

F R O S T & S U L L I V A N

2024 CUSTOMER VALUE LEADER

*IN THE NORTH
AMERICAN PATIENT
FLOW MANAGEMENT
INDUSTRY*

F R O S T & S U L L I V A N

2024 BEST
PRACTICES
AWARD

Qventus

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Qventus excels in many of the criteria in the patient flow management space.

AWARD CRITERIA	
<i>Business Impact</i>	<i>Customer Impact</i>
Financial Performance	Price/Performance Value
Customer Acquisition	Customer Purchase Experience
Operational Efficiency	Customer Ownership Experience
Growth Potential	Customer Service Experience
Human Capital	Brand Equity

Healthcare Management: The Patient Experience

The COVID-19 pandemic exposed cracks in healthcare’s clinical, financial, and operational processes. Efficiency has become a major focus as hospital systems strive to strengthen healthcare networks. From simple technological or software solutions to complex artificial intelligence (AI)-driven predictive algorithms, healthcare institutions aim to improve automation and technological capabilities to cater to changing industry dynamics and boost their bottom line.

Automation and technology adoption has traditionally centered on financial workflows; however, with the growing strain on clinical and administrative resources, the focus is shifting toward enhancing clinical and operational processes. Clinical efficiency solutions are complex, requiring regulatory approvals and clinical acceptance. Frost & Sullivan recognizes that operational efficiency solutions present an exciting opportunity for vendors across the healthcare ecosystem to streamline patient flow and improve the administrative workload of medical staff.

In an acute care environment, efficient clinical and operational processes are critical to deliver the right care to the right patient at the right time and location. Clinical efficiency stresses building a patient- and provider-centric environment by capitalizing on virtual care, digital documentation technology, bedside patient engagement devices, and modules to create a connected care experience. Operational workflows touch on three core elements of healthcare facilities: patient flow and collaboration, workforce management, and material utilization. These segments prioritize continuity of care, efficient resource utilization (human and assets), and staff experience.

Frost & Sullivan estimates the patient flow management market will reach \$5,990 million in 2028, with a compound annual growth rate of about 13.8% from 2023 to 2028.¹ Qventus uniquely leverages its products to meet its clients' needs. It is well-positioned to capitalize on new growth opportunities, cementing its leadership in patient flow management.

Qventus: Enhancing Hospital Management

Founded in 2011 and headquartered in California, USA, Qventus is a developer of hospital management software. Qventus leverages its expertise in AI, behavioral science, and operations management to assist health systems in enhancing patient flow operations systems. The Qventus Inpatient solution institutionalizes discharge planning best practices, thereby reducing the length of stay within individual facilities. Additionally, its Command Center solution extends these benefits to the system level, enabling health systems to intelligently manage demand distribution, optimize care progression, and strategically handle post-acute placements.

By addressing various stages of the patient journey, Qventus aids organizations in optimizing bed capacity and refining discharge practices. Notably, Qventus is making significant inroads in the OR utilization market by overcoming the limitations of OR utilization suites offered by EHR vendors.

A Customer-centric Approach Driving Unmatched Client Experiences

With its customer-centric corporate philosophy, Qventus operates on the central tenet that its success depends on customer satisfaction. This philosophy permeates the company's daily practices. The

"While the company has a robust client reference program, many of these connections originate from referrals made by senior physicians or executives, either at its request or independently."

***- Marcos Ainchil
Best Practices Research Analyst***

company operates under an objectives and key results (OKR) system, with clients being an integral part of its lead OKRs annually and quarterly. As a result, the company maintains a high satisfaction rate of 95% among its clients.² Currently, 65% of its clients are certified references that contribute significantly to the company's customer acquisition.³ Qventus measures client satisfaction through biannual Net Promoter Score surveys, allowing it to gather direct

feedback from various levels within its client base, including schedulers, surgeons, and executives. Client engagement drives high survey participation. Moreover, Qventus' advisory council, which encompasses many of its clients, provides valuable feedback and serves as a platform for productive engagement and learning opportunities for its organization and clients.

Qventus leverages client feedback to drive innovation and guide its decision-making processes. It measures client satisfaction through surveys and direct inquiries, using the feedback to improve its offerings continuously. While the company has a robust client reference program, many of these connections originate from referrals made by senior physicians or executives, either at its request or independently. These referrals have been instrumental in driving its business, and the company considers

¹ Growth Opportunities in US and European Hospital Workflow Digital Platforms and Solutions in Acute Care, Forecast to 2028 (Frost & Sullivan, May 2024)

² Frost & Sullivan Interview with Qventus, May 2024

³ Ibid.

client satisfaction to be one of its most valuable assets for customer acquisition, surpassing even its sales and marketing capabilities. This foundational approach establishes ongoing trust with customers for long-lasting relationships.

Qventus has prioritized delivering value swiftly, enabling it to achieve rapid progress. The company showcases its approach and takes calculated risks to meet emerging industry needs efficiently and effectively. Its strategy relies heavily on data and results, which have been pivotal to its achievements.

Proven Customer Journey Support

Qventus works closely with customers during the pre- and post-purchase journey, offering support and guidance to achieve the desired future state. During the initial onboarding process, its primary focus is on delivery. The organization's robust and empowered team operates with a customer-first approach backed by measurable outcomes. This emphasis on customer-centricity balances with the need for scalability,

"Qventus actively identifies challenges, assesses associated opportunities, and prioritizes initiatives that resonate with its clients' digital health perspective."

- Nitin Manocha
Industry Analyst

necessitating internal constraints related to efficiency and tooling. Its commitment to flexibility with clients is unwavering, as evidenced by its alignment with the evolving needs of health systems.

