

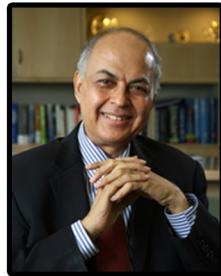


*Igniting Thoughts of Tomorrow*

# HEALTHCARE

## WeChat

**Mr. Ranjit Shahani**  
**Vice Chairman &**  
**Managing Director**  
**Novartis India Ltd**



## Best Practices of Pharma Product Distribution



**Featured**  
Credit Rating in  
Indian Healthcare  
Industry  
page 11

June 2013



## OUR VISION

**“To nurture thought leaders and practitioners through inventive education”**

## CORE VALUES

**Breakthrough Thinking and Breakthrough Execution**

**Result Oriented, Process Driven Work Ethic**

**We Link and Care**

**Passion**

*“The illiterate of this century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn.” - Alvin Toffler*

At WeSchool, we are deeply inspired by these words of this great American writer and futurist. Undoubtedly, being convinced of the need for a radical change in management education, we decided to tread the path that leads to corporate revolution.

Emerging unarticulated needs and realities need a new approach both in terms of thought as well as action. Cross disciplinary learning, discovering, scrutinizing, prototyping, learning to create and destroy-the mind’s eye needs to be nurtured and differently so.

WeSchool has chosen the ‘design thinking’ approach towards management education. All our efforts and manifestations as a result stem from the integration of design thinking into management education. We dream to create an environment conducive to experiential learning.

Dear Readers,

It gives me great pride to introduce Samvad's issue every month. Our Samvad team's efforts seem to be paying off and our readers seem to be hooked onto our magazine. At WeSchool we try to acquire as much knowledge as we can and we try and share it with everyone. I sincerely hope that Samvad will reach new heights with the unmatched enthusiasm and talent of the entire Samvad Team.



**Prof. Dr. Uday Salunkhe,  
Group Director**

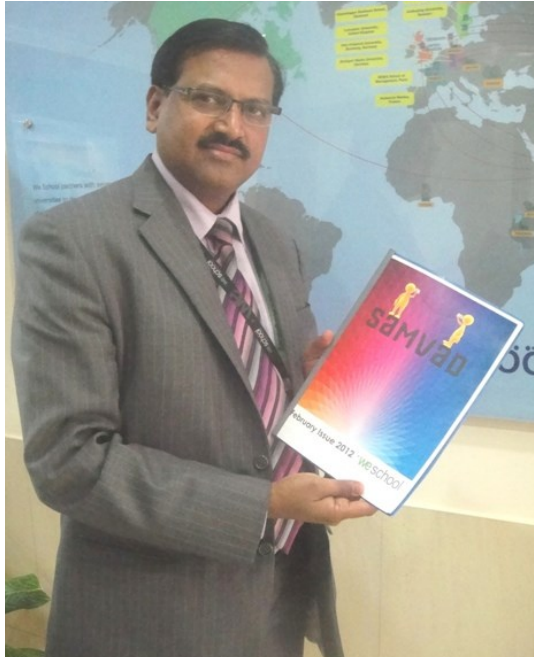
Here at WeSchool, we believe in the concept of AAA: Acquire Apply and Assimilate. The knowledge that you have acquired over the last couple of months will be applied somewhere down the line. When you carry out a process repeatedly it becomes ingrained in you and eventually tends to come out effortlessly. This is when you have really assimilated all the knowledge that you have gathered.

At WeSchool, we aspire to be the best and to be unique, and we expect nothing but the extraordinary from all those who join our college. From the point of view of our magazine, we look forward to having more readers and having more contributions from our new readers.

Samvad is a platform to share and acquire knowledge and develop ourselves into integrative managers. It is our earnest desire to disseminate our knowledge and experience with not only WeSchool students, but also the society at large.

**Prof. Dr. Uday Salunkhe,**  
Group Director





Prof. Dr. Uday Salunkhe introducing the first issue of Samvad

## OUR VISION

**“To facilitate exchange of ideas that inspire innovative thought culture”**

## MISSION

**To Dialogue**

**To Deliberate**

**To Develop**

**To Differentiate**

As the official student magazine of WeSchool, Samvad is greatly inspired by the words of Alvin Toffler backed by a strong vision of facilitating exchange of ideas that inspire innovative thought culture. Samvad is a platform for the next generation leaders to bring forth their perspective on management to the world and gives the readers an opportunity to learn, unlearn and relearn on a continuous basis.

The team of Samvad is driven by a set of strong WeSchool values which enable us to create a dialogue leading to knowledge gaining and sharing, to deliberate on the information, to develop a sense of creativity and differentiate our minds with innovative thoughts of tomorrow; today.

Dear Readers,

Greetings from Team Samvad!

Healthcare is one industry which cuts across and serves all the sections of the society, right from the rich to the poor. No man is spared from the wrath of diseases, health concerns and troubles. That makes this industry so important and vital not only to the people at large but also the businessmen who are interested to make money out of the increasing healthcare concerns affecting millions of people each day. Also, this industry being recession proof, makes it even more desirable from business point of view

Broadly, healthcare management may be classified into hospital management and pharmaceutical management. We have tried to include articles pertaining to both these verticals and I am sure it would do justice in giving the reader a broad view of this industry. The Featured article is from the Finance domain and talks about the role of credit system in healthcare. Other articles like medical tourism, pharmaceutical products distribution and more should add lot of value to your knowledge base.

