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This Week's Stories

AT&T Is Working On An Open-Sourced AI Project With Linux Foundation

November 2, 2017

The Acumos Project aims to be a marketplace of artificial intelligence apps and services.

The nonprofit Linux Foundation has announced that is working on an open source AI project, and AT&T is one of the founding organizations. Called the Acumos Project, its goal, like many open source platforms, is to enable a free exchange of ideas and machine learning solutions using an artificial intelligence framework -- and eventually become a marketplace for AI apps and services.

The Acumos Project aims to provide tools for casual users, not data scientists, and will focus first on making apps and microservices. While The Linux Foundation's announcement was light on details, it noted that it will sustain the Acumos Project for some time and AT&T and other founder Tech Mahindra will contribute code.

"Artificial intelligence is a critical tool for growing our business. However, the current state of today's AI environment is fractured, which creates a significant barrier to adoption," Mazin Gilbert, Vice President of Advanced Technology at AT&T Labs said in a statement. "Acumos will expedite innovation and deployment of AI applications, and make them available to everyone."

Acumos Project code will become available nearer to the platform's launch in early 2018.

[engadget.com](#)

Samsung Appoints New CFO To Oversee \$68 Billion Cash Pile

November 2, 2017

Samsung Electronics on Thursday announced a new chief financial officer (CFO) to be in charge of one of Asia's biggest corporate cash piles, and said it will create a body within the firm to coordinate with tech affiliates.

The announcement follows the appointment of a new generation of top managers this week to replace leaders of its three main businesses — semiconductors, smartphones and consumer electronics — and a promise to reward shareholders with \$26 billion in payouts through 2020.

The shake-up is likely to ease investor concern about a leadership vacuum following the arrest and conviction of Vice Chairman Jay Y. Lee on bribery charges earlier this year.

New CFO Roh Hee-chan will oversee some 76 trillion won (\$68.27 billion) in cash and cash equivalents as at September-end, which was 8 percent more than three months earlier. Roh was previously CFO of subsidiary Samsung Display.

Samsung Electronics also said it will establish a body to coordinate issues common among the firm and affiliates such as Samsung SDI and Samsung Electro-Mechanics. It did not elaborate.



The wider Samsung Group previously had a Corporate Strategy Office which oversaw group companies, orchestrated major decisions such as asset sales and arranged support for weakened affiliates. It was disbanded in February due to involvement in the graft scandal that led to Lee's detainment.

Roh's promotion was one of several announced on Thursday. Others include that of Hwang Deuk-kyu who will head Samsung Electronic's China business having served as chief of semiconductor production facilities in South Korea. Most other senior executives added "president" to their current job titles.

Samsung also gave advisory roles to former co-Chief Executive Officer and Vice Chairman Kwon Oh-hyun, former co-CEO and President Yoon Boo-keun and former co-CEO and President J.K. Shin, all three of whom offered to step down last month.

Samsung's share price has risen around 6 percent in the three days since management changes were first announced, reaching a record 2.876 million won during Thursday trade.

venturebeat.com

Sprint, T-Mobile Could Be 'Walking Away From Close To \$50B In Value': New Street

October 31, 2017

An inability to come to finalize a merger deal would be "a failure of management" of both Sprint and T-Mobile that would see the companies forfeit tens of billions in value, New Street Research said.

And that failure would be particularly bad news for Sprint.

The long-anticipated tie-up between the two U.S. carriers may be dead, according to multiple reports that surfaced Monday, as Sprint parent SoftBank has opted not to hand over control of a combined carrier to T-Mobile parent Deutsche Telekom. Instead, Sprint will invest heavily to upgrade its network as it continues to regain its financial footing.

While it's possible SoftBank's move may strictly be brinkmanship—such a move wouldn't be out of character for SoftBank CEO Masayoshi Son, as New Street pointed out—it may instead mark the end of lengthy negotiations. And that would mean both operators would have missed a huge opportunity.

