



# Harvard Business Review

REPRINT H05Q7E  
PUBLISHED ON HBR.ORG  
JULY 02, 2020

## **ARTICLE** **ENTREPRENEURSHIP**

# Turn Your Covid-19 Solution into a Viable Business

*by Dirk G. Schroeder*

ENTREPRENEURSHIP

# Turn Your Covid-19 Solution into a Viable Business

by Dirk G. Schroeder  
JULY 02, 2020



SCOTT OLSEN/GETTY IMAGES

As the challenges associated with the coronavirus pandemic mount, there is no shortage of [innovative entrepreneurs](#) who have stepped up to help. During March and April 2020 alone, [virtual Covid-19-innovation competitions](#) (aka hackathons) drew in tens of thousands of participants from 175 countries.

From the [Atlanta high school student](#) who started an organization delivering free meals to front line hospital workers, to a group of [Colombian engineers](#) building low-cost ventilators from scratch, [innovators worldwide](#) are creating novel solutions to the problems caused by the pandemic. And [many](#) are looking to turn their Covid-19 inspired innovations into sustainable businesses that will continue on past the immediate crisis.

As an entrepreneur who co-founded, built, and sold a mission-driven company, and a professor of social enterprise and global health at Emory University, I'd suggest that today's Covid-19-inspired innovators take four key steps if they want to turn that project into a viable business for the long term.

### **1. Determine whether your innovation is addressing a long-term problem.**

The best innovations are created in response to specific, urgent, and sizeable problems. In some ways, the Covid-19 crisis has made our most urgent problems and their potential solutions more obvious. For example: Health care providers needed masks; production facilities were idle; workers were furloughed and needed jobs. A social enterprise could address all three of these urgent problems simultaneously: Train workers to make masks in underused production facilities for health care providers.

But will this cluster of problems still need your solution three to five years from now?

Some coronavirus-inspired entrepreneurs are building on existing trends that have been amplified and accelerated by the pandemic, such as [the explosive growth in telehealth](#), remote patient monitoring and [the use of AI in health care](#). One MIT [Covid-19 Challenge winner](#), for example, built a model to track the national distribution of critical medical supplies for hospitals in highest need. The efficient distribution of healthcare supplies is obviously an urgent problem today, but even beyond the current crisis, will be of value to healthcare systems that need to reduce waste and lower costs. On the other hand, some Covid-19 inspired organizations have been established in response to problems that are urgent and important today but are unlikely to be as critical once circumstances change. Free meal delivery services that were started to help health care workers may fall into this second category.

In order to determine whether your new product or service is addressing a long-term or short-term problem, I recommend that entrepreneurs start by looking to the past. Construct a market-opportunity analysis using data from 2019 and earlier. Was the problem you are addressing now a problem then? And, if so, how big was it? Next, list what specifically changed with the emergence of Covid-19 that created or amplified this problem and the need for your innovation.

For example, the need to care for patients from a distance, a problem solved by telehealth and remote-patient monitoring, certainly existed prior 2020. What changed with Covid-19 were the widespread stay-at-home orders, more widely available video and home-based technologies and, in

the case of telehealth, changes in regulations and reimbursement, which, together, have led to a tremendous demand for these services.

## **2. Identify your long-term market.**

The next step is projecting whether there will be a large, passionate market for your product or service in a post-Covid future. Research conducted by [CB Insights](#) prior to the pandemic found that a lack of market demand was the most common reason for failed startups' demise, with 42% of companies citing it as a contributing cause.

I came close to becoming a member of the “failed-startup-founder club” myself 20 years ago when I relinquished tenure at a top university to co-found an early digital health company. Our mission was to build an online health resource for Latin America. Soon after we incorporated, however, we realized that there were only a couple million Spanish-speaking consumers online at the time — a market too small to build a viable business around. On top of that, we made another mistake common to rookie entrepreneurs: We were too focused on the *technology*, and not enough on the *customer*.

User-centered design has taught us that a key to building a lasting business is having a deep understanding of who your customers are and how your product or service fits into their world.

As a Covid-19 inspired entrepreneur, ask yourself two questions: Are you delivering an innovation that your customers are passionate about? And will there be a large enough number of these passionate customers to grow a business once coronavirus is under control?

## **3. Proactively pivot, if you need to.**

If you determine that your current target market may not be large enough in a post-Covid future, you may need to pivot, like we did.

For the first five years of our company, we kept the lights on by selling translation and marketing services to U.S. hospital systems that served Hispanic patients, buying ourselves time until the market of Spanish-speakers passionate about health information eventually grew to half a billion people.

If it's your turn for [a strategic pivot](#), do whatever you can to pivot early, proactively, and thoughtfully. There are ample stories in the media these days of startups that are pivoting — but are doing so reactively in a frantic scramble for survival.

## **4. Map your business model.**

Many of today's Covid-19 inspired innovations are being given away for free, or are supported by donations, as is appropriate during an emergency. The leaders of these startups should be aware that [contributions to non-profit organizations](#) that are not Covid-19 centric are way down. Maintaining a

donation-exclusive organization over the long-run in the face of today's economic circumstances will likely be difficult.

Covid-19 inspired innovators should consider [revenue models](#) native to the field of social entrepreneurship. Social enterprises have a dual mission of social impact and financial growth and have developed an array of business models to achieve these parallel goals. For example, a Covid-19 inspired innovator in the U.K. is using the “buy one, give one” sales model to distribute the newly invented “[hygienehook](#).”

Today's entrepreneurs who are working on mapping their business model should also look to the past, when other economic disruptions similarly forced many companies to rethink their businesses. During the “great recession” of 2008, for example, Mark Johnson, Clayton Christensen, and Henning Kagermann [presented a framework](#) for reinventing your business model that is as relevant today as it was then. I suggest today's entrepreneurs use this framework to define their company's customer value proposition (CVP), profit formula, and the key resources and processes needed to deliver the offering as they navigate a future that is likely to demand novel solutions for some time to come.

The Covid-19 pandemic has clearly confirmed the maxim that crisis breeds innovation and opportunity. We have been reminded that WWII yielded the first programmable digital computers as well as unexpected discoveries like [super glue](#).

It is unclear at this time which of the tens of thousands of Covid-19 inspired entrepreneurs are creating products and services that will succeed in the long-term, but by going through these steps, more of today's innovations will be the ones that people are using years and decades from now.

---

**Dirk G. Schroeder**, ScD, MPH is an Associate Professor of Social Entrepreneurship and Global Health at Emory University, the CEO of Updraft Health Innovation Advisors, and the Co-Founder of HolaDoctor Inc., a Spanish-language, digital health company. Learn more at [www.dirkschroeder.com](http://www.dirkschroeder.com).

---