

MEDICURE SAFARI

A REJUVENATING EXPERIENCE

Submitted By:

TEAM XLERS

Members: PMIR07-09

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Introduction

Medicure Safari Pvt. Ltd. is a services company that plans to provide “Medical Tourism” packages in India. The concept of medical tourism is a potential business prospect in the country with a very rich but inexpensive medical culture. The business primarily focuses on foreign customers who find a particular medical process expensive or inefficient in their native countries and plan to hit India in search of a cure. In addition to this the company shall work on medical developments in urban and rural areas. ‘Medical Tourism’ shall provide the company an opportunity to explore new technologies and services which, when adopted, shall result in substantial medical development in India. Also the company plans to invest 10% of its profits in the development of medical facilities in the rural areas and extend medical facilities to far flung areas where proper medication has not yet reached.

The Company

The company, during its initial stages, aims to target four main locations in India for the treatment purposes, with its head quarters situated in Delhi. The company plans to expand to other locations in and outside India. The reason why we chose Delhi is that it has state-of-the-art medical infrastructure and is frequented by tourists thus providing scope for considerable revenue.

The medical expertise which our company would gain from other nations would not only lead to medical growth in Delhi, but will also affect the surrounding areas of UP, Haryana and Punjab. Further rural sectors in these states shall be explored for medical development.

The Market

Our three main target markets are USA, Europe and the UAE as expenditures for critical medical services in these countries may range up to \$230,000 whereas the same treatment in India with the best possible medical infrastructure will not cost more than \$10,000. This insight coupled with the fact that India has a very rich medical culture will drive our business. This insight coupled with the fact that India has a very rich medical culture will drive our business.

There are three major trends at work in our target market:

- India is one of the world leaders in medicinal practices and has in recent times developed great reputation as a medicinal hotspot.
- There is a rush of foreign tourism, into the country, driven by its offering of alternate medicinal healing. (see Appendix for trends of foreign patients visiting India)
- India is a leading force in bio-medical research making it one of the coveted destinations as far as critical medical processes are concerned.

The company will use extensive advertising and an exquisite website to get the word out to customers globally. The common advertisement strategies to be used are:

- Web promotions
- Through business associates
- Word-of-mouth
- Advertisement: Travel and medical magazines

The Medicure Safari has several advantages over its leading competitor including optimum and customized prices, complimentary holidays and a comprehensive service system. In addition the company shall help the hospitals to expand their infrastructure and provide facilities incomparable anywhere in the world.

Financial Projections

We might witness gestation period of around 9 months wherein we plan to streamline our processes, build our contacts and develop our infrastructure. We have assumed that during this period we shall not witness any revenue. The company expects to break-even in April, 2011 and to earn a profit of approximately 4.2 million USD after recovering the losses in previous years. (Refer to Appendix for Expenses, Revenue and Profit projections)

Objectives

1. To make “The Medicure Safari” the biggest brand in medical tourism in India.
2. Technology transfer from medically developed countries to India.
3. To extend medical services to the rural and far-flung areas where people are still deprived of basic medication.
4. To achieve breakeven by 2011 and target 45-65% gross margin achievement in the first four years.
5. To extend the services to the whole of India and try tapping the domestic customer base which is interested in customized medical packages.

Mission

Medicure Safari is a medical experience that gives many a choice to undergo treatment that many thought they could not. The company believes in premium quality of service to all, the segments of the society and would under no circumstances compromise quality to cut costs. We believe treatment means rejuvenation of life and hence we believe in celebrating health with beauty and tranquility.

Our goal is to be the best in the business having the most comprehensive product offerings. We aim at having a very hospitable and involved work culture where the customer gets top priority.

We believe it is important to remain an active member of the community and to impact people's lives in more ways than merely deriving a profit from them. Thus we dedicate a part of our profit to the medical development in the rural India and we expect that this investment will only proliferate our business in future.

Benefits for Venture Capitalist

The venture capitalists might derive a lot of benefit from financing the project:

- The industry is relatively new and a large market base is untapped in the country
- The health industry is perennial and therefore risk involved in the project is minimum
- We plan to offer 25% of our shares to the venture capitalist and the projections show that the company will reach breakeven and start making profits within three years of starting.

In effect it is a low investment, high returns project: something all venture capitalists look for.

Appendix I

Designations and relevant qualifications	
Designation	Qualification Required
Chairman and CEO	MBA
HR Head	MBA
Head of Marketing	MBA
Relational Manager	Graduate with minimum two years of relevant experience
Marketing Staff	Graduate with minimum two years of relevant experience
Accountant	CA with minimum three year of relevant industry experience
Assistant accountant	Commerce graduate with minimum 1 year relevant experience
Secretary, Receptionist	Graduates with good communication skills having relevant industry experience
Office Boy	High school graduate with knowledge of English language

Number of Posts and Corresponding Salary Estimates											
		Chairman and CEO	HR Head	Head of Marketing	Relational Managers	Marketing Staff	Accountant	Assistant Accountant	Secretary, Receptionist	Office boy	
2008	Number of Posts	1	1	1	5	12	1	1	2	1	25
	CTC for the post(\$)	15,000	15,000	15,000	4,500	4,500	11,250	3,750	2,500	1,125	
	Total CTC (\$)	15,000	15,000	15,000	22,500	54,000	11,250	3,750	5,000	1,125	1,42,625
2009	Number of Posts	1	1	1	5	12	1	1	2	1	25
	CTC for the post(\$)	16,500	16,500	16,500	4,950	4,950	12,375	4,125	2,750	1,238	
	Total CTC (\$)	16,500	16,500	16,500	24,750	59,400	12,375	4,125	5,500	1,238	1,56,888
2010	Number of Posts	1	1	1	50	20	1	1	3	2	80
	CTC for the post(\$)	18,150	18,150	18,150	5,445	5,445	13,613	4,538	3,025	1,361	
	Total CTC (\$)	18,150	18,150	18,150	2,72,250	1,08,900	13,613	4,538	9,075	2,723	4,65,548
2011	Number of Posts	1	1	1	150	30	1	1	5	4	194
	CTC for the post(\$)	19,965	19,965	19,965	5,990	5,990	14,974	4,991	3,328	1,497	
	Total CTC (\$)	19,965	19,965	19,965	8,98,425	1,79,685	14,974	4,991	16,638	5,990	11,80,597
2012	Number of Posts	1	1	1	300	30	1	1	7	6	348
	CTC for the post(\$)	21,962	21,962	21,962	6,588	6,588	16,471	5,490	3,660	1,647	
	Total CTC (\$)	21,962	21,962	21,962	19,76,535	1,97,654	16,471	5,490	25,622	9,883	22,97,539