"(If these management teams fail to get this deal across the goal line, they have failed to do their job," New Street wrote. "They will be walking away from close to \$50 billion in value. Regardless of what either side things their asset is worth on its own, adding \$50 billion to that starting value would be a big enough increase in value that they ought to have found a way to get the deal done."

T-Mobile has built impressive momentum in the U.S. wireless market over the last three years, of course, and it continues to grow its market share and maintain a healthy bottom line. Whether Sprint can thrive on its own remains unclear, though: The nation's fourth-largest carrier has compiled an extremely valuable portfolio of spectrum, it has grown its market share in recent quarters through aggressive promotions, and it continues to cut costs in major ways. It is still billions of dollars in debt, however, much of which will come due over the next few years.

And even if Sprint and T-Mobile eventually come to terms, there's no guarantee the tie-up would gain regulatory approval, as William Ho of 556 Ventures noted.

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"Instead, Sprint will invest heavily to upgrade its network as it continues to regain its financial footing."

“Even if the parties go back to the table and an agreement comes about, it’s not a done deal,” Ho told FierceWireless via email. “As we saw with the AT&T-T-Mobile merger attempt, many consumer groups came out against it. It’s likely that consumer groups will also be against it louder than it has been simply because the perception of choice and competition will be taken away. This obviously can be a sway factor to regulatory bodies and policy makers and legislators.”

Sprint had recently been in talks to form a wireless partnership with Comcast and Charter, but the cable operators don’t appear to bring as much value to a merger as T-Mobile would. So Sprint’s best option aside from a marriage to T-Mobile may be foregoing any M&A activity. And that would mean increasing its network investment in a significant way, Ho said.

“If Sprint goes it alone, the biggest thing they have to do is bring up their network capex spend,” Ho observed. “After so many years of cutting that and being smart about capex (i.e., Magic Box), it’s taking its toll on reputation. This is founded on that long trajectory and its recent position of the improvement percentages relative to previous years.... With price-leader status, it’s not really significantly moving the customer-acquisition needle for them. As competitors have seen, network spend really solidifies their subscriber bases, first and foremost. T-Mobile is Sprint’s biggest competitor with the combination of value and price on top of huge brand momentum.”

fiercewireless.com

Products & Services

Amazon Wants You To Shop For Black Friday In Augmented Reality

November 1, 2017

The company has rolled out its Black Friday deals store, with bargains offered through the day after Thanksgiving.

For the first time, augmented reality is an option. Amazon says iPhone customers can shop for home office products, decor and electronics -- and get a look at how those products would look in their own homes.

Here's how it works: Customers with iOS 11 installed on their iPhone 6S or later can choose to shop in AR through the Amazon App.

There, they can pick a product -- including furniture, appliances, toys and electronics -- and overlay it onto their living spaces to see how it fits. The app also allows products to rotate a full 360 degrees. Amazon already has a slew of other ways to shop, including its traditional website and app.

Customers can shop by voice using an Alexa-enabled device. And the company is touting its physical bookstores, as well as a new service called Treasure Truck.

Customers can sign up for notifications about special offers that they can pick up from trucks that will roll through 25 cities.

Deals are already popping up. On Wednesday, Amazon's offers included a \$150 Dyson vacuum cleaner (50% off), a \$119 Black & Decker tool kit (35% off) and a \$20 Tickle Me Elmo toy (33% off). The company says to expect deals throughout the season on TVs from LG, Samsung and Sony, along with toys from Lego, Nerf, Star Wars and others.

money.cnn.com

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“Here's how it works:

Customers with iOS 11 installed on their iPhone 6S or later can choose to shop in AR through the Amazon App.”

HoloLens Availability Expanded As Microsoft Continues Pushing It To Industry

November 1, 2017

Redmond insists that Mixed Reality isn't just for gaming.

Much of the interest around augmented and virtual reality (AR and VR) has focused on consumers, and gaming in particular. But if those technologies are to become a significant and sustained part of the computing landscape, they probably need to find markets beyond entertainment. Microsoft has been pushing its HoloLens AR headset as an enterprise product, and today the company greatly expanded its availability. The device was previously available in ten countries, but Microsoft has added a further 29 European markets, bringing HoloLens to 39 countries in total.

