

Healthcare Globe Enterprise Limited

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Abstract: This case is about HCG limited hospital. HCG is facing immense competition at present from its competitors. At the same time it is also facing problems in areas like operations, strategy and human resource management. The case is an opportunity for students to apply management concepts and frameworks from all major functional areas in management and suggest future course of action for HCG. It also gives an opportunity to readers to analyze and understand why the hospital which has been so successful in recent past, is finding it difficult to prosper in the market. It also gives an opportunity to study the hospital industry in India and the dynamics related to the same.

I. Introduction

Embarking on the journey of the finest expertise and quality healthcare with a human touch, HCG Multi Speciality Hospital, Formerly known as HCG Medi-Surge Hospital was founded in the year 2003. Established on the principles of Compassion, Caring outreach and community partnership, HCG Multi Speciality Hospital has served the wide ranging medical needs of Gujarat as well as other parts of the country and abroad with the highest level of medical expertise and healthcare services across the region. They have constantly delivered excellence and assured comfort to more than 3,50,000 patients in the past nine years which also include patients from Europe, USA, UK, South Africa, Kenya, Tanzania, Uganda, Nigeria, Congo, Ghana and many others. The group is headed by a strong and committed team of professionals with considerable experience in their chosen fields. HCG Group provides diverse range of services starting with Oncology, Neurology, Urology, Cardiology and Emergency Care.

At HCG Multi speciality, they believe that it isn't only the quality of treatment or procedure that matters but also pre and postoperative experience that make the patients stay an easy and comfortable one.

It was a late evening for the top management of HealthCare Globe Enterprise Limited (HCG), a multi-specialty hospital, in their corporate office at Ahmedabad; Dr. Ajay Kumar was preparing a presentation for his team. Though the vision of HCG is to make high quality cancer care accessible to all segments of the society by adopting global innovations, and even when their services are compatible with other players in the industry yet the group is not able to enter in the race of one of the top five players in the hospitality industry. Hence the agenda of discussion was whether HCG was lacking in aggressively promoting its services appropriately as well as its presence in the country.

II. The Healthcare Industry

The advent of infectious diseases and tropical medicine was a direct consequence in the 19th and early 20th century, which resulted in evolution of public health for disease prevention. Infectious diseases had an enormous effect on health, through the transfer of new diseases. National governments started working towards development of surveillance systems to respond to epidemics and establishment of health systems for disease control. Increasing demand for high level medical services, increased awareness, growth in infrastructure, increase in income, reimbursement schemes, insurance policies, etc. are leading to the growth of healthcare sector in India. Moreover, there is a shift from infectious to lifestyle related diseases in India that need more expenditure for the treatment. Also, the healthcare sector in India is the largest industry in terms of revenue and it is the second largest in terms of employment. Both private as well as public sectors operate Indian healthcare industry but private sector being the major provider of healthcare services in India.

Between 2000-2009, the healthcare sector of India has registered a growth of 9.3%. With this, medical tourism is also getting the required boost and it is expected that this industry will touch US\$ 2 billion by 2015. Patients are coming from Africa, Gulf and SAARC nations, Myanmar, Pakistan mainly for organ transplant, cardiac and orthopedic problems.

The healthcare industry in India is experiencing gradual transition from paper files to electronic mediums. The Indian healthcare assisted by IT market has been growing tremendously over the past few years. It is expected to grow at a CAGR of around 22.7 per cent during the period 2013-2015. Private players are making significant investments in this sector by setting up private hospitals. Share of private sector in the

healthcare delivery industry is 80% whereas government sector is 20%. The Government of India has also decided to raise the health expenditure and by the end of the Twelfth Five Year Plan (2012-17) this will be 2.5 per cent of gross domestic product (GDP). Among all the developing countries, Indian Government Expenditure on healthcare is the highest.