It's a privilege to have Mr. Ranjit Shahani, Vice Chairman & Managing Director of Novartis India Ltd in the interview section sharing his views and giving insights of the healthcare industry and how should an MBA student prepare himself to succeed there.

Hope you like reading this issue. Feel free to give us your feedback.

*Read Better to know Better...!!!*

Best Regards

Aniruddha Kulkarni

Editor

Samvad- Igniting thoughts of tomorrow

*Team Samvad would like to extend its heartfelt thanks to certain key members of the WeSchool family for their special efforts towards the making of this magazine.*

We deeply appreciate the constant motivation & encouragement that our beloved **Group Director Prof. Dr. Uday Salunkhe** has always given us. His vision & result orientation has been the driving force in creating brilliant leaders and making WeSchool a name to reckon with, not only in India but also globally. His focus on the core values of Passion, We Link & Care, Result Oriented Process Driven Work Ethic and Breakthrough Thinking has formed the foundation of all the activities that we undertake as students of this esteemed institute.

We deeply appreciate the help and support given to us by both **Prof. Amarkant Jain** and **Prof. Deepa Dixit**. Their insight and expertise is our driving force to ensure the sustainability of our magazine.

We appreciate **Prof. Indu Mehta** for her help in selecting the best Marketing articles. She is part of our core Marketing faculty at WeSchool.

The Finance articles were scrutinized by **Prof. Sapna Mallya** and we thank her for choosing the most relevant and informative articles.

We thank **Prof. Dr. Priyanka Sharma** for selecting the best articles in the Human Resources domain.

We appreciate the efforts of **Prof. Jyoti Kulkarni** for selecting the most interesting articles in General Management domain.

We would like to thank **Ms. Yashodhara Katkar**, General Manager - Liaison, WeSchool and her PR team for helping us to reach out to our readers. Also, we thank **Ms. Prachi Shah** and her team for helping us out in the PR activities of Samvad

We are indebted to **Prof. Jalpa Thakker** for all her help and guidance in the making of Samvad. Her insight and suggestions have been of tremendous benefit to us. The Samvad Team would truly be incomplete without her.



	WeChat with Mr. Ranjit Shahani, Novartis	08
	<i>Featured Article</i>	
	Credit Rating in Healthcare Industry	11
	<i>Human Resources</i>	
	HR Challenges in Healthcare Industry	14
	<i>Operations</i>	
	Best Practices of Product Distribution	16
	<i>Marketing</i>	
	Hospital Marketing	18
	<i>General Management</i>	
	Medical Tourism in India	20

## An Interview with Mr. Ranjit Shahani

**By: Team Samvad**

*(Mr. Ranjit Shahani is the Vice Chairman & Managing Director of Novartis India Ltd. He is President of OPPI (Organisation of Pharmaceutical Producers of India) and Country President responsible for the overall operations of the Novartis Group of Companies in India.*

*A Mechanical Engineer from Indian Institute of Technology, (IIT) Kanpur and MBA from Jamnalal Bajaj Institute of Management Studies, (JBIMS), Mumbai, he started his career with ICI in India in their businesses of Fibres & Speciality Chemicals. Later, he rose to the position of General Manager with ICI / ZENECA U.K., overseeing their Asia Pacific and LatAm operations for their Petrochemicals and Plastics division. This was followed by a period as CEO at Roche Products Limited, after which he moved to Novartis in India in 1997, following the merger of Sandoz-Ciba.*

*Mr. Shahani was President of OPPI from 2001-2007. He is Past President of the Bombay Chamber of Commerce and Industry, President, Swiss Indian Chamber of Commerce, and was on the Council of the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA), Geneva. He is a thought leader in the Pharmaceutical Industry and has been actively involved in lobbying for a strong Product Patent law in the country and Data Protection and liberalization of the price control mechanism for Pharmaceuticals. He has also strongly canvassed for deterrent legislation against counterfeit drugs.*

*He was born in Kanpur, India, is married and his wife is a well known educationist and currently also the sheriff of Mumbai – they have one son – who works with McKinsey in London.)*



**1) Could you take us through your journey in pharma industry, the professional path you followed in the pharma industry sharing some of your challenges and key learning from the same?**

I began my career in 1970 with ICI's India operations and went on to oversee the Asia Pacific and Latam Operations in the Petrochemicals and Plastics division of ICI / ZENECA UK operating out of Wilton in the United Kingdom. In 1994 my appointment as CEO of Roche Products Limited in 1994 marked the beginning of a long association with the healthcare industry.

I joined Novartis India Limited as CEO Healthcare in 1997 during which time I was responsible for not only ensuring a quick and smooth integration of the businesses of Ciba and Sandoz but had to also ensure that it was almost business as usual. Though a challenging period because of the merger, the period saw a dramatic increase in the productivity norms of Sales, EBIT and Growth.