While the headset remains priced far out of reach of consumers, Redmond is championing it as a device with a wide range of industrial applications. Ford, for example, is using HoloLens headsets to improve its design process, allowing modifications of both its clay models and real cars to be viewed and modified on the fly, without having to re-sculpt or rebuild anything. ThyssenKrupp has trialed equipping the technicians that service the elevators that the company builds with HoloLens headsets. They can use the headsets to show engineers the faults they're trying to diagnose, and likewise those engineers can annotate the physical infrastructure in front of them to highlight problem areas and guide maintenance and repairs—and all while leaving the technician's hands free.

To further extend reach into these industrial roles, Microsoft has had the headsets tested to ensure they conform to basic protective eyewear standards in both North America and Europe, and next year one of its partners will be shipping a hard hat accessory for the device.

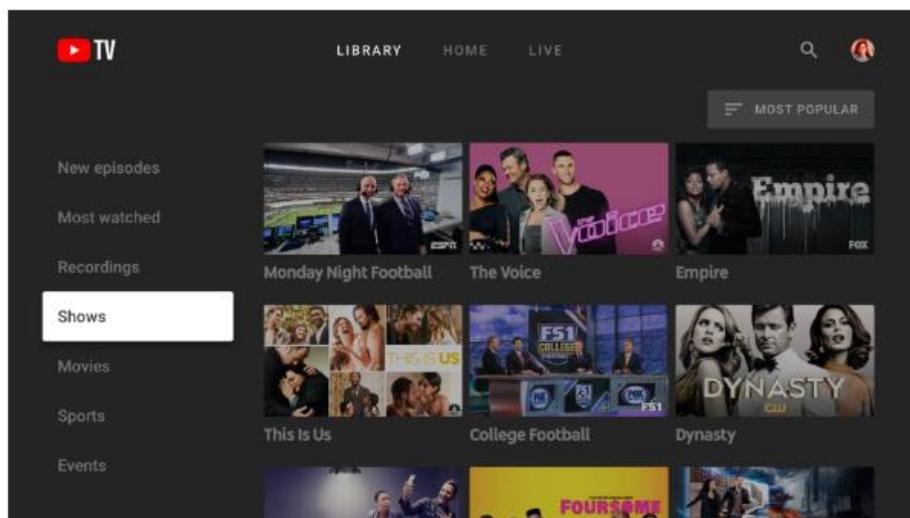
arstechnica.com

Google Launches YouTube TV App For Your Big Screen, Starting With Android TV And Xbox One

October 30, 2017

Google is today launching a new TV app for its premium YouTube TV streaming service. Kicking off initially on Android TV and Microsoft's range of Xbox One consoles, the new TV app is designed to bring YouTube TV to the center of your living room.

“While it has been possible to access YouTube TV on your television via Chromecast or Apple’s AirPlay, today sees the launch of an app built specifically for the big screen.”



YouTube has long evolved beyond its roots as a platform for sharing cute cat videos, and it is now a major player in the mainstream entertainment realm. Indeed, the company has two premium video offerings — YouTube Red, which launched last year, and YouTube TV, which is effectively an online cable bundle that launched in conjunction with 40 networks back in April.

While it has been possible to access YouTube TV on your television via Chromecast or Apple’s AirPlay, today sees the launch of an app built specifically for the big screen.

Though it will be initially limited to Xbox One and Android TV devices such as Nvidia Shield, Xiaomi’s Mi Box, and televisions built on the Android TV platform, Google has revealed that it will also be coming to smart TVs from the likes of Samsung and Sony in the “coming weeks,” as well as Apple TV.

According to Google, more than half of all YouTube TV streaming has taken place via Chromecast since its launch six months ago, so the company already knows that people largely prefer to watch TV on their actual TV.

“Members who stream with a Chromecast are highly engaged, watching over four hours a day on the weekends with football season back in full swing,” noted Okalo Ikkena, YouTube TV product manager, in a blog post.

