



**Orthopaedic Specialty Hospital**

مستشفى العظام التخصصي

# *ORTHOPEDIC SPECIALTY HOSPITAL BUSINESS PLAN*

January 13, 2008

*We are focused on serving our patients by providing exceptional care in every Bone & Joint sub-specialty in accordance to the highest International Quality Standards. We will be the role-model in our work ethics towards our patients, family, & healthcare team.*

*Project Team*

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## **(Executive Summary)**

### **Company, Hospital, and the Project:**

**X Medical Company** is a Saudi limited liability company concerned with the specialty and Sub-Specialty healthcare services.

The company has realized that a gap does exist in the Saudi healthcare market and has identified that the healthcare provided to patients with musculoskeletal disorders is significantly underserved.

In addition to the niche of Orthopedic sub-specialty, we believe that the level of quality of patient care and services are not satisfying patients. Thus, we believe that the hospital will be differentiated through its high quality of services and customer satisfaction regarding medical and non-medical services.

**The Orthopedic Specialty Hospital** is the first operating division of the (XMC). This hospital will be distinctively designed, constructed and operated as a high quality medical care facility in the field of orthopedic surgery and its related disorders in Saudi Arabia.

A project team has been established in order to create and implement the project plan. The project team has decided to establish the **Orthopedic Specialty Clinic**. This decision has been made in order to increase the probability of success of the project by developing and testing processes and building a team of orthopedic specialists that establish a working relationship. In addition, the clinic will give the newly formed team of doctors' exposure to the patients and hopefully a reputation that will benefit the hospital when it opens.

### **Mission Statement:**

We are focused on serving our patients by providing exceptional care in every Bone & Joint sub-specialty in accordance to the highest International Quality Standards. We will be the role-model in our work ethic towards our patients, family, & healthcare team.

### **Hospital Vision**

The leading most trusted healthcare provider of Bone & Joint Disorders.

### **Hospital motto:**

Life is motion.

## **Hospital Values:**

**Patient First:** We are focused on each patients care; Physically, Emotionally, Spiritually and Socially.

**Integrity:** Our values are demonstrated by our deeds.

**Quality Improvement:** We continuously seek excellence in everything we do.

**Staff:** Our Staff is our most important asset. We are committed to their growth and educational development.

**Innovation:** We are committed to a supportive environment that encourages new ideas & creativity.

**Efficiency:** We continuously strive to provide an efficient and cost effective service without compromising quality.

**Responsibility:** We accept personal accountability for the work we do.

**Communication:** We promote open communication to all stakeholders that fosters partnership and enhances timely effective and appropriate responses.

**Community Service:** We recognize our social responsibility and commit to be active contributors to the communities welfare.

**Modesty:** We encourage taking pride in ones work, while displaying this in a team-like manner.

## **Long-Term Goals**

The Company aims to expand its business by focusing on the development of multiple Orthopedic Specialty Hospitals in the kingdom and beyond. Its aim is to become the trusted source by patients throughout the Middle East.

## **Market summary and the opportunity:**

The realized opportunity is based on the following findings:

- The healthcare market in Saudi Arabia in general and the Western Province in particular is expanding and will have significant growth.
- Demand for Orthopedic specialty medical services is rapidly increasing.
- The current market does not provide a sufficient level of sub-specialty orthopedic healthcare.
- The market will witness significant alterations in the size, structure, regulations, demand and supply.

From the above market findings, the opportunity available is clearly significant. It is apparent that a gap between supply and demand exists in the market and this gap is expanding as the market is changing and growing. The only way to fulfill this gap is to establish orthopedic specialty healthcare facilities that offer high quality of services to patients.

## **The Hospital Key Appeals:**

- Sub-Specialty clinical centers.
- High quality patient driven medical and non medical services
- Specialized and developed orthopedic rehabilitation center
- Advanced diagnostic and therapeutic technologies
- Iconic Building
- Easy to reach location
- Competitive Prices
- Wholistic Approach

## **Marketing strategy:**

The hospital will adopt a marketing strategy that will be a mixture of a Niche and differentiation strategies. The hospital will capitalize on the added value of sub-specialty centers and their ability to offer better patient services both medical and non medical. In addition to this, the hospital aims to be the first patient focused but market driven hospital in Jeddah through our competitive strategies and core values.

