Technology Management Series

Strategy: Leading with AI

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Session 3 – August 8, 2024
Building an AI Factory: VideaHealth

Materials:
1. *Competing in the Age of AI: Strategy and Leadership When Algorithms and Networks Run the World* by Karim Lakhani & Marco Iansiti
2. VideaHealth (621021-PDF-ENG)

VideaHealth Summary
Florian Hillen, co-founder, and CEO of VideaHealth, a startup that used artificial intelligence (AI) to detect dental conditions on x-rays, spent the early years of his company laying the groundwork for an AI factory. A process for quickly building and iterating on new AI products, Hillen believed that the AI factory would prove a competitive advantage when he took his company to market. The AI factory consisted of four stages: the data pipeline, which required labeling dental pathologies on x-rays; algorithm development, which required writing computer programs that learned to recognize the presence of dental conditions and identify them in unlabeled x-rays; an experimentation platform, which tested the accuracy of Videa's diagnoses and determined the appropriate sensitivity of the AI models; and software infrastructure, which deployed the company's AI programs and managed the process for cleaning, storing, and transmitting data. Hillen knew that his company's technology would appeal to individual dentists or dental service organizations (DSOs), who could use AI to make diagnoses more accurate and improve patient trust. Yet Videa would also benefit insurance companies, who could use the technology during the claims review process. Poised to take the company to market, Hillen must decide which customer segment to pursue.

Please read the case **VideaHealth** and prepare to discuss the following questions:

1. Would you rely on an AI product to give you a dental diagnosis? What would you need to know about the system before you are comfortable?
2. What is Videa's competitive advantage?
3. What are the potential business models the company could pursue?
4. At this stage of development, which elements of the business should Florian Hillen, the company's CEO, focus his attention on? Why?