dispensing | Customer Approach | | Verify customer ID | Examine & Enter Rx | Offer CMR |
| DOING / SAYING | <p> Filling prescriptions</p> <p> Greet customer at counter</p> | <p>Ask: Picking up or dropping off?</p> | <p>Ask customer for last name</p> | <p>Ask customer for D.O.B.</p> | <p>Review prescription</p> <p>Ask tech to check inventory</p> | <p>Look up medication in PMS</p> <p>Cross check MTM software to make sure patient is eligible for CMR</p> <p>Ask customer willing to have minute con</p> |
| THINKING | <p> It's getting busy all of a sudden</p> | <p>What is her name?</p> | <p>Do I have a script waiting for her?</p> | <p>What is her name, I'd like to greet her by name.</p> | <p>Do we have this on the shelf?</p> | <p>Oh, she is flagged for a CMR</p> <p>With all the she's on, th be really go</p> |
| FEELING | <p> Hurried trying to catch up on fills</p> | <p>Happy to see a familiar customer</p> | <p>Frustrated I can't recall her name</p> | <p>Embarrassed about not knowing regular customer</p> | <p>Anxious about having to get an order placed</p> | <p>Hopeful she'll agree</p> |
| OPPORTUNITIES | <p></p> | <p>Customer loyalty is built on familiarity with Pharmacist, but so many relationships are hard to maintain</p> | <p>Pharmacists not alerted in real time about MTM eligibility</p> | <p>Techs are manually flagging eligible customers in PMS by reviewing in Outcomes or Mirixa</p> | <p>Systems t eligibility ne integra</p> | |

Patient Experience

Servicing a CMR-eligible customer



Remote Patient Monitoring

“Medication nonadherence is a huge and costly problem, and technology like RPM could give patients the support and accountability they need for better day-to-day health management that can also avoid costly episodes of care.” – Tom Halterman

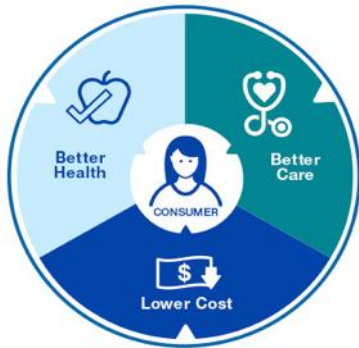
vice president of Medication Therapy Management at Cardinal Health



*Source: MedTech Boston

Nontraditional Payment Models

Value-Based Care



Out of Pocket



Medical Tourism



Membership Model



The key ingredients to avoiding disruption



Voice of the customer



Curiosity



Experimentation

Open Discussion