



Hospital Entrepreneurship

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There is something missing from the medical tourism industry. It is neither something they teach doctors in medical school nor nurses in nursing school. It's called Hospital Entrepreneurship and it's holding back the medical tourism industry. In this fast pace growing healthcare environment where many excellent hospitals and clinics have the potential of effectuating a boom in service and technology delivery, most fall short of such goals. This topic is so critical to the growth of our industry, that it should be included to some degree in every article written and presentation delivered for 2012 about healthcare.

During this past year, consistent strains of thought have been passed around amongst facilitators, insurance agents, employers and insurance companies relative to the concern that hospitals and clinics are not running themselves as efficient businesses. Where is the entrepreneurship unifying the hospital system, Medical Director, Administration and Marketing Team to achieve long term investment goals? Does a failure to see ROI in year one dignify a halt in program execution over the long haul? Are we that short sighted?

LACK OF LOGIC

Where is the source of the problem? Hospitals are claiming that they want to achieve good revenue flow from medical tourism without investing or reinvesting in brand development. Marketing 101 would tell you brand development, strategy and delivery is a timely process which requires intelligent, consistent, continuous and in some cases, repetitive efforts to achieve goals. These goals must be broken out into deliverables over a predetermined length of time such as one, three, five and

ten year goals. Without reinvesting in brand development and marketing, all past efforts can be lost, dropping pre-established brand value down to a never seen before loss of return on investment. Amazingly, there has been a significant drop in investment at the exact time that marketing investment should be on the rise.

Where is the logic in the policy that because we provide healthcare services and there is in fact a huge demand for those services, that advertising is not necessary? Try selling healthcare services to a potential patient who, let's face it, has

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never heard of your hospital or clinic? Good luck. While word of mouth reputation is a tremendous source of patient referrals, it is not often you will hear people sitting around talking about how they want to go get a passport, get on a plane and travel to New York or Moscow for a surgery. It requires the demand, the availability of the information about the supply, the confidence in the brand, and the potential for delivery of services. This is accomplished through effective Hospital Entrepreneurship, Branding and Marketing.

FIELD OF DREAMS

One facilitator handling hundreds of patients annually gave a case example of the Latin American Hospital which made net millions in profits over the past year from just the services and patients provided through their company. This same hospital invested less than \$20,000 for the year in global branding and marketing. The result? Another hospital offering the same services came into competition with it and now has taken the lion's share of its previously enjoyed success. What is the difference between the two hospitals? In the first case, the hospital is operating almost with blinders on, expecting that word of mouth reputation will be the most sustainable measure of success. In the case of the second hospital, a focused strategy for investment in brand development and delivery allowed it not only to compete, but to surpass the first hospital's success over the longer period of time. Now the first hospital needs to spend more to accomplish what should have been done in the beginning: create a sustainable long term marketing plan. Unlike the well known Kevin Costner movie Field of Dreams, building a baseball stadium in the middle of a corn field is not the recipe for long term success. That only happens in the movies. Hospital Entrepreneurship and investment in brand is necessary to keep up with the fast pace global healthcare environment.

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Hospitals and Physicians alike would do well to realize that a business will require branding and marketing. If all hospitals offer the same or similar services at the same or similar prices, common economies of scale require the quality and delivery of the brand to bring one competitor above another and, in the case of healthcare, to receive new clients or patients.

UNREALISTIC EXPECTATIONS

What about realistic expectations? For some crazy reason, many hospitals and clinics expressed delusions of an investment of \$5,000 or \$10,000 to achieve hundreds of thousands of dollars or millions in the first year. Moreover, upon lack of instant gratification in achieving these results, they terminate the program or discontinue their efforts. Brands and marketing don't work that way. You need to consistently market and build your brand over a couple year period. You need to have a long term plan and be committed to it. No one can build an overnight brand or a long term brand in 1 year or year 2. You have to work at and most importantly "sustain" that brand. You have to create a long term strategy, work at it and be patient.

How does a hospital or clinic sustain and then grow their patient flow? Good question. In addition to unrealistic expectations, there are other cases of just plain laziness. Spend a year or two to develop a brand and then wait to see what happens? Good luck. Well, this is a wakeup call for everyone who believes that, as it has never worked and it never will.

The brands that fall asleep at the wheel will be the facilities that lose patients and also run the risk of losing the international brand they took those years to develop.

Take for example the case of some hospitals in India. Many have a high quality of care and excellent reputation for care in the American and Canadian market for a few years. Very little investment has been made by the governments to support the initiatives of the private hospitals in India and, as a result, more and more American patients are now traveling to Latin America. This is in part due to closer proximity, but also because many Latin American hospitals are developing their brands, marketing, and effectively delivering their brands and services to patients who are in need of brand identity to provide the confidence they need to make educated healthcare choices. Government support of medical tourism initiatives is proving to add to the consumer confidence by providing accountability to the hospitals' services.

