

# BUSINESS & FINANCIAL MODELING

## Model for a digital health startup business plan and fundraising

**Client:** A digital health startup launched at a top teaching hospital's innovation center

**Objective:** An innovation center at a top teaching hospital was incubating a seed investment in the medical transportation sector. The startup had developed and trialed a platform that integrated patient electronic health records with Lyft's ride-sharing service. The client sought help building an interactive financial model that could be used to help make key business plan decisions and determine fundraising requirements.



**Deliverables:** An 8-year cash flow model was built with significant scenario and sensitivity analysis. A forecast companion presentation that laid out information, analysis, and model input assumptions was also included. Source material for the slide packet came from secondary market research, client trial data, and discussions with the client.

**Results:** Annual cash flows could be assessed under multiple scenario and sensitivity input assumptions. Insights were provided into important business plan components including:

- Total addressable market & customer rollout strategy – The model provided market sizing information and allowed rollout strategies ranging from conservative to aggressive to be tested.
- Business model – Two business model options were supported including a full broker ride model, and a middleware platform alone model.
- Pricing strategy – The broker business model supported combinations of capitated rate and fee-for-service pricing. Platform pricing was based on a SaaS, 5-tiered pricing structure based on payor covered lives.

The client was impressed and benefited from the sophisticated modeling that was used to support so much analysis in a single model. Months later, with a more defined business plan in place, the startup initiated a second consulting engagement for a streamlined forecast that was used to successfully raise Series A funding.