Qventus actively identifies challenges, assesses associated opportunities, and prioritizes initiatives that resonate with its clients' digital health perspective. The company appoints a dedicated

manager to each client to ensure a seamless onboarding process. Furthermore, its ongoing client quarterly business reviews are spearheaded by a vice president, fostering a strong relationship from the outset. Qventus instills confidence in its customers by making commitments and sharing the associated risks, reinforcing its dedication to delivering on its promises and helping customers identify potential pitfalls before implementation.

Qventus' clients typically break even within two to two and a half months, depending on the structure of their operations. Within the first six months, clients experience substantial lead generation, contributing to accelerated progress. These commitments are integral to enhancing the overall customer experience. By establishing them, the company can provide dedicated training resources that engage with clients, ensuring a thorough understanding of its services. This proactive approach significantly expedites the adoption process, distinguishing it as a strong contender in client acquisition.

Its clients frequently acknowledge the value the company places on change management alongside technological solutions. This emphasis on change management is a key strength that sets it apart, particularly during the onboarding process, marking a significant departure from the norm.

Positioned for Growth

Since its inception, Qventus' sterling reputation and customer-centric framework have led to its coveted preferred partner status. Qventus initially operated as an inpatient company with a focus on early discharge. However, the COVID-19 pandemic significantly disrupted its plans, leading it to redirect its attention to patient flow. During this period, the company engaged in pro bono work, leveraging its

technology and predictive modeling to address critical healthcare challenges. Its collaboration with the White House during this time showcased its commitment to solving substantial problems within the healthcare industry without pursuing financial gain. Concurrently, the company developed its Inpatient product in anticipation of the post-pandemic period when healthcare systems would need to recuperate financially.

During the commercialization process, Qventus focused on enhancing its product, which was launched in early 2022. Subsequently, the company observed significant growth in the latter part of 2022, quickly reaching a milestone of \$5 million in sales.⁴ As the company entered 2023, it aimed to utilize the product as a model for expansion, capitalizing on its shorter sales cycle and rapid return on investment. Throughout 2023, the company successfully scaled the solution to over \$15 million in sales revenue, achieving rapid growth within a year and a half.⁵ This growth occurred alongside the continuous expansion of its existing product line.

The company anticipates a higher growth rate in 2024, aiming for a 40% to 50% year-over-year growth.⁶ Qventus has introduced a new solution, which entered the beta testing phase in 2024 and is sold in the market without a dedicated sales team. This solution leverages AI as an assistant for schedulers and has the potential to be implemented across the entire health system. Its growth rate potential surpasses that of its previous product.

For instance, the company approached five clients and swiftly secured a substantial investment of approximately \$1 million for its innovation program.⁷ This strong support from its clients is driving its current growth, which stands at a minimum of 40% per year.⁸ Its target is to reach a revenue range of \$40 to \$50 million by the end of 2024 and potentially double that range by the beginning of 2026.⁹ Given today's landscape, Frost & Sullivan believes the company is in a prime position to increase its market share in this highly competitive patient flow management industry.

Strategy Development to Operational Efficiency

In the latter half of 2022, Qventus experienced significant success. However, despite its continued growth, its operational infrastructure was not fully equipped for scalability. With the CEO and other team members actively engaged in sales efforts, operational efficiency became a critical focus in 2023. The company made major investments in knowledge management and transfer technology to optimize company-wide efficiencies. It emphasized measuring workforce output and enhancing delivery processes to minimize the need for concurrent client acquisition and staffing increases as the company entered 2023. Qventus focuses on aligning with industry-leading metrics, leveraging insights from esteemed investors like Bessemer to assess its performance in sales and marketing.

Currently, 20% to 25% of Qventus' workforce is located outside the United States; the company plans to expand this amount to over 30% in the near future, significantly contributing to accelerating its global

⁴ Frost & Sullivan Interview with Qventus, May 2024.

⁵ Ibid.

⁶ Ibid.

⁷ Frost & Sullivan Interview with Qventus, May 2024.

⁸ Ibid.

⁹ Ibid.

business growth.¹⁰

Previously, Qventus' delivery and client success teams were responsible for implementation. However, due to the substantial engineering resources involved, the company has appointed a dedicated employee for this function and integrated it into its research and development unit. This structural change has enabled the company to adopt a more operational approach to its delivery processes, thereby ensuring that the voice of the client continues to guide its decisions.

These effective changes have revealed previously unforeseen opportunities to optimize its organizational leverage, which the company is actively exploring. Frost & Sullivan believes the company is well-positioned to drive the patient flow management space into its next growth phase, capturing market share and sustaining its leadership in the coming years.

Conclusion

Customer-centric strategies help companies safeguard leading positions in markets, but only if the approach is authentic and the implementation is seamless. Qventus incorporates client-focused strategies and exemplifies best practice implementation. It operates with a customer-centric philosophy, prioritizing customer satisfaction. The company maintains a high satisfaction rate among its clients and measures client satisfaction through biannual Net Promoter Score surveys. Qventus' clients are crucial in driving innovation by providing feedback on technological directions, guiding decision-making processes, and contributing to the company's business through referrals. Qventus values client satisfaction as integral to its internal and external operations, forming long-lasting customer relationships. This overall customer-first approach offers immense value to existing and new customers and solidifies Qventus' reputation in the market.

With its strong overall performance, Qventus earns Frost & Sullivan's 2024 North America Customer Value Leadership Award in the patient flow management industry.

¹⁰ Ibid.

What You Need to Know about the Customer Value Leadership Recognition

Frost & Sullivan's Customer Value Leadership Award recognizes the company that offers products or services customers find superior for the overall price, performance, and quality.

Best Practices Award Analysis

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