THROWING MUD AT THE WALL

The cycles of branding and marketing are simple. If you don't invest in your brand and marketing and your competition does, your clients that you have today, will be the clients of your competition tomorrow. There are typically no second chances up at bat. Persistence, consistence and patience are your friends.

On the opposite spectrum or extreme, some hospitals and governments that have larger budgets are throwing mud up against the wall to see what sticks, randomly spending money on a variety of services which have no deliverables and do not create a consistent message. Having a lack of rhyme or reason with inconsistent strategies or, worse yet, a lack of strategies, can prove to be futile without ever seeing a return on investment. Mismanagement of large budgets happens on the other extreme, where a hospital or government which previously invested and achieved an international brand, let it slip away by using a shotgun approach as to how it marketed and spent its money.

FACE TO FACE CONTACT

Experience in the health insurance industry demonstrated that it took two to three years to get a new insurance product off the ground, and 5 years to where it was really successful - where potential business partners come to you instead of you hunting them down. It is not made successfully just by opening the doors for business: it requires an investment in effort. How did it succeed? Persistent outbound marketing, conference participation, networking, and new business to business development were the primary means.

What is to be achieved at a conference? It's not likely to walk into a conference with result being instant dollar sales. It's about building relationships and know you are going to keep coming back to build on those relationships and your brand. In the medical tourism industry, often you will not see hospitals treating this as a business or entrepreneur. At our 2010 conference, one facilitator met with one of the MTA member hospitals and because of that meeting, that hospital received 500 patients in 2011. This isn't going to happen to everyone, but what if that hospital was you? What if that facilitator wasn't there? How much lost business is lost just due to a failure to create opportunity?

Do you really think that facilitators, insurance companies or employers are going to send patients to your facility in another country because you have a nice website or you sent them an email? Let's be realistic, if you haven't met them in person and developed a relationship, the potential for receiving international patients is significantly reduced.

ARE YOU ALIVE?

The main complaint we have received is that hospitals are not acting like businesses or entrepreneurs in their daily routines. They are not updating their websites or brochures and in some cases, don't even have them done professionally. Another complaint is a lack of good response time to inquiries and also a lack of transparency. If the hospital isn't responsive to the facilitator or other buyer, then they try to move their business elsewhere. The main message is that buyers of healthcare want to be treated with the same level of service that patients are getting of the hospital, and they simply are not always receiving this. This means they are constantly looking for other hospital partners to replace their existing ones or ones that will be "backups" when things don't go right with the existing hospital. Individuals at hospitals need to treat the international patient program like it's their own business and conduct themselves with that same passion and energy that they would have if they really owned it.

PASS IT ON!

We know that hospitals and doctors are meant to provide the highest quality of healthcare for the patient with the best outcomes and least complications. This is a given and this should be the hospital and providers' top priority. But, that does not mean that they should therefore have no entrepreneurship spirit or conduct their operation like a "true" business. At the end of the day Hospitals are business; they have profit and losses and need to have balanced books. Medical Tourism patients provide hospitals with an increased level of profit that can be used in many ways from investing in infrastructure and technology, to expanding, or even to providing lower prices to local patients. The more foreign patients a hospital receives (if it has capacity for them), the more investment a hospital can make that will positively affect local patients. And this is where it turns into "social" entrepreneurship with positive benefits and returns.

Don't just read this, forward this article to everyone you know. If you work in a hospital or doctors office, forward it to the nurses, doctors, administration and medical director. Make sure everyone in the organization understands it and how hospital entrepreneurship can have a huge impact on the growth of the hospital and the positive effects that growth will have on the local economy.

And remember, if you never leave your chair in your office and you never invest anything sustainable into your marketing program, where will the patients come from and how will they learn about your hospital or clinic? ■



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Having a background in international marketing and relations, health law and litigation, she provides a valuable service to the Medical Tourism Association™ in these fields. Ms. Stephano speaks regularly at international healthcare conferences on the Legal Issues Surrounding Medical Tourism and in the United States to employer groups, insurance groups and physician associations. Renée-Marie consults international government ministries, private sector organizations and NGO's about the growth of the global healthcare industry and accreditation, providing marketing assistance to promote their countries high quality of care. Ms. Stephano works with governments and healthcare clusters in the development of their Medical Tourism Initiatives. Ms. Stephano recently is the co-author of three books: "Developing an International Patient Center: A Guide to Creating the Best Patient Experience", the book "The Medical Tourism Facilitator: A Best Practices Guide to Healthcare Facilitation for International Patients" and the book: "Medical Tourism ~ An International Healthcare Guide For Insurers, Employers and Governments"



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