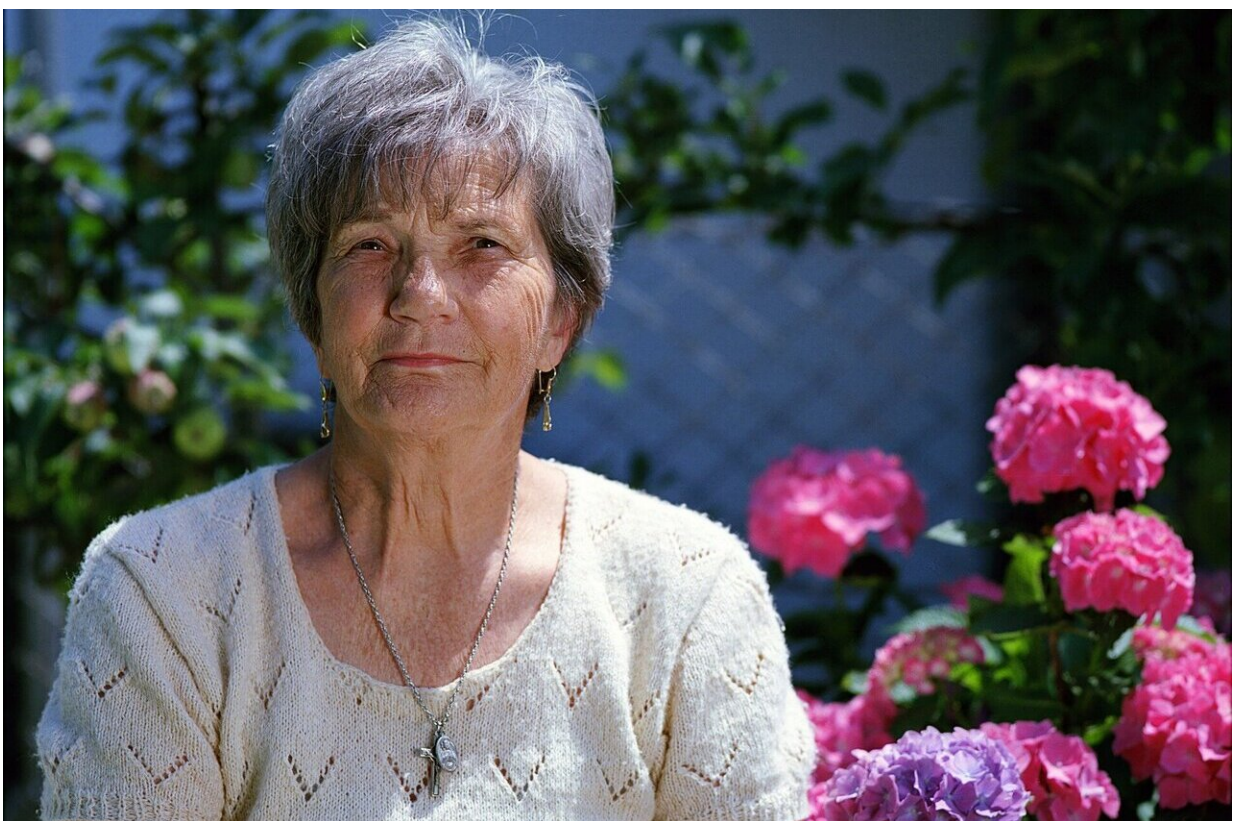


# Improved business models needed if eHealth companies are to support older people effectively

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New sustainable and scalable business models must be created if eHealth companies are to deliver effective health and social care services for

older people.

A new research paper, by Professor Feng Li, explores the need to fix the slow and fragmented developments in eHealth. The paper has a particular focus on electronically provided healthcare devices and services that deliver care to the home and support extended independent living, and how changes would improve the well-being and welfare of older people, their relatives, and their caregivers.

Despite rapid developments in telehealth, telecare, and telemedicine, the overall uptake of eHealth services has not been adopted on a large scale in most countries. This is despite a strong underlying demand, in a rapidly aging population, with the expectation that there will be a greater demand placed on the health and social care sectors in the future.

The COVID-19 pandemic has caused a major acceleration in the adoption of telehealth, when patients' ability to see their doctors is severely restricted. However, it remains unclear whether emergency measures adopted during the pandemic will be reversed when the crisis is over, despite its potential to improve access to care, patient outcomes and a more efficient health and social care system. Long term success depends on factors, including major improvements in [information sharing](#) and exchange, greater access and integration of technologies, and sustainable and scalable [business](#) models to increase user adoption and acceptance and generate financial surplus for providers.

Professor Li says there is 'a major chasm' between UK companies and the mainstream market. The study found that most of the companies explored—which represented the full range of eHealth experienced practitioners in the health and social care sectors—had never recorded a profit from their mainstream business, had negative financial net worth and were unprofitable and unsustainable. Many of them relied on side income—such as research grants or government subsidies—to stay

afloat. It also recommended that products must be more accessible and cheaper if local councils are to take up their services at scale, while many such services often run alongside already existing NHS provision.

Conversely, it was found that international models, where companies have often diversified their product lines and attracted larger scale investors, are embracing industrial partnerships compared to the third sector organizations and new start-ups in the UK.

Professor Li says ways in which existing [business models](#) can be adapted to improve efficiency and effectiveness include through a state reimbursement and purchasing system, an insurance-fund reimbursement, or a self-purchased market.

The authors suggest that while there are benefits of the eHealth system for consumers and producers, there are significant cultural barriers to overcome—such as negative perceptions around paying for a [service](#) while there is universal free health care in the UK—if they are to become established. They believe solutions could include the personalisation of products and services and closer working with key stakeholders and different industries.

Professor Feng Li, who is Chair of Information Management at the Business School (formerly Cass), and co-authored the report with Dr. Festus Oderanti, Dr. Marija Cubric and Dr. Xiaohui Shi, said that "the growing demand for health and social care due to a rapidly aging population calls for new market development of eHealth products and services."

"To develop scalable business solutions, entrepreneurs need to understand the ways in which eHealth is used now and how it will be used in the future, as well as the contexts in which they are integrated into people's lives."

"That is particularly necessary in the UK, which has often been regarded as a world leader in eHealth innovations, although this position has declined rapidly in recent years. International eHealth firms are exploring different, and often more successful, routes to the UK market. The UK must learn quickly if it doesn't want to get swallowed up by those with a more considered, and ultimately sustainable, strategy."

**More information:** Festus Oluseyi Oderanti et al, Business models for sustainable commercialisation of digital healthcare (eHealth) innovations for an increasingly ageing population, *Technological Forecasting and Social Change* (2021). [DOI: 10.1016/j.techfore.2021.120969](https://doi.org/10.1016/j.techfore.2021.120969)

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