But with a dedicated TV app, users will now have access to a proper interface that can be controlled by anyone in possession of the TV remote control or Xbox One controller.

In addition to a new dark interface, the TV-centric app sports a number of new features, including background playback so that you can still see and hear a show you’re watching while navigating the interface. There is also a new live guide that gives a glimpse of what’s coming next.

And yes, this new app also means you can watch a show from your phone on the train, then carry on from the exact same point on your TV when you get home.

Ikkena added that YouTube TV, at \$35 per month, is now available “in all top 50 metro areas, covering over two-thirds of the US.”

venturebeat.com

Emerging Technology

Microsoft Found A Way To Fit A 3.5MM Headphone Jack In Half The Space

November 2, 2017

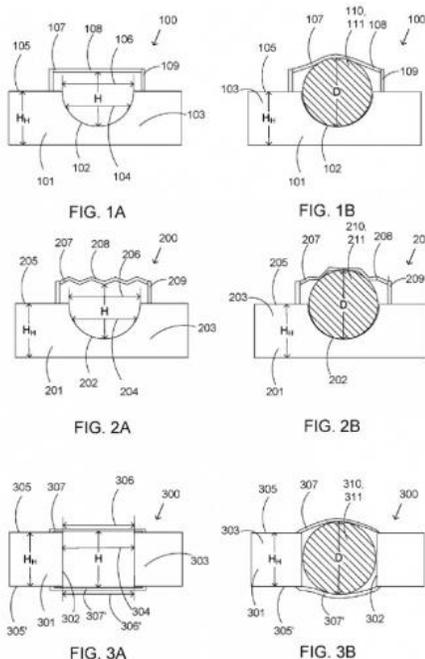
In my limited capacity as a reporter here at TNW, I’ve been pushing an agenda for gadget makers to retain the 3.5mm jack on phones and other devices so we can all enjoy high-quality audio as we please. One of the arguments against this idea has been the notion that the jack takes up too much room – but Microsoft may have hit upon a way out.

The company has been granted a patent for an expanding plug receptacle; the idea here is that, instead of fitting an entire 3.5mm plug into a device, the jack will only be large to fit part of the plug. Meanwhile, this jack will sit flush with the side of your device and expand to accommodate the plug, kind of like a pant pocket.

It’s proposed three ways of doing so, including one that uses a soft stretchable membrane, another that features a more rigid pleated material which can expand, and yet another that shows both sides

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“The way these would work is that only one side would contain electrical contact points to connect with the plug.”

of the jack stretching to make room for the plug. The way these would work is that only one side would contain electrical contact points to connect with the plug.



While this seems like a novel solution, it remains to be seen if anyone will care to implement it. Microsoft itself has bowed out of the mobile phone game, so it's unlikely this will happen anytime soon, if at all.

The reality is that phone makers need to prioritize the space within their devices based on the needs of the customers they want to serve. It's clear that some brands no longer consider it important to let you plug your favorite cans or a speaker into your phone, and we'll likely see fewer devices include support for this, especially when consumers clamor for larger batteries, screens and camera modules. But others may interpret this as an opportunity, and avoid slimming down so they can include a 3.5mm jack. OnePlus is set to launch its 5T flagship soon, and indicated in a tweet that it'll retain the headphone jack in its latest model.

Here's hoping it follows through with that, and that more brands take care not to leave us phono jack lovers out in the cold.

thenextweb.com

New Wearable Technology May Revolutionize IoT

November 2, 2017

A new technology may make your clothes part of the internet of things (IoT) network. However, unlike other IoT devices, these smart fabrics aren't dependent on electricity.

Instead, these fabrics use a special kind of conductive thread, which can function without any added electronics. Simply put, while these clothes can serve as data storage, they can also be washed, dried and ironed like regular clothes.

A team from the University of Washington has created a smart fabric, which can use the magnetic properties of conductive thread. Such smart fabrics can store a lot of information including 2D

"This technology holds many possibilities even beyond authentication since it uses coding and data interpretation but is not dependent on the internet or even electricity for this."

images. The data stored in such fabrics can be read by regular smartphones, using the device's inbuilt magnetometer.