THE FOLLOWING TRENDS WERE NOTABLE IN THE INDUSTRY:

- The Indian healthcare providers plan to spend Rs 5,700 crore (US\$ 897.64 million) on IT products and services in 2013, a seven per cent rise over 2012 revenues of Rs 5,300 crore (US\$ 834.65 million).
- The Indian-American doctors' community plans to organize the "Global Healthcare Summit" in Ahmedabad, Gujarat, from January 3-5, 2014, to bring affordable world-class healthcare for Indians. Global Healthcare Summit 2014 aims at advancing the accessibility, affordability and quality of world-class healthcare to the Indian people.

(SOURCE: [HTTP://WWW.IBEF.ORG/INDUSTRY/HEALTHCARE-INDIA.ASPX](http://www.ibef.org/industry/healthcare-india.aspx))

HEALTHCARE MARKET

The hospital segment holds a major share of the healthcare industry and is outpacing the overall industry growth. The size of the private hospital industry in India is estimated to be around US\$25 billion as per ASSOCHAM is growing at a CAGR of 20%.

DEMAND IN HEALTHCARE SECTOR

The demand for hospital services has been consistently soaring in the country, with every class of the society demanding better quality and standards of healthcare

Realizing the continuous growing demand, many investors worldwide have expressed their keenness towards investing in the Indian hospital service market.

HCG had not only received appreciation of its services on the domestic front but also it is valued and receives a good market share on the International front too. It had its own center in Uganda and also treated patients in Tanzania, Nairobi, Congo, Nigeria and Kenya, with a tie-ups of local hospitals. The cost of providing services is not too high as it is reimbursed through the treatment package of that patient and the demand for their services majorly emerges through consultants and satisfaction of patients.

HEALTHCARE GLOBE ENTERPRISE GROUP

Healthcare Globe Enterprise Group has established its presence in Ahmadabad, Bangalore, Chennai, Cuttack, Delhi, Erode, Hubli, Mumbai, Mysore, Nasik, Ongole, Pune, Ranchi, Shimoga, Trichy, and Vijayawada, India; Uganda; and Laos. HealthCare Global Enterprises Limited operates a network of cancer care centers in India and offers radiation, medical, and surgical oncology; and imaging, clinical laboratory, and support services. The company also provides telemedicine services. It serves patients from various destinations, including Africa, the Middle East, South East Asia, Europe, the United States, and Canada.

THE FIRST STEPS

In 1989, Dr Ajai Kumar along with four Oncologists launched the first comprehensive Cancer Centre in the country offering full suite of Oncology services—"The Bangalore Institute of Oncology". In 2002, Bangalore Institute of Oncology in collaboration with another flagship hospital "Curl Centre of Oncology" founded a holding company called Health Care Global Enterprises Limited.

Hence HCG started with the vision of becoming leader in Oncology Care by making high quality cancer centers accessible in the country.

BUILDING A TEAM

Dr. Ajai Kumar embarked with a team of four Oncologists. HCG cancer centre comprises doctors and professionals with more than 20 years of experience in their respective area. Apart from doctors being highly qualified they are constantly involved in research of their respective area so that patients get the privilege of being treated from latest technology.

The teams of doctors who work in International Cancer Centres are also expected to be in constant touch with the team in domestic front so that newer development and technology also remains accessible to the home ground. Among all Asian countries HCG has one of the competent Cancer specialist's team, whereby training is also one of the important arena for newly joined nurses and staff.

HUMAN RESOURCES

As in any other health organization, human resources play a vital role in HCG growth. HCG has a workforce of 2000 people consisting of doctors, nurses and other support staff and adopts various methods and strategies to keep employees motivated and committed towards their work. Recruitment of employees is done through tie-up with colleges, consultants and job portals. After Recruitment, nurses are given six month oncology training before being inducted into routine clinical activities.

HCG adopts an effective performance appraisal system where each cadre has defined key results areas (KRA) against which their performance is measured every year. The HR team conducts market analyses every year in order to retain staff and provide them with benefits at par with market scales. The survey thus updates their market knowledge on current salary and benefits provided by other players.

As a career planning mechanism, employees are promoted to higher levels every two years. HCG also offers Diploma in National Board courses for doctors to specialize in Oncology. With an effective HR strategy in place, HCG claims an attrition rate of 2-3 percent, which is very less, compared to rest of the hospitals, which is 20-30 percent.