In 2002 I was elevated to the position of Country President for Novartis in India and designated Vice-Chairman & Managing Director of Novartis India Limited. The move from running a business to running a corporate came at the right time, with India readying for full patent protection in 2005. Those were challenging times and the role I held as President of OPPI – the Pharmaceutical association – was instrumental in moulding the patent regime and the laws governing their implementation in our country.

In today's world the big challenge is to separate your professional work from your personal time given the way technology has made our lives converge. Each one of us needs to find a way to cope that works for us. I have found mine. When I am in office I am 100% in office. When I am at home I am 100% at home.

**2) Indian pharma industry by volume is third largest in the world and with the tremendous boom that the current industry has seen, it makes us inquisitive to know the evolution of industry. Please share your thoughts on the same.**

The Indian pharmaceutical industry is on the cusp of a great opportunity. The pharma market is expected to grow double digits in the next few years and therefore presents an opportunity. India is increasingly getting harmonized with global standards. There clearly exists an opportunity for India to be a hub of innovation but for the need to have an ecosystem that fosters innovation.

**3) How does the pharma industry attain that perfect equilibrium of working towards welfare of not just the organisation but also to the society?**

Innovation is the key. Of course with innovation comes cost and it is imperative for all stakeholders to come together to achieve the higher goal of healthcare for all. The pharma industry is here to meet unmet medical needs and to improve not just the span but the quality of life. We at Novartis believe we are in the business of caring and curing and the patient is at the centre of all we do.

**4) Having talked about the health care private sector, please give your opinion on progress of public sector health care.**

In a country like India where the vast majority of people live in rural areas and where millions live on less than USD 2 a day, a great share of the responsibility to provide them with healthcare lies with the public sector. Public sector manufacturing in the pharma industry has all but disappeared but healthcare by government continues to grow albeit at a slower pace.

Government has set the higher goal of Universal Health Coverage for which it had set up a High Level Expert Group who submitted their report end 2011. There are numerous government initiatives in this direction such as the National Rural Health Mission, the Rashtriya Swasthya Bima Yojana and several state-sponsored insurance schemes in the area of health.

**5) What are the competency and skill sets that a management student aspiring to make his or her career in pharma industry should develop ?**

A management student aspiring to make a career in the pharma industry should have a high level of competency and an even higher value system because we deal with life and death on a daily basis.

There is a vast difference in marketing products that may improve lifestyle but have no impact on health and those that have a direct impact on health for example.

**6) India management graduates are more inclined to the FMCG industries. According to you, what are the similarity and differences in the marketing of pharma products and other FMCG products?**

Traditionally, the FMCG industry has attracted a larger pool of management graduates in India. While this may not change, we will begin to see a shift as pharma companies in India move higher up the value chain from traditional manufacturing companies dealing in generic drugs to companies who are engaged in high-end research. A key difference in the marketing of pharma products is that there is no direct to consumer marketing that takes place. The ultimate customer has little or no say in what he buys as it is the doctor who decides and prescribes a drug. Advertising also is not allowed for the prescription driven pharma industry. Marketing of FMCG products on the other hand is very heavily dependent on advertising and promotion to drive sales.

**7) How does the pharma industry keep a check on the proliferation of the fake drugs in the market and what is the current loss in business due to it?**

India is not a data rich country and different organisations proffer different numbers for the size of the fake drugs market. OPPI which is the pharmaceutical association for research driven companies played a key role in getting the then government to take cognizance of the issue and come out with a strong law. However implementation on the ground leaves much to be desired and enforcement of the law is an issue.

There can be no crime worse than manufacturing and selling fake drugs. It is like the perfect murder. You take a pill, the evidence disappears and you die of the disease.

**8) Where do you see the future of pharma industry going?**

We live in challenging times and more so for the pharma industry. The cost of research has gone up exponentially and there is increasing pressure from payors to keep costs down. At the same time industry in general is coming under increasing scrutiny from the regulators. On the other hand significant opportunities exist with unmet medical needs. The aging population, lifestyle diseases, growing demand in emerging markets and finally advances in science and technology all make up for increasing demand for pharmaceuticals. Having said all of that, this is one industry that rarely sees a downturn and the quest for newer and better treatments will continue so there is a bright future for the pharma industry and a truly exciting place to work in.

—O—

## Credit Rating in Indian Healthcare Industry

*By: Deep Surti, PGDM (2012-2014), TAPMI  
Gopi Joshi, PGDM (2012-2014), SCMHRD*

A fast growing economy, changing lifestyle and increasing awareness has changed the role of health care industry in India to great extent. In 2010, the Indian Healthcare Industry was valued at US \$ 50 billion. It is estimated to reach US \$ 280 billion in 2020 with an average 20% growth y-o-y.

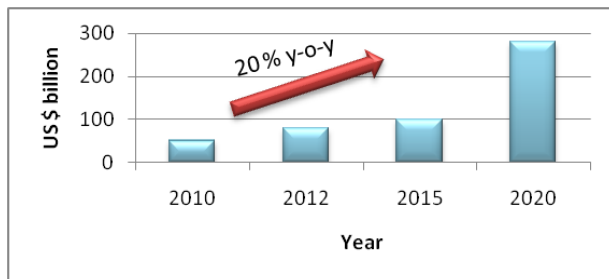


Figure 1

As the need for effective and specialized services is increasing, there have been a spur in investments made in recent years through Private Equity and Venture Capitalist. According to the Department of Industrial Policy and Promotion (DIPP), the FDI Equity Inflows from the year 2000 to 2013 in the Hospital and Diagnostic Centers Sector is US \$ 1597 billion and in the Drugs and Pharmaceuticals Sector is US \$ 10318 billion.

