

## Evaluation and selection of new technologies

AZZURRA is a private society that works also with the Public National Health System. The structure accounts for 146 beds, 18 accredited, distributed in 84 rooms.

The activities focus on 3 main areas:

- Inpatient activity, articulated in 7 units (General Medicine, Surgery, Vascular Surgery, Ophthalmology, Orthopaedics, Urology and Cardiology);
- First aid;
- Outpatient activity.

The table shows the profit of AZZURRA of the last years:

	2018	2019	2020
<b>Profits</b>	20.700.000	21.500.000	23.800.000

**Tab 1: AZZURRA Profits**

DIAGNOSTIC is a supplier of AZZURRA, that produces medical devices. In the last year, it is incurring in a reduction of the profits.

	2018	2019	2020
<b>Profits</b>	6.100.000	6.000.000	5.200.000

**Tab 2: DIAGNOSTIC Profits**

At the end of the 2017, Diagnostic has been evaluating the new products to be launched in 2018 to be adopted by AZZURRA. Table 3 shows a description of new products to be evaluated.

New Technologies/Products		1	2	3	4
<b>Organizational implications</b>	Level of Know How	High	Low	Very High	High
	Strategic relevance	Medium	High	Very High	Medium
	Need to replace spaces	No	No	Yes	No
<b>Impact on the final users</b>	Clinic and economic appropriateness	High	Low	High	Very High
	Impact on the quality of life (reduction of the invasiveness, recovery reduction time, <i>etc...</i> )	High	High	Low	Medium
<b>Characteristics of the</b>	Application Areas	Limited	Very Wide	Very Wide	Wide

<b>products</b>	Technological Life Cycle	Growth	Embryonic	Embryonic	Growth
	Technological Position with Respect to competitors	Strong	Tenable	Strong	Sustainable
	Trade off cost-efficacy	Medium	Medium	Very High	High

**Tab 3: Characteristics of the technologies**

<b>Product 1</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Revenues					40.000	40.000	60.000	60.000	60.000	60.000	60.000
Costs R&D	4.000	4.000	4.000	4.000	3.000	3.000					
Other Costs	2.000	2.000	2.000	1.700	1.700	1.700	1.700	1.700	1.700	1.700	1.700
Depreciation		8.700	13.900	13.900	19.100	19.100	19.100	19.100	19.100	19.100	19.100
Investments	87.000	52.000		52.000							

<b>Product 2</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Revenues			75.000	75.000	75.000	75.000					
Costs R&D	3.000	3.000	3.000								
Other Costs	1.500	1.500	1.500	1.500	1.500	1.500					
Depreciation		2.000	9.400	9.400	9.400	9.400	9.400	9.400	9.400	9.400	9.400
Investments	20.000	74.000									

<b>Product 3</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Revenues					38.000	38.000	38.000	38.000			
Costs R&D	2.000	2.000	2.000	2.000	2.000						
Other Costs	1000	1000	1000	1000	1000	1000	1000	1000			
Depreciation		2.000	9.300	9.300	9.300	9.300	9.300	9.300	9.300	9.300	9.300
Investments	20.000	73.000									

<b>Product 4</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Revenues						65.000	65.000	65.000	65.000	65.000	65.000

Costs R&D	900	2.600	2.600	2.600	2.600						
Other Costs	200	1.000	2.600	2.600	2.600	2.600	2.600	2.600	2.600	2.600	2.600
Depreciation		7.300	7.300	7.300	7.300	7.300	7.300	7.300	7.300	7.300	7.300
Investments	73.000										

**Tab 4: DIAGNOSTIC revenues and costs profile (2018-2028)**

**Please consider that:**

**The discount rate is 7%, risk free rate is 2%.**

**Do not consider the taxation effect**