It works by putting in a binary code on the conductive thread using magnets. This code can then be easily decoded using a standard magnetometer, which is there in most smartphones. This lets the cloth store different kinds of data, which can be read by a smartphone using an app.

The clothes can even communicate with a smartphone despite aberrations such as non-magnetized clothing — if a smartphone is inside a pocket and comes in contact with gloves containing conductive thread even from inside the pocket.

In the tests run by the researchers, the fabric survived in tests including running the cloth through the washing machine. In their tests, the researchers found that even though the fabric get demagnetized by 28-36 percent, but it soon gets remagnetized from the surrounding environment.

Furthermore, these fabrics can be stitched into different clothing items, like gloves and used for gesture-based commands. According to the researchers, the conductive thread can also be used in necklaces, ties, wristbands, and belts.

The fact that this thread can also store 2D images and such data also entails that it can be used for authentication. While authentication technology in smartphones has moved from fingerprint authentication to face recognition, the next technology in line might be authentication using wearable fabrics.

As the video shows, the fabrics can work much like NFC (Near-field communication) technology works between devices. The researchers even put a bunch of magnetometers together and unlocked a door using their interpretation of data on a shirt having conductive fabric.

This technology holds many possibilities even beyond authentication since it uses coding and data interpretation but is not dependent on the internet or even electricity for this. The fact that data can be stored and interpreted using threads, means that the cost of such technology can easily be lowered and many systems as smart home security can become more affordable. It also entails that data storage can be used in multiple ways not just on memory cards, which are increasingly vulnerable to hacking.

However, the technology is currently in a nascent stage and yet to be commercially adapted.

msn.com

Mergers and Acquisitions

Lenovo Buys A Controlling Stake In Fujitsu's PC Business

November 2, 2017

Beware, HP: the Chinese tech titan wants its throne back.

Lenovo has posted the biggest quarterly rise in revenue since 2015, and it has marked the occasion with the revelation that it's buying 51 percent of Fujitsu's PC biz. Fujitsu spun out its laptop and desktop division two years ago to get rid of parts of the company that weren't making money. Now, the Chinese PC-maker is snapping up over half that division for \$157 million in cash. It will add between \$22 million and \$112 million based on performance until 2020 on top of that.

Lenovo likely saw buying the 51 percent stake as a chance to grow its own PC division. According to Bloomberg, Lenovo Chief Executive Yang Yuanqing is taking costs out of the company's mobile

business, which still hasn't gone anywhere despite acquiring Motorola from Google in 2014. The Chinese tech titan is more known for its computers than its phones, after all. And even though PC shipments have grown by 17 percent from the past quarter, the market is still struggling in the era of smartphones.

Earlier this year, HP overtook the Beijing-based corporation to become the biggest PC maker in the world, thanks to its excellent performance in North America. Depending on how Lenovo plays its cards, this purchase could help it retake the throne it sat on for years.

[engadget.com](#)

VMware Goes Deeper Into Networking With VeloCloud Acquisition

November 2, 2017

“VeloCloud delivers an SD-WAN solution in public, private, or hybrid cloud network flavors, for connection to cloud/enterprise applications and branch office/data center appliances—all through software-defined orchestration.”

Today, VMware announced its intent to acquire start-up VeloCloud Networks. Founded in 2012 in Mountain View, CA, VeloCloud, has raised a significant amount of venture capital over the past five years due mostly to the company's success in the software-defined wide area network (SD-WAN) space.

The start-up would bring nearly 1,000 customers to VMware, including service providers, telecommunications giants (Sprint Corporation, AT&T and Deutsche Telekom), and recognizable large enterprise customers (Brooks Brothers and NCR, among others). The acquisition is expected to close by the end of VMware fiscal 4Q 2018 and the VeloCloud CEO and executive team are expected to remain post-acquisition.