As per a report by Gartner, healthcare providers in India are planning to spend Rs. 57 billion in IT Products and Services in 2013, up from Rs. 53 million in 2012. With the increasing investment and changing perception of the customers, it has become extremely important to monitor these developments and expansions by providing transparent regulatory frameworks and better institutional governance to ensure that customer is benefited in the end.

Some of the vital issues to be taken care of are:

- Large population, but inadequately qualified doctors.
- Doctors eyeing monetary gains.
- Costly Medical Treatments.
- Inadequate attention on prevention of diseases.
- Pending legislations.

Many of the above issues can be solved by proper standards, working on the pending legislation, medical certification and proper insurance facilities. Post approval of Clinical Establishment Bill, 2007, the registration of all the healthcare facilities in India is mandatory and hence, one of the main and effective methods to certify these healthcare facilities is by providing accreditation. Though bodies like JCI rate hospitals and likes, the major concerns involved are costs of formulating the system and time lag before the hospitals are able to scale up to international standards.

### Present Role of Regulatory Bodies in India:

The accreditation of health care organizations in India is done by National Accreditation Board for Hospitals and Health Care Providers (NABH). It was started by Quality Council of India to assure that quality benchmarks are met and are continuously improved. Besides NABH, there are many regulatory bodies like:

- ISO 9001-2000: It is the most widely accepted system of quality management across the world.

- Joint Commission International (JCI): The process to obtain this accreditation takes a longer duration of 2 years or more. The standards it lays down are ambulatory care, care continuum, clinical laboratory, disease or condition specific standards and hospital standards.
- National Accreditation Board for Laboratories (NABL): It lays standards for the regulation of Pathology and Diagnostic Laboratories.
- Central Drug Standard Control Organization (CDSCO): It lays down rules and standards and approves import and manufacturing of drugs.
- CRISIL: CRISIL was incorporated in 1987 as India's first credit rating agency. It is global analytical company providing ratings, research, and risk and policy advisory services, with its major shareholder being Standards and Poor's (S&P). CRISIL started the Healthcare Grading in 2002, on request from Confederation of Indian Industries (CII). While NABH accredits the hospital after a review of clinic scope, documentation and staff, patient interviews, and facility rounds i.e. just the non-financial parameters, CRISIL rates a hospital on both financial and non-financial parameters.

The importance of accreditation is shown in the figure below:



Figure 2

### CRISIL as a credit rating body:

CRISIL rates the hospitals to value them in financial terms to know their credit worthiness and also to know the quality management of the hospitals. For e.g. CRISIL rated Fortis Hospitals in 2011 and valued it Rs. 156 per share. It also rated the Fortis Healthcare Group with a valuation grade of 4/5. In the same report, CRISIL also judged Fortis Healthcare on the non financial rating parameters. Few of them are mentioned as below:

- Demand Drivers bed occupancy rate, no of beds owned etc.
- Whether they are focusing on solving life-style related diseases.
- Assessment of corporate governance and management quality.

CRISIL also started rating services provided by the hospitals location wise and specialty wise. The grading done by CRISIL was divided into two parts: Hospital Classification & Hospital's grading within the classification on a four point scale (Grade A, B, C & D).

The hospital classification by CRISIL is done as follows:

- Nursing Home.
- General Secondary Care.
- Specialty Secondary Care.
- Multi-Specialty Tertiary Care.
- Single-Specialty Tertiary Care.

The four point grade scale is classified as mentioned below:

	Quality	Standards
Grade A	Very Good	Highest
Grade B	Good	High
Grade C	Average	Adequate
Grade D	Poor	Below Average



Hence, a typical hospital grading could be read as – Single Specialty Tertiary Care assigned Grade B. A team of two analysts is assigned to interact with the management of the healthcare organization. The process takes around 3-4 weeks for a multi-specialty tertiary healthcare hospital and around 2-3 weeks for a nursing home.

The quality and credibility of CRISIL Ratings is high because of the following reasons:

- Since they employ a multi layered process, thoroughness and transparency is maintained.
- A direct interaction with management of such organizations allows the inclusion of non-public information in decision making process.
- These meetings cover a gamut of areas including Mission and Policy, Regulatory Compliance, Medical Specialties, Support Services, Management Evaluation, Patient Rights, and Financial Performance of the organization.
- The report prepared by these analysts is presented in front of a Grading Committee consisting of eminent people from the healthcare industry.
- The key issues concerning the health care industry are given more attention and the decision results from collective group thinking.
- The grading method developed by CRISIL is after an in-depth analysis of various grading criteria adopted by several international agencies in USA, Australia and Canada.
- They also take extensive inputs from several healthcare industry experts, hospital administration, Hospital Design and Consultancy Teams and Research Professors from Healthcare Colleges.

### **Roles which CRISIL can play:**

**Non Financial Rating Services:** Offer rating services not only on basis of financial indicators, but nonfinancial operating indicators

(example: average length of patient stay, occupancy rate) to measure success of operations and strategies for measuring hospital performance.

