



Australian Government

Austrade

Aspen Medical – Complete health care services

This case study explores a proactive Australian health services provider based in Canberra – Aspen Medical. It highlights the company's innovative business model used to expand both nationally and internationally to win the 2009 BRW ANZ Most Successful Private Business Award.

Case Study

The opportunity that Managing Director, Glenn Keys, identified when he co-founded Aspen Medical in 2003 was to deliver health services in either remote areas or areas where there was a really high demand in a metropolitan setting.

Aspen Medical is an entrepreneurial company that provides a complete health care solution – facilities, equipment, people, pharmaceuticals, consumables, procedures and pathways – everything it needs to deliver a complete health outcome to a customer. The company moved from the initial idea to the current business in a staged fashion. It identified the market, decided how to approach it and what collateral and structure was needed. The team then sourced the first customer straight away.

The business was actually formed offshore first because the team saw there was a growing demand in the UK for a service that could come in and deliver a complete medical services package to clear a problem within some of the metropolitan areas of the UK. Aspen saw that it could be global and the first two contracts were overseas. Its third contract, while being an Australian contract, was actually delivered overseas, in the Solomon Islands. Aspen also saw that in order to sell overseas, a business must show that it has sold in its own country. Therefore the team made definite efforts to secure contracts in Australia and continued to grow the company. The balance between domestic and international business is now about 50/50. Aspen Medical has recently opened offices in the US and the Middle East.

Aspen Medical chose its market segment around what was required in the market space. There is a worldwide shortage in health professionals and increasing demand from the population for more readily accessible services. There is also an increasing need for one service to make the problem go away. So, this service delivery became the core of Aspen Medical, which is structured to control the complete solution.

The team addressed brand, intellectual property (IP) and legal issues from the start of the company. They designed the logo, letterhead and web site along with all the high standard collateral, such as CD covers, PowerPoint presentations and the folders for a complete professional package. The logo and brand collateral clarify to the customer who they are what they do and that they obviously deliver as well. Aspen Medical

keeps a lot of IP internal to the company and manages this fiercely, even trademarking the logo, its procedures and the statement lines around the company.

Aspen Medical made its international opportunities into real contracts by focussing on them from the start. The moment the team could see interest, they pursued the potential customers, through visits, emails and letters. Because Aspen was a new business people were often unsure how to even engage them so the team would write clients' statements of work, write their contracts, do their proposals, help them with a lot of their project planning, help them with their reporting requirements, all to make it as easy as possible for the client. The Aspen team was pretty tenacious in following up and they often joked that people said, "God, if I give you this contract, will you stop bothering me".

The bulk of Aspen's work is proactive but it does respond to an enquiry if looking for business offshore, for example, it identified that the UK market was perfect for the sort of business it was developing so the team spent a lot of time growing that market and sourcing business. Glenn also did an exploratory trade mission to the USA, had a lot of appointments and has now started a US arm. Aspen turned an enquiry about doing business in the Middle East into a proactive response, looking at the UAE and Bahrain and Saudi.

Aspen finds its customers through hard work. The team gets out, meets with a lot of people, follows leads and asks for referrals. That was particularly effective in the US where Glenn had some meetings where the people weren't interested in the Aspen service directly but provided the entrées to relevant people. Glenn said, "Any business you win, any customers you find is by hard slog. You've got to get out there, knock on doors and see them."

Aspen Medical does not have a standard product so the team adapts its services to every single market and those markets are very clear offshore. In the Middle East, for example, Aspen uses fewer women in the delivery of services than men because of cultural issues they may face. If the work is in a remote site, for example in Saudi, Aspen also looks for people who could live in that environment with a small group of people in a very, very isolated and pretty austere environment. Aspen adapts its service to suit specific customers whether they are in England, Northern Ireland, the Middle East or within Australia. So, the customer delivery that it does in Caboolture in Queensland is going to be completely different to the customer delivery in the Kimberleys in Western Australia.