VeloCloud delivers an SD-WAN solution in public, private, or hybrid cloud network flavors, for connection to cloud/enterprise applications and branch office/data center appliances—all through software-defined orchestration. VeloCloud SD-WAN is comprised of three core components:

- A network of service gateways deployed at cloud datacenters globally that provide scalability, redundancy, and on-demand agility
- Enterprise-class appliances that provide connectivity to facilitate private, public, and hybrid workflows, as well as the ability to host NFV services
- An orchestrator that provides centralized and automated configuration, and provisioning and monitoring across the branch, the cloud, and the datacenter

On the surface, the acquisition nicely extends VMware's expertise from the data center into the branch. The combination should also allow VMware to compete more effectively in networking, against traditional incumbents such as Cisco Systems and the recently reinvigorated Extreme Networks (following their acquisition of Brocade).

Could this also be the first domino to fall in a consolidation of SD-WAN solution providers?

According to a VMware executive (on the VeloCloud announcement call with press and analysts), the most interesting “play” is on the service provider front. VeloCloud has a significant footprint with the service provider community, and brings with it a considerable route-to-market for NFV.

Time will tell but the marriage of VMware and VeloCloud looks to be a great match.

[forbes.com](#)

Industry Reports

Russian Meddling On Facebook: What We Learned This Week

November 2, 2017

“Some in Congress believe Facebook and its peers need to do more to crackdown on misinformation and dangerous content.”

Two days. Three hearings. More than six hours of questioning.

Silicon Valley survived an intense grilling by Congress this week, but the fallout may continue.

The top lawyers for Facebook, Twitter, and Google testified before Senate and House committees into how foreign nationals used these platforms to meddle in the 2016 presidential election.

The hearings, which focused disproportionately on Facebook, provided the first official glimpses of Russian-bought social media ads and revealed this content reached a larger audience than previously reported.

Facebook, for its part, repeatedly pledged during the hearing and on an investor call after to take the issue seriously and invest more heavily in preventing abuses of its platform.

"I've expressed how upset I am that the Russians tried to use our tool to sow distrust," Facebook CEO Mark Zuckerberg said on an earnings call Wednesday afternoon. "What they did is wrong and we are not going to stand for it."

Yet, the line of questioning this week exposed sincere doubts some legislators have about Facebook's slow response to the problem and whether it's capable of policing an audience that now numbers in the billions.

The prospect of new regulation looms. So does the possibility of Congress requesting Zuckerberg and the CEOs of the other two companies to testify at a later date.

Russian Meddling Impact Worse Than Expected

On the eve of the first hearing, Facebook revealed that roughly 126 million Americans may have been exposed to content generated on its platform by a Russian government-linked troll farm known as the Internet Research Agency between June 2015 and August 2017.

The figure was then increased during the hearings. Colin Stretch, Facebook's general counsel, said the reach was nearly 150 million with Instagram included in the mix.

The disclosure represents a stark shift from the first days after the election, when Zuckerberg dismissed the impact of fake news on Facebook on voters.

But this staggering number may still not represent the total Russian activity on the platform. It's just what Facebook has been able to track down so far. Facebook, and the other two companies, told lawmakers they continue to investigate the matter.

The tech companies also could not rule out that other countries, including North Korea and Turkmenistan, could have taken advantage of their platforms too.

Throwing Money At The Problem

As the final hearing was wrapping up Wednesday, Zuckerberg kicked off Facebook's earnings call with a striking announcement: Facebook intended to invest so much in security that it would cut into profits.

"I am dead serious about this," he said on the call.

A key part of the investment, first announced during the hearings, will be increasing the number of people who work on safety and security issues from 10,000 currently to 20,000 by the end of 2018. It's unclear how many of these will be full-time employees as opposed to contractors.

Zuckerberg also said Facebook is investing more in engineering teams focused on security and artificial intelligence solutions.

While Zuckerberg framed the announcement as being part of Facebook's "responsibility to society," it also may be an attempt to reduce the odds of Congress imposing tough regulation.