ADMINISTRATION

HCG has a different form of dealing with the problems of its staff. As far as the administration of the hospital is concerned it doesn't have an open door policy which welcomes the complaints of their staff members openly, rather they have a complaint register in which all complaints are lodged after providing the purpose of their complaint. If any case their complaint gets ignored or is not resolved the management is responsible to answer the reason for unsolved complaints.

As far as the Patient to Nurses ratio is to be determined it depends on the parameter of the type of facility the patient uses.

There are four types of facility in which the level of treatment is disbursed:

- A) General Ward: In this particular facility for every six rooms available on the floor they have kept one nurses to serve the patient.
- B) Deluxe Room: In this particular facility for every six rooms available on the floor they have kept two nurses to serve the patient.
- C) Super Deluxe Room: In this particular facility for every four rooms available on the floor they have kept two nurse to serve the patient.
- D) Suite Room: In this particular facility for every four rooms available on the floor they have kept three nurses to serve the patient.

Staff at HCG normally works on three shifts, i.e. morning, noon and night. Staff chooses either of the two shifts. Billing at HCG is done by aggregating the total of the services used by the patient plus the number of visits conducted by the doctor.

The pharmacy of HCG has a pneumatic system which means that the patient need not to buy the medicines every now and then when they require rather a tube is attached in their room which is directly connected to pharmacy lab and the tablets are passed directly to their room by sending a list directly to the lab by the nurses. Hence the cost of medicines is also attached to their billing list.

SPREADING WINGS

Bangalore-headquartered HealthCare Global Enterprise (HCG) is planning to acquire land for setting up multispecialty hospitals in Vadodara and Surat. The company will pump in Rs 80 crore for the two projects in Gujarat.

According to CEO:

"We plan to start construction at the two projects in the coming months. CEO said, adding that Rs 40 crore would be invested in each hospital. The parent company HCG will raise the amount through internal accruals.

MODERNIZATION

HealthCare Global Enterprises Ltd, The Specialist in Cancer Care, launched True Beam, radiotherapy technology in cancer treatment in 2011 at Ahmedabad. HCG is the first hospital in Ahmedabad and India to launch this technology.

About the move, Dr. B S Ajaikumar, Chairman said:

HCG has played a vital role in redefining cancer treatment in India, through expertise and technology. We have now brought in the latest technology in cancer treatment at our centers at Bangalore and Ahmedabad, to make high quality cancer care accessible, which will benefit the patients. Both these technologies will help in the faster and effective treatment for patients.”

“True Beam will ensure faster and more precise treatment for the patients. With pinpoint accuracy there will be lesser side effects and faster recovery of the patients. The cancer patients of Gujarat will stand to benefit with this latest and advanced technology.”

HCG Cancer Centre is a Gujarat's first private comprehensive Cancer center with Surgical, Medical & Radiation Oncology facilities under one roof. HCG Cancer Center is having unleashing path breaking technology and services delivered by eminent Oncologist and radiologists. The mission is to establish standard of care in treatment of cancer by integrating patient care, research, prevention and education. Excellent nursing care, well-equipped operation theatres and a dedicated team of doctors are the hallmarks of the hospital.

Leading medical expertise and advanced technology has enabled us to deliver exceptional quality healthcare at reasonable costs. Health Care Global Enterprises Ltd, (HCG), The Specialist in Cancer Care, headquartered in Bangalore with over 22 cancer centers is South Asia's largest cancer care network. HCG has defined the future of cancer care in India by designing, building and managing cancer care centers with a committed vision. HCG focuses on cancer care treatment, imaging and laboratory services, clinical trials and research services. The vision of HCG is to make high quality cancer care accessible by adopting global innovations to all segments of the society.

ATTRACTING GLOBAL PATIENTS

International patients as well as their relatives always are also anxious and have a doubtful mind about be treatment in India, owing to lack of proper information.

HCG understands the concerns of patients and hence they design the treatment in such a way that international patients feel at home. HCG makes sure that the patient gets an international standard treatment and all the allied facilities needed for the treatment so that patient gets a new life and leave the country without any doubt or fear. Their goal is to satisfy patients.

