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**STAR Award**

2022

**2022 TSIA STAR Awards**  
Featured Application



## Philips Enterprise Monitoring as a Service (EMaaS)

**Market Background:** Philips has been the global market and technology leader in hospital patient monitoring for several decades. Over 60 years patient monitoring has evolved into its own complex technology ecosystem providing critical patient safety through 24 x 7 collection, aggregation and surveillance of physiological data. Monitoring patients however does not directly generate revenue or drive cost reductions within hospitals and is often viewed as an overhead investment.

**Business Challenge:** Monitoring purchases have followed a traditional capital model, transactional, technical sale. Vendors have little oversight, or insight on how technology is being used and adopted by their customers. Customers often fail to utilize new (or new to them) and advanced features with limited adoption of improved workflows. This consumption gap and lack of realized value has led to commoditization in the market and margin/market share erosion.

**Customer Challenge:** Health system leadership and supporting roles consistently highlight a set of interconnected challenges that prevent realizing the full value of their monitoring investment and achieving the ideal quality of care.

- Poor clinical integration and inefficient use of monitoring systems
- Limited telemetry data or visibility of adherence to clinical standards
- Unpredictable technology costs and clinical resourcing needs
- Decreased capital budgets with further pressures due to COVID-19
- Reduced ability to adopt monitoring capabilities and technology
- Outdated/incompatible technology with significant workarounds

“Since major changes in technology began 8-10 years ago, it’s never slowed down, we’ve never really had a chance to catch our breath”  
– Clinical Leadership

“We are paying for a system that we are not using to full capacity”  
– IT Leadership

**Framed Problem:** Evaluating market dynamics, business, challenges and customers challenges, the key question was how to retain and gain market leadership while increasing wallet share/Lifetime Value (LTV) in a highly competitive and technologically complex environment?

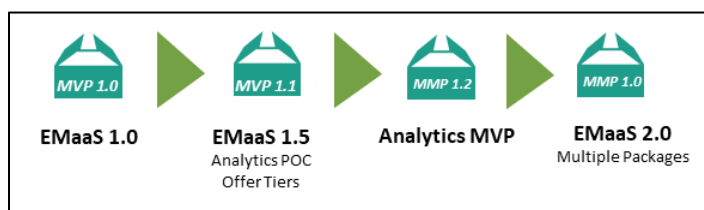
**Development Approach:** Staying competitive and addressing customer needs required disrupting the market – including Philips’ existing business. A small internal venture (start-up) team of marketing, technology, and financial creatives undertook analysis of customers challenges beyond “new features sets” and exploring alternative business model to increase customer value while growing the business. The team utilized extensive voice of customer research, partnered with customers on concept co-creation for problem-solution fit and MVP-proofing for product-market fit. Two First of Kind (FOK) customers pilot sites further enabled active learning and iteration before bring solution to the broader market.

This rigorous interaction with customers kept development activities focused on finding the intersection of desirability, feasibility, and viability – an approach the expanded team continues to use to inform offer iteration and continuous improvement. The team also leveraged industry consultants for guidance on as-a-service business models, change management with Philips leadership, and to validate findings, ensuring “business as usual,” was appropriately challenged.

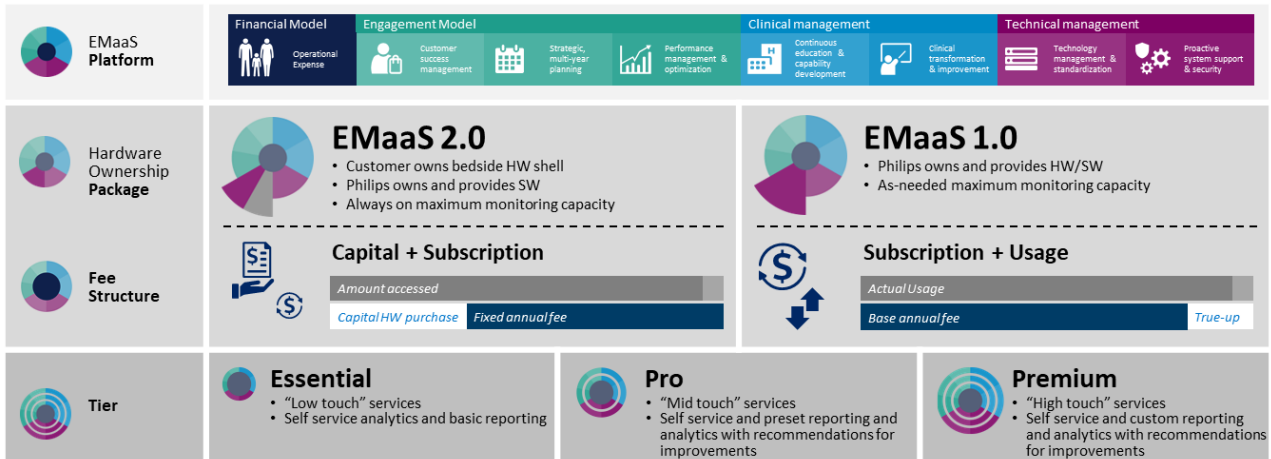
**Solution Offer:** The offer was initially designed as an ‘as-a-service’ with customers paying for monitoring capabilities and capacity while Philips maintained ownership of the solution. What became **Philips Enterprise Monitoring as a Service (EMaaS)** is a consumption-based model that standardizes monitoring technology and delivers the clinical and technical services to help support the performance of the patient monitoring system in hospitals. Through a multi-year contract, the long-term partnership based on shared accountability, provides a sustainable and scalable solution.