"We think the company's forceful response -- much more so than peers -- is a winning strategy in positioning the company more as a friend than a foe in the eyes of regulators," James Cakmak, an analyst with Monness, Crespi, Hardt, wrote in an investor note Thursday.

Congress Is Not Satisfied With Tech Promises

Despite the tech executives pledging again and again to take the issue seriously, it was clear members of Congress -- and particularly the Democrats -- were unsatisfied.

"I've been very proud... to represent this tech community from California, but I must say I don't think you get it," Sen. Dianne Feinstein, a Democrat from California, said at a hearing Wednesday.

"What we're talking about is the beginning of cyber warfare," she continued, before issuing a vague threat. "We are not going to go away, gentlemen. This is a very big deal."

Sen. Mark Warner, the top-ranking Democrat on the Senate Intelligence Committee, lambasted the tech companies for not doing enough previously to address concerns about election meddling on their platforms.

"We've raised these claims since the beginning of the year, and the leaders of your companies blew us off," Warner said. "Your earliest presentations showed a lack of resources, a lack of genuine effort and a lack of commitment."

Warner is the co-sponsor of a new piece of legislation called the Honest Ads Act, which would require Facebook and other online companies to provide more transparency for political ads that run on their platforms.

Beyond any single piece of regulation, however, this week revealed a more fundamental disconnect between Silicon Valley and Washington over how much social media companies should interfere with content shared and promoted by users.

Some in Congress believe Facebook and its peers need to do more to crackdown on misinformation and dangerous content. Stretch said in one hearing that Facebook does not want to be the "arbiters of truth."

money.cnn.com

Intel To Show Off 5G Network At 2018 Winter Olympics

October 30, 2017

Intel plans to showcase 5G wireless networking technologies at the 2018 Winter Olympics in PyeongChang, South Korea, in February. The network will demonstrate wireless data transfer speeds of gigabits per second, based on the pending 5G wireless standard.

That means fans attending the Winter Olympics will be able to post all the selfies and videos they want. 5G promises to disrupt wired internet connections, such as cable TV and modem service, or wired phone line services. My hope for 5G: I'll be happy if our family can play games and watch Netflix on a wireless network without it bankrupting us or slowing our data network to a crawl.

"As mobility evolves beyond the smartphone, 5G is becoming one of the most impactful technology transformations we are likely to see in our lifetimes," said Sandra Rivera, senior vice president and general manager of the network platforms Group at Intel, in a blog post. "It will bring seamless connectivity, massive computing capabilities and rapid access to the cloud together for the first time."

Intel is one of the sponsors of the Winter Olympics, and the company is working with South Korea's KT to deliver a broad-scale 5G network for the duration of the games. That will require advances in networking, client technology, and the cloud. Beyond bringing wireless broadband at gigabit-plus speeds, 5G also promises ultra-low latency, meaning there are very short delays in interactions for things like games and livestreamed content.

Intel and KT will deliver a 5G showcase in Gangneung Olympic Park, in Gwanghwamun, Seoul and at other Olympic venues across Korea. Intel is competing with rivals such as Qualcomm to create chips for 5G services.

venturebeat.com

Dr. Alexa? What Amazon Might Do In Health Care

October 30, 2017

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"While patients would have to be clear that Alexa is neither doctor nor nurse, it could be a helpful way to get them talking to the right person, or get the right information to them quickly simply by asking questions."

As the U.S. health care industry shifts, Amazon is quietly moving in directions that suggest the company may be planning to deliver prescriptions, not just books, clothes and other merchandise.

"It's entirely likely Amazon will play a role in health care. They're a company that's been very disruptive to multiple industries," said Wendell Potter, a health-care industry critic. "I bet you they've been looking at healthcare for some time — There are opportunities there for them."

Speculation has intensified after the St. Louis Post-Dispatch reported Thursday that Amazon has received approval for wholesale pharmacy licenses in at least 12 states. They include Nevada, Arizona, North Dakota, Louisiana, Alabama, New Jersey, Michigan, Connecticut, Idaho, New Hampshire, Oregon and Tennessee. An application is currently pending in Maine.