- **Business Advisory:** CRISIL can participate in the strategy building process as an advisory to these healthcare organizations.
- **New Revenue Model:** Providing consultancy services for private clients (by taking fees) who wish to invest in healthcare sector
- **Design Rating System for Accreditation Agencies:** They should design a framework/model for other agencies to learn from them.

### **Conclusion:**

Good quality healthcare providers are vital for good health of our country. Accreditation is a tool to improve the quality and hence the health. A transparent rating system not only benefit the healthcare organizations but also all the stake holders associated with it. Ratings also allow the organization to focus on its areas of improvement. The Role of CRISIL has been mentioned stating how it focuses on both financial and non financial aspect of rating an organization in the healthcare industry.

-----O-----

## HR Challenges in Healthcare Industry

*By: Uddalak Banerjee, HRM (2012 –2014), XLRI*

### HR and Health Care Management

Health Administration or healthcare administration is the field relating to leadership, management and , administration of hospitals ,hospital networks , healthcare systems and public health systems . There are generally two types of administrators generalists and specialists Generalists are the individuals who manage the entire facility and specialists are those who manage specific departments such as policy analysis ,finances of the hospital , accounting of transactions ,budgeting for different activities ,human resource or marketing. Realizing the numerous challenges that comes in Healthcare Management Indian school of business and many other business schools have started a program which helps physicians turned entrepreneurs to focus on elements of growth in a hospital and service delivery business.. With the advent of biomedical technology and a very skewed doctor patient ratio ( 1:1722 in India) challenges of Health care management in developing countries is mainly centered around providing service to numerous patients that too without the existence of enough supporting infrastructure .Currently Indian Healthcare industry is third largest in the service sector( worth \$35 billion) . It is interesting to note that it is the service sector which contributes to more than 50% of GDP. Indian Healthcare industry is scheduled to grow to \$75 billion in the next 5 years.

Health Care Management includes the following functions :

Patient Registration

Nursing

Investigation of complaint

Store Management

Financial Management

Reports

Resource Management

Doctor Consultation

Specialties

Laundry Management

Admin Management

Business Management

Canteen Management

Pharmacy Management

Search Patient Detail

## Challenges of HR in Healthcare Management:

Issue	Institutional Impact
Lack of Doctors in the face of Huge Demand	Hospital Reputation and Future Customers
High absence among hospital staff in public hospitals	Service Delivery and Future Customers
Lack of infrastructure capable to support patients	Service Delivery and Future Customers
Patient Grievance Handling	Future and Existing Customers
Lack of Cleanliness	Service Delivery and Future Customers

The HR challenges is however not limited to the above . The strategic decision at which point at which the organisation decides to outsource a few services like laundry , cleaning staff is again very critical . More so because the decision is not just influenced by determination and motivation to produce superior services but also by the cost that it would incur . In most hospitals in developing countries patients who visit the hospitals are price sensitive and the staff too usually unionise and often resort to measures like vandalism causing destruction of hospital property. The problem of outsourcing is again dependent on the contractor's supervision and responsibility. In most cases the contractor usually don't dedicate enough attention to the activity leading to compounding of issues. The problem becomes acute because the permanent staff regard as cleanliness in hospitals as a menial job and don't want to indulge in doing it . The other major challenge is when a patient dies . The family members stuck by the grief of separation of a near one often indulge in violent behaviour . In such cases to handle the patients is also an issue which requires great resourcefulness. The emergency ward patient admission and handling doctors are also other challenges that can take epic proportions

Most doctors seek to open their own private businesses and seek to absent themselves from hospitals creating a shortage of doctors in hospitals.

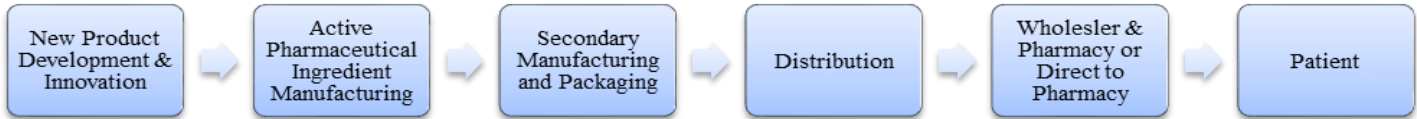


Image Source: <http://www.peoselect.com/images/people-puzzle.png>

—O—

## Best Practices of Pharma Product Distribution

By: Nandita C, PGDM Healthcare Management (2012-2014), WeSchool



A supply chain is the means by which a company transfers its products from development to the marketplace in order to sell them and generate a profit. It is the backbone of the pharma industry.

The landscape for revenue growth for drug manufacturers is changing. Increased regulatory scrutiny, patent expirations, price pressures, and generic substitutions are forcing manufacturers to focus more broadly on enterprise-wide revenue growth rather than solely depend on traditional growth areas centered on product and portfolio growth. As part of this broader focus on revenue management, distribution models are being redefined to extract greater value from this channel.

