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How to Make a Sustainable Healthcare Business in a Low-Income Setting

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Investor Chris McCahan offers insights from recent client case studies that shed light on how private healthcare companies can succeed commercially in the long term when operating in a low-income setting. Some tips? Look beyond borders for the best global practices, align the company’s mission with broader public health goals, and be open to innovations.

Key Points

- Companies should search outside their own structure for new ideas to grow, innovate, and improve.
- Patient and customer needs are never static and it is always possible to find a better way of meeting a need.
- It is in private healthcare organisations’ best interest to integrate within the broader health system in which they operate.
- Achieving—and sustaining—high standards require continual investment, recruitment and training.

What are the key ingredients to success for private healthcare companies operating in low-income settings? At International Finance Corporation (IFC), the division of the World Bank Group that invests in the private sectors of emerging markets, this question is existentially important as we invest only in businesses that we believe are commercially sustainable or can become so with the right support and decision making.

We recently published some client case studies that offer some pointers. A common thread in our research is that it is important for companies to search outside their own structure for new ideas to grow, innovate, and improve. For example, one of our Latin American investees, Conclina, the largest private hospital in Ecuador, has worked consistently at improving the quality of care it provides. The hospital’s founding leadership has sought to identify and align with global best practices, which has helped focus the hospital on what needs to be done to ensure the highest standards of care for patients.

In 2011 they became the first healthcare provider in Ecuador to gain Joint Commission International accreditation. Currently, they are adopting a newer set of global standards, Planetree, that seeks to embed patient-centred care and wellness.

"It is difficult to achieve high standards, but it’s even more difficult to sustain them," Conclina’s Director of Quality and Operations, Monica Lana, said. “You have to keep investing, to keep everything new and updated. You have to recruit and train people continually. You have to update the medical equipment, and that means updating your electric power and communications infrastructure, because the new equipment requires it.”

For Nyaho Medical Centre, a family-owned business in Ghana comprised of a hospital and four satellite clinics, this has meant following an innovation process known as ‘design thinking’, developed at Stanford University. The company’s managing director, Dr. Elikem Tamaklo, explained that this involved always finding a better way of meeting a need, understanding that these needs are never static. Nyaho has been applying design thinking to make various improvements and overhauls, from how their medical equipment is maintained to installing a new IT system, to designing a new
maternity and paediatrics centre.

Another client, Tanzania-based medical equipment distributor Pyramid Group, has invested a great deal of time and money in enhancing its expertise in equipment maintenance and repair. Pyramid sent its technicians to the plants of large medical equipment manufacturers in Europe and the United States for high-level training. Having to budget travel, accommodation, and training costs for dozens of staff was not easy, but they decided it was necessary to maintain quality and grow their business.

Hospitals and clinics in Africa tend to be wary of making medical equipment purchases, partly because the equipment is expensive to maintain and requires specialised knowledge. Without ongoing financing for maintenance, and with difficulties finding people who know how to maintain the equipment, healthcare providers can end up with machinery that they cannot use after a few years. Pyramid sought to change that by building a reputation based on excellence in after-sales service, so that hospitals and clinics may then recommend them to their networks, enabling the company to expand its customer base, the key being to build customer trust.

Another ingredient for sustainable success is for private healthcare organisations to effectively integrate themselves within the broader health system in which they operate. For example, at the start of the pandemic Nyaho stepped forward to assist in the national effort, becoming the first government-approved private facility in Ghana for testing COVID-19 patients. Nyaho’s Dr. Tamaklo said the company also used their communication channels to educate the population on COVID-19 hygiene, mask wearing, and social distancing. “The frontline against the virus is not the private sector or public sector. It is really just the front line,” he said.

We will have more case studies in the months ahead and I hope to be able to share additional insights. It is clear that for private healthcare organisations operating in emerging markets, the key to commercial sustainability is fostering long-term relationships with patients, customers, communities, and public authorities. And that these relationships should be grounded in their confidence that your overarching goal is to provide quality healthcare.

**Conflict of Interest**

None.

**REFERENCES**

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