Amazon declined to comment on the report.

Experts and analysts say they can easily see a place for an "Amazon-like company" in the health care market.

"A lot of (health care) companies are already looking to see what they can learn from Amazon," said Marcus Ehrhardt, partner of the consulting firm PwC's pharma and life sciences division.

Could U.S. consumers one day find themselves logging in to Amazon Healthcare Prime, or asking Dr. Alexa — Amazon's popular Echo home assistance device uses a digital voice answering to the name Alexa — what they should do about their cough?

A Complex Market

The licenses Amazon has so far sought are far from what's needed to begin shipping drugs to consumers. They give it the ability to sell medical professional-use-only products such as sutures, ultrasound gel and syringes for use in medical and dental offices or hospitals, the company said.

Delivering prescription drugs might seem like simply a transportation issue, but it's not. Neither Amazon nor any other online seller can just put drugs next to toys, books and household staples in its warehouses and ship them all in the same box to homes due to complex, state-based regulations around prescriptions, said Ehrhardt.

But Amazon does have expertise that makes it a natural candidate to look for ideas that would reform the U.S. healthcare industry as it tries to control costs, said Gil Irwin, PwC deals partner.

Seattle-based Amazon excels at analyzing enormous amounts of data and then knowing how to use that information to motivate customers, he notes.

Amazon, for example, might see that a customer has bought cough drops every week for the last month, and went to the doctor for a cold six weeks before but never filled his prescription.

Amazon, or “an Amazon-like company” could use that kind of insight to encourage consumers to go back to the doctor, or drop by a nearby clinic for a nurse practitioner to examine them, said Irwin. “That could help solve the problem of getting the wrong care,” and overall lowering expenses.

Dr. Alexa, I Presume?

Potter, who recently launched Tarbell.com, a site that focuses on corporate influence over health care, can see a role for Amazon's digital assistant Alexa.

His first job in health care was setting up a hotline for a hospital so patients could talk to a nurse about their symptoms and get advice on what to do.

“Why can't Alexa do that?” Potter asked.

While patients would have to be clear that Alexa is neither doctor nor nurse, it could be a helpful way to get them talking to the right person, or get the right information to them quickly simply by asking questions, he said.

Amazon's possible entry into health care is an equally intriguing and terrifying thought, said Sucharita Mulpuru, an Amazon analyst with Forrester.

“One day, we could tell Echo our ailments and have recommendations and potentially some drug recommendations, which they could fulfill if they also have doctors available in live chat on an Echo Show device,” she said.

The missing link for Amazon now is doctors and prescribers, both of which represent huge regulatory and logistical hurdles.

“The medical world is still highly fragmented and it won't be a trivial task to tackle this, but that's not to say it won't happen,” she said.

Others Mobilizing

Major U.S. pharmacy companies haven't exactly been waiting around to hear whether Amazon might become their toughest competitor.

In January, drug store chain Walgreens Boots Alliance and delivery giant Federal Express announce a multi-year deal that would add FedEx pick-up and drop-off service for pre-packaged and pre-labeled packages at 8,000 Walgreens stores. At the time of the announcement, the plan was aimed at having the service in all Walgreens locations by 2018.

However, during Walgreens' earnings call with financial analysts on Oct. 25, company executives said the FedEx service has already launched in most stores other than its locations in hurricane-ravaged Puerto Rico. The executives also made clear that they plan to expand the service to deliver prescriptions to customers.

"This is just the first phase, as we said, because now, we will use this to create a fantastic network to deliver to the customers directly from our pharmacies," Walgreens CEO Stefano Pessina told the analysts.

Walgreens Co-Chief Operating Officer Alexander Gourlay said the FedEx partnership was designed to address an issue that has proved to be problematic for both traditional drug stores and online operators: Ensuring reliable deliveries in the so-called "last mile" to customers' homes. Earlier this week CVS Health announced a 30,000-store performance-based pharmacy network in the United States to be anchored by CVS Pharmacy and Walgreens, which will also include up to 10,000 community-based independently owned pharmacies.

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