Due to lack of medial infrastructure in Tanzania, Nairobi, Nigeria, Kenya and they have their own center in Uganda and tie-ups with local hospitals. In order to increase awareness they set up regular medical camps in East Africa and through health checkup camps. Government plays no role in supporting these services and they just perform online registration. The marketing of their services is done through local consultants and insurance groups and through health checkup plans. HCG provides travel services, insurance services and even financial services to their patients.

About the service, a patient from Kenya commented:

HCG Multispecialty hospital doctors conducted 11 hours of surgery despite doctors of Kenya rejected to do so. The surgery of my kidney as well as removal of urinal bladder gave me a new life as well as permanent relief from pain.

III. Awareness Creation Programmes

HCG creates awareness about cancer treatment options through various health education and awareness generation programs.

- ❖ Pink Hope is one of the major awareness generation programs of HCG. It is a patient support group that is used to create awareness on breast cancer and Leukemia. It was started in May 2009 with the aim of showing the public living examples of patients who have already undergone the treatment process.
- ❖ Stop smoking. This program is given high priority, as tobacco is the single leading cause of cancer. The unique aspect of this program in comparison to the conventional de-addiction programs is that it uses principles from psychotherapy, yoga and nutrition to help people quit smoking.
- ❖ Cancer wellness programs are designed to reduce stress and teach ways of coping effectively with cancer during radiotherapy and chemotherapy. Since the diagnosis of cancer causes severe psychological distress in majority of the patients, this program teaches simple yoga postures, yogic relaxation, pranayama and meditation techniques to reduce stress.

CHALLENGES ENCOUNTERED

According to Dr. Ajay Kumar, Chairman, during the initial period of establishment HCG faced many challenges such as non-availability of qualified specialists, inadequate support staff, inadequate research and development and non-availability of resources. However, each roadblock was meticulously addressed and the organization was gradually expanded. The major roadblock of financial resources was tackled with the support received from equity investors.

Today, the network hospitals together have 700 dedicated oncology beds. All the HCG network hospitals put together see 24,000 patients a year; perform 800 radiation treatments, 120 surgeries and 500 chemotherapy infusions per day.

ROAD AHEAD

HealthCare Globe Enterprise Limited (HCG), a Bangalore-based pan-India chain of super-specialty cancer care hospitals, is planning to expand its network to 40 centers by 2014, with an investment of Rs. 100 crore.

According to Dinesh Madhavan, director (marketing) of HCG:

“Investment in each center may vary according to the model we choose, including tie-ups with oncologists for setting up full-fledged centers. We are planning to invest Rs 50 crore through internal accruals and raise another around Rs 50 crore from private equity for the expansion.”

A full-fledged center would cost Rs 20 crore for the company, owing to the higher cost of sophisticated equipment and technologies.

HCG is also exploring opportunities to own or manage oncology divisions in tie-up with various major hospitals. Various measures, including an EMI scheme, were designed to provide cancer care at affordable costs. Established almost five years ago, the company currently has revenues of around Rs 350 crore. It is targeting to grow its revenues to Rs 500 crore by 2014.

IPO

The company is also contemplating going in for an initial public offering (IPO) by 2014 to raise funds to the tune of around Rs 500 crore. The IPO plans, however, are not yet finalized.

HCG COMPETITION WITH DOMESTIC PLAYERS

HCG is not able to enter the top ten categories in the healthcare sector however it is because the model of HCG is completely different as compared to its competitors. Revenue has never been the top priority for HCG. If one compares HCG with other players then its outpatient and inpatient ranking is Number 3 in Ahmedabad and Below 10 in India.

The main reason behind it is that there are number of hospitals run by NGO and State Government wherein the registration fees are very low. Civil hospital has the highest number of Inpatient and Outpatient flow in Ahmedabad.

Hospitals like Rajasthan Hospital, Jivraj and V.S hospital in Ahmedabad are run by Government wherein Doctors quality is different and work segments are different. HCG though has advantage of location, medical facilities and latest technology it has a main disadvantage of its core working pattern. HCG doesn't have doctors on Board i.e. Doctors work for a fixed time period in the hospital and they may not be available in case of critical emergencies during midnight and hence they need to be called for. Also they do not have a full time consultant in comparison to other hospitals.