## **Competitive strategy:**

We realize that there are several players in the market and we are comfortable to capitalize on our niche: orthopedic sub-specialty and our differentiation strategy that will translate into quality patients' services and care.

Although we believe in the accuracy of our strategy and in our approach to the market, we will maintain respect for all other healthcare service providers and we look forward to ethical, fair and constructive competition that will improve the quality of healthcare services in the market.

We have a smart competitive strategy that capitalizes on our strength and gives adequate consideration to the markets threats.

## **Target costumers:**

In addition to orthopedic patients, we aim to satisfy the patients' families and the patients' visitors; we will build partnerships with insurance companies and companies with large numbers of employees. Meanwhile, we aim to build constructive relationships with the ministry of health and the regulatory agencies.

In order to attract patients to our hospital, we will continue to focus on effective patient care. However, we will track our patient satisfaction with a research team focused on effective communication and patient satisfaction. We will continue to develop the criterion that will enable us to reach our target patients.

## Operational scope:

- **Services provided:**  
Inpatient medical services  
Outpatient medical services  
Rehabilitation
- **Location:**  
North Jeddah- Camel Square.
- **Lot size:**  
The total lot size is 8,483.27 square meters. The building footprint is 3489 square meters. Plans call for a 6 stories building for an approximate total of 18,867 square meters.
- **Working capacity:**  
24 hours a day, 7 days a week, with a full capacity of 64 beds.
- **Hospital grand opening:**  
July 31st, 2009.
- **Operational strategy:**  
Patient satisfaction is integrated among all the elements of the project.

## Corporate culture:

### Culture Mosaic

Risk taking	Conservatism			
femininity	masculinity			
Short term view	long term view			
People orientation	Task orientation			
Attention to details	Big picture view			
Ethnocentrism	Diversity			
Centralization	decentralization			
Low power distance	High power distance			
20%	40%	60%	80%	100%

- **HR plan:**

OSH will give equal attention to the medical, paramedical, and non medical staff, and will recruit, retain, and satisfy workers as they represent valuable assets. The staff are the true assets of our institution. It is our strategy to have satisfied employees, as they are the custodians and future leaders of the institutions.

- **Quality control plan:**

OSH will benchmark against international quality standards. Joint Commission certification is a priority with the quality control plan.

- **IT and business process:**

The IT plan strategy is to acquire and use software built on pre-defined business processes that increases the efficiency of the business cycle and ensures a smooth business process.

- **Knowledge management:**

As an attempt to become a learning organization, OSH has adopted learning as one of its strategic elements and one of the post opening objectives and scorecards.

### **Financial requirements:**

It is expected that the project will cost 152 million SR, 148 million for the investment and 4 million as a working capital.

<b>Capital requirements in SR</b>		<b>000</b>
<b>Description</b>	<b>Value</b>	<b>%</b>
<b>Land</b>	-	-
<b>Buildings and construction</b>	-	-
<b>Medical Equipment</b>	-	-
<b>Furniture</b>	-	-
<b>Vehicles</b>	-	-
<b>Information technology</b>	-	-
<b>Contingency</b>	-	-
<b>Pre operating expenses</b>	-	-
<b>working capital</b>	-	-
<b>Total cost</b>	-	100%

The table above illustrates the capital requirement of the project:

## **Risk management:**

We can summarize the associated risks as follows:

- Political risks
- Economical risks
- Market risks
- Conflicts with business partners
- Financial risks
- Operational risks
- Accidental crisis

We have noted the associated risks and plan to confront all of them.

## **Future Development:**

We have an ambitious plan that includes opening branches for the hospital and the clinic in other Saudi cities. However, our plan is not limited to horizontal geographic expansion. We are also considering vertical expansion into more sub-specialized centers such as knee or spinal clinics.

## **Exit Strategy:**

We have developed multiple exit strategies for multiple scenarios, which we can implement if one of the following circumstances has occurred:

1. Company faced difficulties
2. Market changes
3. Going Public.