Assumption

Each office(3000 sq. ft.) will accommodate 50-60 personnel

Annual hike: 10%

Ratio of relational manager to customer: 1:6

Annual Breakup of Expected Expenses					
	Amount in US\$				
	2008	2009	2010	2011	2012
Fixed					
Furniture	6,250	0	7562.5	16637.5	18301.25
Computers, Printers, etc	6,250	0	7562.5	16637.5	18301.25
Recurring					
Office Rent	1,35,000	148500	326700	718740	1317690
Unforeseen Expenses	12,500	13750	15125	16637.5	18301.25
Maintenance Charges	25,000	27500	60500	133100	219615
Telephone Utilities and Internet charges	3,000	3300	7260	15972	26353.8
Rent for Ambulance Vans	18,750	20625	22687.5	24956.25	27451.875
Advertising	2,50,000	275000	302500	332750	366025
Website development and maintenance expenses	25,000	27500	30250	33275	36602.5
Preliminary expenses	25,000	27500	30250	33275	36602.5
Capital	75,000	82500	90750	99825	109807.5
Staff salaries and wages	1,42,625	1,56,888	4,65,548	11,80,597	22,97,539
Miscellaneous Expenses	25,000	27500	30250	33275	36602.5
Travel expenses	25,000	27500	30250	33275	36602.5
Insurance Expenses	12,500	13750	30250	66550	109807.5
Interest Paid to borrowers (@20%)	50,000	50,000	50,000	50,000	50,000
Total Expenses	8,36,875	9,01,813	15,07,445	28,05,503	47,25,603

Assuming 10% increase in expenses each year

Salaries Increase as per Salary Table

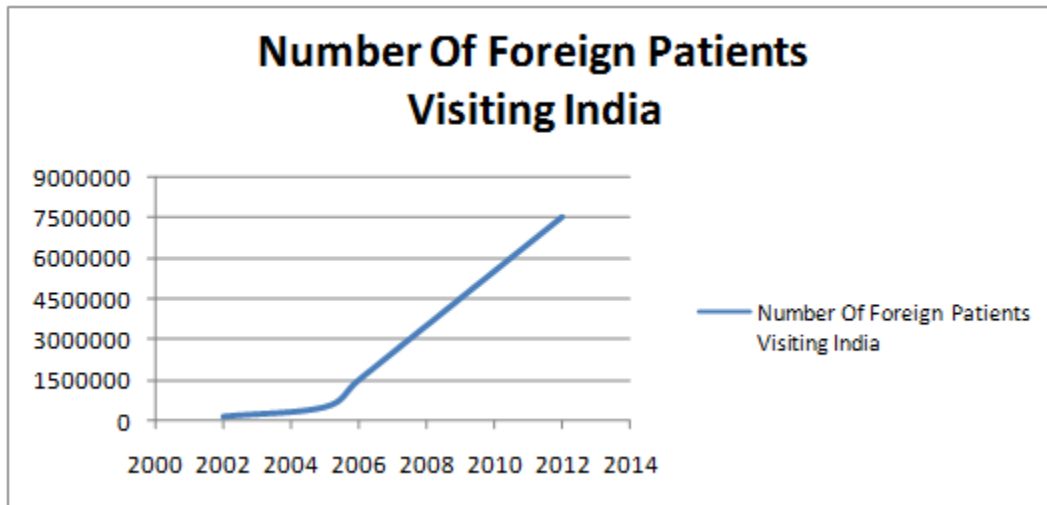
Office Rent, Maintenance charges and other office related expenses increase as per office constructed, check Salary table

Funding Details	
Fundings	Amount (in dollars)
Self Funding	500000
Borrowings	250000
Venture Capitalist	1500000
Total Fundings	2250000

Estimate of Number of Foreign Patients Visiting India and Revenue Generated

Year	Number of Foreign Patients Visiting India
2002	150000
2005	500000
2006	1500000

Applying ceteris paribus and drawing the graph below



Year	Revenue generated in India by Foreign Patients (in Million \$)
2006	400
2012	2000



Estimated Revenue and Profit for the organization

Year	Revenue (million \$)	Revenue due to our organization (million \$)	Our Target (% of Revenue due to our organization)	Expenditure	Our Revenue @10% Commission (In Million \$)	Profits in Million \$
2008	933.33	0.00	0	0.84	0.00	-0.84
2009	1,200.00	1.20	0.1	0.90	0.12	-0.78
2010	1,466.66	14.67	1	1.51	1.47	-0.04
2011	1,733.33	86.67	5	2.81	8.67	5.86
2012	2,000.00	200.00	10	4.73	20.00	15.27

Assumptions

Revenues calculated by applying ceteris paribus on Revenue Table shown above

Break-even Analysis: April 2011

Profit for year 2011: 5.86 million USD

Profit for year 2012: 15.27 million USD