Apollo, which ranks first in Ahmedabad, has a model of corporate tie-ups in Gujarat and henceforth the flow of patients is high but the disadvantage for the hospital is the location where it is situated. Sterling Hospital, SAL and Shalby hospital also have corporate tie-ups and it is located in one of the posh areas of Ahmedabad.

As far as marketing is concerned Apollo has its marketing to corporate patients which applies the same for SAL and Shalby hospital. Whereas CIMS hospital is a number one player as far as online marketing is concerned.

Questions:

1. Whether they should bring a change in their domestic marketing strategy and shun the traditional modes of marketing?
2. Should HCG capitalize on its doctor's to retain them on board for a longer time period? OR Design an Incentive system for the doctor's which could retain them on board.

EXHIBIT-I SERVICE RANGE OF HCG

A) CORE SERVICES
Oncology and oncosurgery GI and minimal invasive surgery Neurosurgery Uro oncology Vascular and thoracic surgery Haemato-oncology Diabetes and endocrinology Critical care and pulmonology Dermatology Gastroenterology HIV infectious disease Nephrology Pediatrics Plastic surgery Radiation therapy

B) SUPPORT SERVICES
Financial counseling Nutrition counseling Treatment counseling Psychosocial services Integrative complementary therapy

C) ONSITE ANCILLIARY SERVICES
Pathology Radiology Physiotherapy services Nutrition services Ambulance Facilities Pharmacy Social service

EXHIBIT-II

The government's share in the healthcare delivery market is 20 percent while 80 percent is with the private sector. Private players have made significant investments in setting up state-of-the-art private hospitals in cities like Mumbai, New Delhi, Chennai and Hyderabad.

The following are the major domestic private healthcare providers in India:

1) Apollo Hospitals:

Apollo Hospitals has emerged as the single largest private hospital group in South Asia. It operates hospitals, dispensaries, clinics and laboratories. It manages a network of approximately 41 specialty hospitals and clinics with a bed capacity of over 9,000 across the country and abroad. It has tied up with insurers like BUPA (UK), Vanbreda (Belgium) and Mondial (France) to direct inflow of foreign patients to India. It has a joint venture with Singapore-based Parkway Group Healthcare PTE Ltd. It has tied up with Indian Oil Corporation (IOC) to set up its pharmacies at the latter's petrol stations.

2) The Escorts Group:

This has a presence in specialized cardiac treatment and multi-specialty care hospitals providing a whole gamut of specialized medical services. Escorts operate ten hospitals across India. The group is also reputed for tertiary care services such as neurology, neurosurgery, plastic surgery and urology. Escorts Heart Institute and Research Centre (EHIRC) has a 325 bed tertiary care institute, with 9 operation theatres, 5 cath labs, 2 heart command centres and world class facilities. It has carried out over 80,000 angiographies and 43,000 cardiac surgeries over the past fifteen years – which is a world record.

3) Fortis Healthcare:

This is a company founded by the promoters of the Indian pharmaceutical major, Ranbaxy Laboratories, started operations in 2001. It has approximately 12 hospitals with 1,900 beds. It has operations across North India in the cities of Delhi, Noida, Mohali, Amritsar, Faridabad, Raipur and Srinagar. It has a joint venture with Real Estate player DLF to set up hospitals across the country with an investment of about US\$ 1.5 billion.

4) Max Healthcare:

This is a fully owned subsidiary of the highly diversified Max Group, with a chain of clinics and hospitals with a bed capacity of 1200. On an average, Max Healthcare treats 30,000 patients every month, with 200 new patients visiting the facilities every day. It has collaborated with Singapore General Hospital in the areas of medical practices, nursing, paramedical research and training.