### Offer Pillars ([What is EMaaS – Detailed View](#))

- Financial Model (*Operational Expense vs. Capital Expenditure*)
- Ongoing Clinical Management
- Ongoing Technology Management
- Deeper Engagement Model



With a proven MVP, additional investment was made to create and validate a proof-of-concept analytics framework, performance dashboard, and reporting process (to provide critical monitoring telemetry and measure value realization). Based on customer and sales team feedback, offer tiers were added to address desired depth of partnership, while identifying a significant segment of customers not fully ready to give up monitor ownership. We iterated on the offer and developed a new package (EMaaS 2.0) focused on this segment to grow our market share.



**Roadblocks and Challenges:**

External

- Create an as-a-service category for our business
- Establish ourselves as a credible first mover
- Develop proof points (analytics, key improvements, meaningful CSM)
- Validate market willingness to pay for an unproven model

Internal

- Business model transformation and change management
- Sales strategy, capabilities, and compensation plan
- Service delivery model
- Revenue recognition & order intake
- Quoting, delivery, and tracking

**Business Impact:**

- Forecasted profitability 10% higher than Business as usual (BAU) over 10 years
- 10 years forecast order intake of €2.5 - €4.0 billion and incremental revenue of €300 – €600 million over BAU
- Retention of at-risk customers with 45% expected to migrate to EMaaS vs. traditional offers or competition
- Expansion into new and unanticipated care settings not typically targeted by EMaaS
- Telemetry into system use and adoption previously unknown and unmeasurable

**Customer Impact:** Through EMaaS, Philips established an innovative partnership with Jackson Memorial Hospital, a non-profit, tertiary care teaching hospital in Miami, Florida with 1,048 licensed beds which standardized their monitoring equipment and established a sustainable model for ongoing improvement.

“COVID-19 required us to be extremely flexible and pivot...to keep COVID-19 patients isolated from other patients, we had to create a universal unit, which included patients who would normally be dispersed among med- surg, telemetry, intermediate, and ICU units. That required us to have monitors with three different acuity levels in one unit.”  
 – Carolyn Carter, Associate Chief Nursing Officer, Jackson Memorial Hospital

- [Jackson Health Results Press Release](#)
- [Interview with CIO at Jackson Health](#)
- [HBR: Ensuring Agility and Connectivity in Today’s Health Care Landscape](#)
- [“Sophie” customer experience video](#)

Impact	Category
13,331 Hours	Hours Saved by Clinicians on Patient Transport and Charting
3,709 Hours	Annual Hours Saved via Optimized Transport
5 mins. to 4 Secs.	Average Time Spent on Readyng Patient for Transport
9,622 Hours	Annual Hours Saved from Charting Automation
15 Mins. To 5 Mins.	Time Saved When Charting Vitals
20Hrs. to 8 Hrs.	Daily Time Saved by Tele Techs in CMU on Wavestrips
94%	Critical Care Nurse Satisfaction with New Transport Process
87%+	Telemetry Clinician Satisfaction with Philips Monitoring & Workflow Improvements
90%	Critical Care Nurse Satisfaction with Monitoring System (Baseline of 8% Satisfaction)
50%	Call Reduction from CMU to Units for Tele Patients
Pending	Alarm Load Reduction - Pilots currently underway



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