Drug distribution is undergoing a dramatic transformation. The “traditional” distribution model – aggressive forward buying by wholesalers and a lack of transparency – has now become obsolete. Fee-for-Service (FFS) agreements have taken hold; the most effective distribution approach will be based on a continuum of choices – a combination of the most effective characteristics of the three main models of distribution – in order to access the right services for the right cost:

**1. Wholesaler Model:** This cost-effective distribution alternative for the majority of pharmaceutical products allows wholesalers to provide logistical efficiencies across manufacturers and focus on demand fulfillment and provide a high level of service to end customers.

**2. Limited Distribution Model:** By limiting wholesaler relationships, manufacturers hope to improve inventory management, reduce costs, and mitigate concerns about product and supply chain integrity.

**3. Direct Distribution Model:** Direct distribution by manufacturers has emerged as a viable distribution model, particularly for high-priced biologics with a limited provider base and direct-bulk shipments to customers with their own central distribution warehouse.

The activity-based FFS model allows manufacturers to separately consider each activity of the downstream value chain. These activities include:

- Order Capture & Management
- Warehousing & Distribution
- Invoicing & A/R
- Post-sale Support

### Need for a different form of supply chain

- **New product types**

Pharma’s portfolio is changing substantially and industry analysts predict that, by 2016, bioengineered vaccines and biologics will account for 23% of the global market (measured by value), up from 17% in 2009. The product base will become even more diverse.



- **Live licensing**

The launch process will also become much more incremental, that shall be facilitated by emerging methods for assessing, approving and monitoring medicines.

- **Increasing emphasis on outcomes**

Governments and health insurers are simultaneously becoming more demanding; they now want clear evidence that the medicines they buy are really effective. Thus the industry will not only have to manage the manufacturing and distribution of medicines and companion diagnostics, it will also have to ensure that patients get the most from the therapies they receive by supplementing its products with a wide range of supporting services.

- **New modes of healthcare delivery**

Blurring of the boundaries between primary and acute care, the digitalisation of healthcare delivery, with greater use of electronic health records, e-prescribing and remote monitoring, will reinforce the drive to push healthcare into the community. Thus there is much wider distribution network with demand-driven manufacturing and distribution processes.

- **Growing importance of emerging markets**

If Pharma is to market its products effectively in the developing economies, it will have to understand the needs of patients living in these countries and tailor its offerings accordingly.

- **Greater public scrutiny**

There will be heavier regulation and robust risk assessment and risk-management capabilities across the extended supply chain.

- **Environmental pressures**

The Pharma companies will try to make sustainable eco-friendly processes and relocation of the plants to lesser vulnerable regions.

Timely access to various emerging technologies will help the Pharma companies manufacture and distribute its products more efficiently. Some of these technologies will enable it to

build quality into its manufacturing processes, while others will enhance its throughput or facilitate collaboration to realize economies of scale.

### **Trends in Critical Areas of the Pharma Supply Chain**

- e-Pedigree framework and Supply Chain Security
- Counterfeit Protection and RFID
- Enhanced Cold Chain
- Customized Therapeutic Distribution

In the quest to cut distribution costs, businesses may discover additional benefits of their new efficiencies - from the ability to increase revenues and differentiate themselves from competitors, to the joy of delighting your customers.

—O—

## Hospital Marketing - Need of the Day

*By: Dr. Tanvi Nerurkar and Prabir Banerjee*

*PGDM Healthcare Management(2012-2014), WeSchool*

Initially hospitals only depended on their reputation for patients to come in. Patients trust was enough. Big hospitals like Saifee and Hinduja still rely on their 'name' and reputation for increasing patient volume. But increasing competition in the hospital segment has made them realise the importance of marketing and building of brand name. Now-a-days when we turn a newspaper page, switch TV channels, listen to radio we can see, hear advertisements of hospitals frequently. This shows that hospital marketers have understood the importance of hospital marketing. The ultimate goal of marketing and nurturing the brand is creating a differentiation.

### **Why is hospital marketing different?**

It is a noble service where high quality service in form of healthcare has to be provided to patients. Patient lives are at stake, so service has to be good. But we cannot depend only on Marketing alone another aspect of Marketing is Branding which is more important in order to create a brand recall in the mind of patients & his family members.

### **Ways of Building Branding:**

These have evolved from only relying on physical facility and physician advocacy to patient relationship management and using social networking sites.

**Physical Facility:** Hospital Infrastructure also plays a vital role in building brand equity. Well-built infrastructure, advanced technology equipment used for treatment, good sanitation and hygiene standards are the basic needs which a patient or his relatives would firstly look at. So building and maintaining high quality infrastructure is essential.

**Physician Advocacy:** Hospital branding also happens through a well-known medical professional who is affiliated with the hospital. A hospital can have famous specialist as a panellist to brand its organization, but it is not a favoured method as a physician can leave the organization on any day or any incident can occur leading to unfortunate death.

**Patient Experience:** Emotional aspect – experience in hospital is very emotional for patients and relatives. This has to be explored while creating a brand image. The patient's requests should be attended on time and his emotional needs to be respected.

**Word of Mouth:** Many hospitals have built a good brand image through word of mouth eg: Hinduja Hospital, Kokilaben Dhirubhai Ambani Hospital. Patients without a second thought go to these hospitals because they trust the services provided by them would be of high quality.

