

Management and Innovation of a Startup in Health Information Technology

Author: Cristiano Novack A. Pereira (IC)

Abstract

A year long experience managing Flemin, a startup in Health Information Technology. Despite a difficult year which forced the company to pivot, the company successfully prospected its first client and developed a carbohydrate and calorie calculator app in a B2B strategy while trying to fund and develop an electronic medical record of its own.

Key words: Startup, Health Information Technology, mHealth, Entrepreneurship

Introduction

Introduction: The growing use of health information technology through electronic medical records (EMR) and Mobile apps¹ has emerged as a solution to the rising healthcare costs in the world², while increasing efficiency and patient safety. A recent report, released by consulting the firm Accenture, estimates that the market for electronic medical records in the world will reach 22.3 billion dollars in 2015, while the Brazilian market accounts for \$400 million³. Brazil is one of the largest IT and healthcare markets on the planet, however it still has low usage of IT in the healthcare sector⁴. Brazil appears as a fertile setting for startups willing to bring innovation and IT solutions to healthcare. Flemin is an IT startup focused on developing healthcare medical apps to help healthcare professionals and patients. Created in 2012 by medicine and engineering students from Unicamp and USP.

Objective: Managing Flemin, for a whole year, involving all aspects of this activity, such as customer prospecting, fundraising, personnel management, market research, marketing, legal issues and project development.

Results and Discussion

Motivated by the low usage of EMR in hospitals in the country and the absence of national high-performance systems with suitable mobile interaction adjusted to the national reality, prompted Flemin to focus on developing a hospital electronic medical record with mobile interaction. Due to the high costs of developing it, the company sought funding with government grants. In parallel, while the funding was not approved, the company would sell app projects on a Business-to-Business strategy. Flemin started prospecting customers, what resulted in negotiations with the Brazilian Diabetes Society (SBD) to develop a calorie and carbohydrate calculator for Android, iOS and web. While negotiations were being made, government

funding was denied. The company was then forced to pivot to electronic medical records for medical offices and clinics which were cheaper and simpler. In order to better reallocate resources and to cut costs, Flemin decided to leave Unicamp Business Incubator and focus resources in an IT intern to assist in the EMR project structure and database prototype. The deal with SBD was closed in early 2015 and the calculator was developed through the first semester along with a video tutorial for the web version. In parallel, market research was carried on the presence of electronic medical records in medical offices and clinics, to understand the major national players, their business models and adoption rate in the country. The revenue from the first project sold by Flemin to SBD was enough to recover the company's financial health. Since then the company has been negotiating a new project for a surgery app with a new customer and a new app proposal was made by SBD to Flemin. Negotiations are now being held.

Conclusions

Several trials are imposed by the market and the circumstances and they can either bring a startup to its demise or lead it to new opportunities. This past year Flemin needed to pivot and undergo some changes. It brought good results as a first client and new perspectives.

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¹Qiang ZW "Mobile Applications for the Health Sector" ICT Sector Unit, World Bank, December 2011

²World Bank, health data, expenditure of GDP (%) 2011
<http://data.worldbank.org/indicator/SH.XPD.TOTL.ZS>

³<https://newsroom.accenture.com/news/global-market-for-electronic-health-records-expected-to-reach-22-3-billion-by-the-end-of-2015-according-to-accenture.htm>

⁴TI Maior: Programa Estratégico de Softwares e Serviços de Tecnologia da Informação, MCTI Governo Brasileiro