5) Wockhardt:

This is among India's leading pharmaceutical and healthcare companies. Since inception in 1989, the Wockhardt Hospital & Heart Institute has become a renowned tertiary level heart centre providing cardiac care to patients of all age groups. It is the first recognized hospital in South Asia on the worldwide panel of Blue Cross Blue Shield, the largest provider of health insurance in USA. It has approximately 10 hospitals with 1,500 beds. It has entered into Public-Private Partnership with the Government of Gujarat to manage the 275-bed Palanpur Civil General Hospital in Gujarat.

6) Manipal Health Systems:

Its chain consists of approximately 9 primary centres at 7 rural locations, 8 secondary hospitals at urban and semi-urban locations and 3 tertiary hospitals at urban and semi-urban locations. It has a joint venture with Pantaloon Retail for comprehensive retail healthcare foray.

7) Arvind Eye Hospital:

This hospital in South India is the single largest provider of eye surgery in the world. In 1998, its hospitals saw 1.2 million outpatients and performed 183,000 cataract surgeries. It costs Arvind about US\$ 10 to conduct a cataract operation. It costs hospitals in the United States about US\$ 1,650 to perform the same operation.

EXHIBIT-III

1) MEDIA REPORT OF HCG: -

UPDATED: SUN, MAY 05 2013. 09 17 PM IST

BANGALORE

It is structured like a law or an audit firm. It offers the kind of payment options consumer product retailers or car dealers do. Yet, it is a company that runs a chain of cancer hospitals.

The idea for Healthcare Global Enterprises, or HCG, was born in the early 1990s when **B.S. Ajaikumar**, then a doctor based in Chicago, made a trip to India to study the state of cancer treatment in the country.

He was shocked by what he saw at government hospitals and clinics: rudimentary technology, long queues and dilapidated infrastructure. The government, Ajaikumar said, couldn't have done much. Nor, he added, could a pure private enterprise. "I thought of setting up something in between that would attract people to invest."

Soon after, in 1991, he turned an entrepreneur and founded the Bangalore Institute of Oncology. Well over a decade later, in 2003, he decided to return to India for good.

Two years later, in 2005, he renamed the company HCG. Since then, he has set up 25 centres, including one in Uganda, and signed on 450 oncologists, many of whom are also investors in HCG.

Ajaikumar continues to hold in excess of a 25% stake in the firm. Other investors include the doctors; Wipro's billionaire founder Azim Premji who invested \$20 million in 2010 through his Premji Invest; Milestone Religare; and Singapore's state investment firm Temasek Holdings which recently bought Evolve India Life Sciences Fund's stake in HCG for about Rs.130 crore.

It makes sense to turn doctors into entrepreneurs, said Ajaikumar. "The idea behind it was to make doctors responsible and do the right thing for patients," Ajaikumar said. "Today in healthcare, a lot of business

people are getting into it. We believe firmly that business people should not get into it. The idea is to make the whole model sustainable with only doctors." The firm had no plans to look beyond oncology, he added. In two years, he said, the firm will make an initial sale of shares and also expand its network with eight new centres in India, Africa and West Asia.

2) HEALTHCARE GLOBAL BIDS TO BUY STERLING TO FORAY INTO MULTI-SPECIALTY HOSPITALS

BY VCCIRCLE.COM

THU OCT 10, 2013 12:37PM IST

Bangalore-based HealthCare Global Enterprises Ltd (HCG), one of the largest cancer treatment hospital chains in the country, is looking to enter the multispecialty hospitals business and has put its bid to acquire PE-controlled Sterling Hospitals as part of the plan, sources in the company told VCCircle.

"HCG has a multispecialty hospital in Gujarat; it acquired the firm to turn it into an oncology unit but couldn't do so successfully; hence it operated it as a multispecialty hospital. Now, HCG is looking to expand into the multispecialty segment in the state. However, the core focus of the company across India will continue to be in oncology," sources said.

Earlier The Times of India reported that the firm has bid Rs 500 crore and is in an advanced stage to buy Sterling Hospitals though the latter is also being wooed by DM Healthcare and NMC Health. This was independently confirmed by VCCircle.

When contacted by VCCircle, BS Ajaikumar chairman and CEO of HCG declined to comment on the deal but maintained that the focus of the company at present continues to be in oncology.