**Staff Behaviour:** The staff of the hospital should be able to empathize with situation in which the patient & his relatives are and accordingly provide his service. The hospital's brand building through staff behaviour begins right from the security guard at the entrance of the hospital.

## Customer Relationship Management (CRM):

Every customer/patient is a source of revenue for the hospital. So building a relationship with the patient is essential in order to ensure that the patient does come back to the same hospital in future for his needs. CRM should not only happen inside the hospital when the patient is using the facilities but also after he is discharged.

## Newer trend – Digital Marketing

Many digital channels like social media, website, e-journals & newsletters, email, mobile apps, WAP site are available around, but one needs to choose the correct media mix for marketing purpose. Analysing all the channels as per various parameters is essential before selecting the media mix and investing in the same.

**Content Marketing** through digital channels is yet another very interesting and fruitful strategy to implement and create brand awareness among the audience. Sponsor content related to any disease, treatment method, prevention techniques can be published on neutral websites or on best healthcare portals where audience traffic is seen maximum.

The content can also be in the form of video integration – videos of Key Opinion Leader (KOL) doctors can be seeded on websites & social media where the doctor would be talking about the best services of particular hospital or the video can be about any of his successful complex operation etc.

**Advertising:** Posting Ads of hospitals on online health portals, e- medical journals & newsletters or the health apps used by patients on their mobile is another way of creating brand awareness

**Social Networks:** By building a brand page and frequently updating it with informative articles, posting surveys, contest can help in online patient engagement. When patients interact with your brand, they are potentially taking brand to their friends.

**Towards the end:** Even though hospitals can focus on marketing and branding the core values of quality service to patient should not be lost out. Hospitals are meant to keep people healthy. Marketing should just be an add on to this.



Image source: [www.medicaltourismco.com](http://www.medicaltourismco.com)

—O—

## Medical Tourism in India

*By: Mehak Dhir and Rishabh Kalia, MBA (2012-2014), FMS*

Roland Anderson, a 55-year old American who lives in Topeka, the capital city of Kansas, is planning his month long trip to India, bringing his family along. What brings him here is neither the desire to visit the Taj Mahal, nor a plan to rejuvenate in the serene backwaters of Kerala. It is something more important and critical than that. Roland has a heart disease and needs an angioplasty. He chose to do so in India, rather than go to the Cleveland Clinic in Ohio, a journey only 1000 miles across the country. He isn't the only one doing so. The same phenomenon, medical tourism, brings over 8 lakh visitors to India annually.

Medical tourism is defined as the movement of patients from highly developed nations to other areas of the world for medical care, usually to find treatment at a lower cost. It is quite the opposite of the traditional model of international medical travel where patients generally journey from less developed nations to major medical centers in highly developed countries for medical treatment that is unavailable in their own communities.

Medical tourism is a growing sector in India, growing at an annual growth rate of 30%, making it a \$2 billion industry by 2015. That is a big number, considering the fact the world market is USD 24-40 billion. 1.3 mn tourists visit Asia for medical needs. Medical treatments are gradually becoming costly abroad (US is seeing the highest rise in costs). As a result, patients are looking international travel for medical care as an attractive proposition. Approximately 1,50,000 of these travel to India for low-priced health care procedures every year.

There are a number of reasons that make medical tourism to India attractive to patients the world over. The major advantage that India has as a destination for medical tourism is the cost. A look at the table alongside shows that operations in India are around 20% less than that of US. Another major advantage is the availability of latest medical technologies and highly qualified physicians/surgeons and hospital support staff.

Year	Medical Tourists in India
2005	1,50,000
2008	20,000
2011	8,50,000
2015*	32,00,000

Image Source: [www.assochem.org](http://www.assochem.org)



Image Source: <http://blog.expertflyer.com/expertflyer/wp-content/uploads/2012/07/medicaltourism.jpg>



A crucial feature of India's success in medical tourism is the English advantage. Most of the medical staff in India is fluent in English and that is a big attraction for the tourists. Considering that India attracts tourists from all over (and not just from the English speaking US and UK), a number of hospitals have hired language translators. This aids the treatment of patients that come over from African and non- English speaking European countries and also gives them a sense of comfort.

In India the tourism industry is not only the third largest source of forex but also employs around 40 million people. India is known for its cultural heritage and rich architectural structures. Visit to an exotic location coupled with inexpensive and high quality medical treatment makes for an extremely attractive proposition. People involved in tourism benefit from medical tourism especially the hospitality sector. The key stake holders in medical tourism industry are Doctors/Hospitals, Patients, Insurance Companies, Tourist Operators, Government, Hotels. All these entities are entwined in a simple business model. The tourist operators contact foreign insurance companies and doctors to identify potential medical tourists, while the hospital players like Apollo, Fortis, Escorts and Wockhardt provide high quality surgeries and transplants.

The hospitality sector takes care of the accommodation and related stay related aspects of the patient and his family. The Taj Group and ITC are key players that have offerings especially for the medical tourists.

Government support in the form of incentives and tax relief further promotes medical tourism. Ahemdabad recently proposed a medical tourism counter at Airport to facilitate promotion of the state's medical facilities. But in spite of the huge forex inflow, the health and wealth benefits haven't trickled down to the Indian public in general. According to WHO in India, 75% of expenditure on health is on private services and a mere 25% on the public services. Also, as demand for organ transplants increase so does the illegal acquisition of kidneys and livers.

