

International Healthcare IT Business Opportunities

A study of overseas markets for UK Companies

Research brief and invitation to tender

1. Introduction

Over the next 10 years the UK Government is investing heavily in modernising the NHS. Within this agenda, a National Programme for NHS IT has been developed which will mean an initial investment of £2.3 billion over the next 3 years. The programme will be delivered by five nationally procured Local Service Providers and their consortia of suppliers. The programme has had and will continue to have a major affect on the UK healthcare IT market place because:

- It is being procured nationally. Over the last decade, budgets have been devolved to a local level within the NHS which has meant that SMEs have prospered. The national procurement and the need for huge capacity to deliver means that SMEs will find it hard to win business
- Local NHS investment in ICT has fallen over the last 12 months as the plans for the National Programme have taken shape
- It is unclear what, if any, ICT business will fall outside the National Programme remit of delivering an Integrated Care Records Service, e-bookings, e-prescriptions and an appropriate Infrastructure.

Many companies, large and small, will not win business within the national programme. As the sector continues to undergo major structural change and uncertainty around the NHS ICT requirements outside of the NPfIT continue, companies will need to re-evaluate their business strategies and look for other opportunities.

This project will seek to provide information on current and future International Healthcare IT business opportunities to assist UK companies in their business planning and strategic development.

2. Purpose

The purpose of the research is to allow UK companies make an informed decision on whether or not to try and win business in the identified overseas markets. Having read the report companies should be able to make decisions on the following questions:

- Is there a market for my product?
- What are the barriers to entry?
- Who are my competitors?
- What is the procurement process and the timescales?
- What is the culture and characteristics of the market?
- What is the best way for me to enter the market?
- What is the regulatory environment like?
- Am I ready to export? / How do I become export ready?
- Where do I get further information and support (legal, financial, cultural etc)?

3. Method and timescales

The current procurement for the National Programme for IT will be completed by the end of 2003. Although subject to change control, contracts will be in place and many companies will know if they are to play a major role in the Programme or not and decisions will be taken on strategic business direction and exploring other opportunities. Therefore this research should aim to report early in 2004.

Depending on the number and size of markets that are worthy of research the project will be split into three stages. Suggested actions and timescales are as follows:

Assuming appointment of consultant by 15 September

Stage 1 – Up to 15 October

Constitute project board and meet
Agree scope and target markets – Up to 50
Initial desk research and identification of short-list target markets

Stage 2 – Up to 16 January 2004

By mid December 2003
Detailed research including field research and interviews

By 16 January 2004

Report completion

Stage 3 – Up to 28 February 2004

Dissemination of report to Intellect members
Communication of results
Agree further actions

4. Scope

The study should include research on opportunities for healthcare IT supporting both primary and secondary care including the following products and services :

- Radiology - PACS
- Decision support tools
- Document management
- Electronic Patient Records
- Data management systems
- Financial reporting/purchasing
- eBooking
- ePrescribing
- Information security / Confidentiality
- Systems Integration

This list will be refined in consultation with the International Healthcare IT Project Board and consultants (see notes).

The study is to look at International opportunities so should not be limited to any one continent or set of markets. However, there are a number of criteria that may restrict market entry for UK companies (see Information Requirements). It will also not be possible or desirable to conduct detailed research on a large number of markets.

It is therefore proposed that the markets to be researched in stage 1 will be decided jointly by the Intellect Healthcare Council¹, International Healthcare IT Project Board and consultants (See Reporting requirements). The markets to be researched in further detail in Stage 2 will be decided upon by the consultants and the Project Board on the basis of the Stage 1 results. Listed below are the Trade Partners UK current list of Healthcare / Software & Computer Services priority markets which can be used as a basis for deciding the markets for stage 1. In responding to this document please include any comments regarding the list of markets and stage 1 research. These are only meant to provide a starting point and an initial guide:

¹ A representative group of 14 member companies in the healthcare IT sector. See www.intellectuk.org/sectors/healthcare/council.asp

| TPUK Healthcare Priority Markets | TPUK Software and Computer Services Priority Markets |
|---|---|
| Brazil China France Germany Hong Kong India Italy Japan Malaysia Mexico Portugal Saudi Arabia South Africa Spain Taiwan UAE USA | Australia Belgium Brazil Canada China Czech Republic Denmark. France Germany Hong Kong India Israel Italy Japan Mexico Poland Russia Singapore South Africa Spain Sweden USA |
| Markets with niche activity | |
| Colombia Greece Israel | |
| Markets requiring further investigation | |
| Canada Chile Eastern Europe (EU Accession states) Scandinavia | |

5. Information requirements

The information that it should provide on each market will include:

Stage 1 – Screening and prioritisation of markets

- Current and future major healthcare IT procurements
 - Products
 - Timescales
 - Procuring body
- Current and future baseline spend on healthcare IT
- Past investment in healthcare IT
 - Comparative level of sophistication compared to UK
- Identifying the customer(s)
- Competitiveness and adaptability of UK systems
 - Identify past case studies of UK imports
 - Identify potential barriers to entry – Regulatory, cultural, geographical
- SWOT analysis for UK healthcare IT companies

Stage 2 – Further detailed information on target markets

Market size and shape

- The current structure and make-up of the healthcare IT marketplace – Customers/health organisations
- How is healthcare delivered
- The current structure and make-up of the healthcare IT marketplace - Suppliers
- The proportion or amount of business met from domestic suppliers v overseas suppliers
- Any factors limiting the size of the market

Structure and segmentation

- The main competitors in the marketplace and their market share
- Main importing companies and their market share
- Geographical variations in demand
- Any factors favouring/disadvantaging the emergence of new competitors

Trends

- How the market size has changed over the last 10 years
- Possible future market changes
- What changes are likely to attract new market entrants in the future

Culture

- Language barriers
- Perception of overseas suppliers
- Different ways of working / conducting yourself in the market

Market entry

- Possible market entry routes for UK companies
- Regulatory environment
- Possible marketing and communication methods
- Personal selling methods
- Distribution methods
- Costs and pricing comparisons
- Any further research required
- Useful contacts

Note: This is not a complete list and may change according to consultants recommendations and market conditions. Refer to “Business to Business – Market researchers checklist” by TPUK

6. Reporting requirements

For the duration of the research and the communication of results the consultants will report to an International Healthcare IT project board. The board will monitor the progress of the research and will consist of representatives from the Intellect healthcare council, Intellect secretariat, Trade Partners UK (TPUK) and the British Chambers of Commerce, Export Market Research Scheme (EMRS). The board will convene once a month and any other communication/reporting will be conducted electronically.

Communications and reporting of the results will be done with support from Intellect and will consist of:

- Executive summary and full report in hard copy – Estimate 300 copies
- Executive summary and full report in electronic format via Intellect website
- Presentation of the results at a conference/event
- Dedicated seminar(s) for suppliers

7. Notes

This document forms the brief for a competitive tender. In responding to this document organisations are encouraged to offer appropriate advice on any elements of this brief that could improve the methodology and/or quality of the output.

Points to consider when responding include:

- Cost – The project will be funded jointly by EMRS / TPUK. It is understood that the cost of Stage 2 may change according to the markets that are identified through Stage 1. Consultants are therefore required to provide an exact costing for Stage 1 and an estimate for Stage 2.
- The feasibility of the timescales
- Stage 2 – The list of products and services to be researched is not final and consultants are encouraged to comment on the list, any additions, and where the boundaries should lie.
- Stage 2 - In depth research must be balanced between looking at the most appropriate markets and getting value for money. For example, is it sensible to cluster markets?
- Stage 3 – Please account for communication costs as per the requirements listed in section 6
- Existing networks, healthcare professionals and private sector, that can be used to enhance the quality of the research
- Further work – Consultants should highlight other mechanisms for dissemination of the research and any further work following the research that would benefit the healthcare IT sector in the UK
- Consultants capacity to deliver the project and their expertise in the Healthcare IT sector and in conducting market research.

Any questions and completed responses must be directed to the following two contacts by Friday 5 September:

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