Sterling Hospitals, 80 per cent of which is owned by PE firm Actis, runs multi-specialty hospitals in locations including Ahmedabad, Rajkot, Vadodara, Bhavnagar and in Mundra SEZ. The remaining 20 per cent of the company is owned by Girish Patel, former ParasPharma promoter.

Actis, which was earlier a part of CDC Group Plc., has around \$5 billion assets under management and provides capital for buy out and growth transactions in companies operating in Africa, China, Latin America, South and Southeast Asia. It invests in consumer, financial, engineering, healthcare and real estate companies among others.

This is the second attempt by the PE fund to sell off Sterling Hospitals. Kotak Mahindra is advising Actis for this deal. Earlier, Actis had tried to sell the company in 2011 but no deal materialized and the process was kept on the backburner. Actis was then looking for an enterprise value of Rs 550-600 crore and India Value Fund Advisors was rumored to be in the race.

Teaching Notes

Case Synopsis

The purpose of this case is to understand nuances of marketing, operations and human resource management for a private hospital in India. It is designed to introduce students to fundamentals of strategy in an Indian hospital. This case is about Healthcare Globe Enterprise Limited Hospital which has served the wide ranging medical needs of Gujarat as well as other parts of the country and abroad with the highest level of medical expertise and healthcare services. It has been pioneer in promoting Ahmedabad as one of the most sought after medical tourism destination. HCG Group provides diverse range of services starting with Oncology, Neurology, Urology, Cardiology and Emergency Care.

The case requires integration of various management disciplines like marketing, human resource management and strategy. Students have to analyze economic, political and technological changes that have occurred in last one decade for crafting HCG's future strategy.

Teaching objectives

The case provides instructors with an excellent opportunity to discuss the issues faced by private specialty hospital in India. To understand HCG's future, the readers will have to understand its past and lessons learned from hospital' operation. The case provides ample opportunity to discuss: a) Optimum utilization of available resources b) formulating marketing strategy c) Significance of branding d) role of human resource management in effective and efficient functioning of hospital

• Indication of level of analysis (MBA, Executive Education programme)

The case can be used for post graduate management programme as well as executive education programme. It is ideally suited for second year post graduate students studying strategic management or marketing management courses. The students should have basic knowledge of strategy and marketing courses.

The case is particularly suitable for use as integrative and interdisciplinary exercise, so as to bring together perspectives of various functional areas.

- **Suggested student assignment/s**

- a. Conduct SWOT analysis of HCG
- b. Visit reputed hospitals in India and try to understand their functioning
- c. Apply various management frameworks for analyzing the case
- d. Design marketing strategy for HCG based on available information

- **Possible discussion questions**

1. Whether they should bring a change in their domestic marketing strategy and shun the traditional modes of marketing?
2. Should HCG capitalize on its doctor's to retain them on board for a longer time period? OR Design an Incentive system for the doctor's which could retain them on board

- **Potential uses of the case**

This case can be used at the end of any course to integrate and emphasis on significance of various functional areas. The case can also be used in strategic management course to explain dependency of functions on each other. The case should not be used for undergraduate programmes as it requires in-depth understanding of many courses.

- **Analysis**

1. HCG should definitely change their marketing strategy so as to remain competitive. The frameworks like SWOT and BCG can be applied to study the environment. The competition is intense; hence it is imperative to use innovative marketing strategies to remain competitive. Though the traditional methods have worked in the past, it may not happen in future.
2. HCG should try to retain their doctors. However they should identify top performing doctors and devise special engagement programmes for them. They should also introduce variable pay for doctors in addition to fixed pay. Employee engagement programmes should be designed after conducting surveys. They may hire outside consultants and conducting and analyzing the surveys.

- **Suggested teaching approach**

This case can be taught in 75 minutes class.

- **Proposed session plan**

The instructor may start with introduction of strategic management frameworks.

Discussion about Hospital Industry in India (10 minutes)

Introduction to functioning of hospitals (10 minutes)

Central Problem of the case (20 minutes)

Strategy Management and Marketing Management Concepts (20 minutes)

Future course of action (15 minutes)

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