Thus we have a burgeoning sector which promotes dual industry of health care and tourism. Though there is support from the government and we have the required infrastructure, skills and technology, we must not limit India to be "A Global tourism destination". The benefits must be made available to the general public as well.

Medical tourism is an industry which is promising and India has an enviable position.

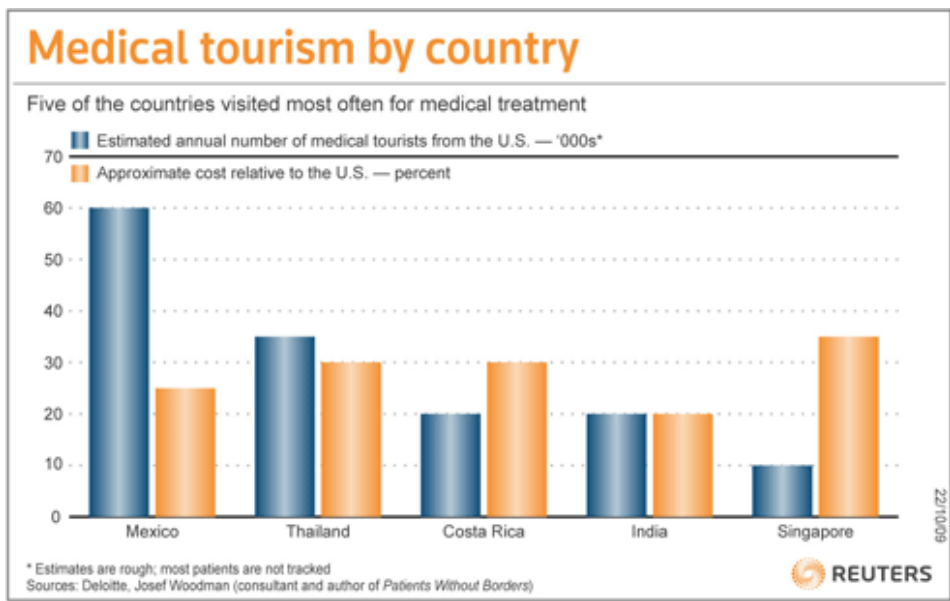


Image Source: <http://blogs.reuters.com/from-reuterscom/files/2009/10/medical-tourism-by-country.gif>

We invite articles for the July 2013 Issue of Samvad.

The Theme for the next month: July 2013 - “**Education Sector**”

The articles can be from Finance, Marketing, Human Resources, Operations or General Management domains.

## **Submission Guidelines:**

- Word limit: 1000 words or a maximum of 4 pages with relevant images.
- Cover page should include your name, institute name, course details & contact no.
- The references for the images used in the article should be mentioned clearly and explicitly below the images.
- Send in your article in .doc or .docx format, Font size: 12, Font: Constantia, Line spacing: 1.05' to **samvad.we@gmail.com. Deadline for submission of articles : 31st July, 2013**
- Please name your file as: <YourName>\_<title>\_<section name e.g. Marketing/Finance>
- Subject line: <YourName>\_<Course>\_<Year>\_<Institute Name>
- Ensure that there is no plagiarism and all references are clearly mentioned.
- Like our Fb pg: [Samvad.WeSchool.Student.Magazine.](#)

## **Samvad Blog**

As said by Ann Morough Lindburg, “Good communication is as stimulating as black coffee and just as hard to sleep after.” Samvad, which means 'to converse' in Hindi, is exactly the motive of our team Samvad. Our readers and writers are of utmost importance to us at Samvad. We don't like to interact with you only once when the issue is released. So, we thought, what next? Then came the idea of a blog - the ideal platform for meaningful discussion on a more regular basis. Hence, we present to you 'The Samvad Blog'. The Samvad Blog, as the name suggests is a blog dedicated to sharing of information, insights and opinions that allow exchange of some valuable ideas by stimulating your intellectual senses. It will include some interesting reads on management gurus, book reviews, and relevant articles among many other varieties of food for thought.

**<http://samvadwe.blogspot.in/>**

Don't forget to comment with your opinions. Always have a healthy debate we say! As progression lies not in agreement, but debate!



Prof. Jalpa Thakker, Faculty Mentor



Aniruddha Kulkarni, Editor



Omkar Kelkar, Co-Editor



Susmita Paria, Co-Editor



Manaswi Deshmukh, Head, General Management Section



Mona Aiyer, General Management Section



Nikhita Janpage, Head, Marketing Section



Sanket Shah, Marketing Section



Abhinav Sridhar, Head, Finance Section



Rushabh Shah, Finance Section



Chandni Tolaney, Head, Human Resources Section



Niharika Adukia, Human Resources Section



Rishi Ahuja, Head, Operations Section



Avinash Srivastava, Operations Section



Meenal Malhotra, Head, Design Strategy



Kush Bhatt, Design Strategy



Pooja Pophale, Head, Digital Media



Prashant Varma, Creative Head



Suyog Savji, Creative Team



Dhanshri Wadhwani, Head, Public Relations



Namrata Thacker, Public Relations