One of Aspen's overseas service modes of supply is cross-border supply. An example of that is in Indonesia, where Aspen has a tele-consulting business, called Second Opinion. A large percentage of the population can't access first world medicine – it's just not available in the region. Aspen therefore gathers all their electronic records, such as x-rays and pathology reports, digitises them and sends them to a digital hub. The records then go to leading specialists in Australia or in the USA and within 48 hours the person in Indonesia will have a revised diagnosis. Within 72 hours, they'll have a revised treatment plan. So Aspen Medical pulls the best global assets together and delivers them to a person in Jakarta.

The second overseas service model that Aspen Medical uses for international business is overseas consumption, where the business provides an offshore service such as aero-medical evacuation (AME services). The aircraft can come from Australia or from overseas, fly into another country, pick up the patient – it could be someone who’s been injured or fallen ill or had a stroke – and then evacuate them to the most relevant source. Aspen has done that everywhere from China through to the Pacific.

One of the models of overseas business that Aspen Medical is investigating is where it invests offshore in a facility. Aspen may lease the facility back or it could build the facility up and then on-sell it to another customer. Alternatively, it might operate the services out of the facility full time. The mobile service business, particularly mobile clinics, surgeries or other facilities offer these opportunities and the Aspen team is considering some at the moment.

In the last model of international development Aspen Medical sends people overseas to do the work. A clear example of this is some work Aspen did in the UK where the business cleared waiting list surgery. Aspen sent teams ranging from just the surgeon and the anaesthetist in to someone else’s facilities, through to an opportunity in Northern Ireland where Aspen sent in 25 people. Aspen ran the pre-operation clinics, the surgery, the post-operation clinics, the ward and co-ordinated the project. It cleared an eight year waiting list in neurology in three months.

Aspen Medical addresses risk factors proactively. Health care is an inherently risky business because it is not an exact science and there is always risk, but Aspen goes out of its way to mitigate risks quite substantially. It runs risk workshops at the beginning of and during every project. It engages customers in the workshops to identify important elements in a project and then addresses elements in the project plan.

Aspen is very different from other health care providers. It takes first world health standards, common in the centre of a city, and delivers those in remote, difficult or high demand areas. It does that with a combination of project management, logistics and operations oversight.

Aspen Medical sources staff, suppliers and equipment internationally and does whatever is required to meet contracts to its high standards. People from overseas usually require Australian accreditation to meet standards of Aspen and its customers. Equipment and suppliers must also meet these standards. The Aspen team must trust suppliers and develop close relationships as if they were friends.

Aspen Medical approaches marketing through brand stewardship, treating every contract as a marketing opportunity, seeking referrals from people, writing press releases and presenting at a large number of conferences at a technical level. Awards are also a part of its marketing structure. It applies for an award for third party recognition of its services. This is a cost-effective marketing strategy but also shows that the company brings intellectual rigour to the business process rather than just chasing advertisements in a marketing opportunity.

International business can involve some different business practices. The Aspen team has had requests for excessive and dubious fees, but they are very clear that they will

not go down that path and have ethical standards. In one country, where Aspen was attempting to do some work with a government to gain foreign investment approval, the work was hung up in the board and the business was told that it would be processed if Aspen could make some commission payments. Aspen refused, explained that it did not do business that way and said that it would rather not do the business. The work was approved 18 months later without any commission.

Aspen Medical finances its business completely organically. This private Australian company deliberately has no debt and no investors. In assessing the business risk the team realised they need to have low debt and considered the impact if they lost some major contracts. Aspen has debt facilities if needed to expand rapidly in a contract but not for day-to-day business. The Aspen shareholders understand the importance of cash flow. They went through a period – typical of the first two or three years of any company’s life while building new business – they had more outgoings than cash coming in. The shareholders contributed to get past that cash flow problem but it was very stressful.

Aspen Medical also ensures that its contracting models are correct. It checks all the cost centres and the cost lines it will have and ensures there are no terms in a contract that will hurt later. A lot of people will sign a contract without reviewing it because they are happy to be signing a contract, or they send it to a lawyer for review. Glenn Keys said that he should know his contract better than his customer and so all people involved, from the managing director through to the project managers, read and review the contract before signing it. They should consider what each clause means and if all the right things are included. He recommends reviewing the pricing model and considering the worst things that could occur. Aspen clarifies in its contracts who will pay for travel, accommodation, meals, fuel, toll prices, etc. Glenn Keys has transparency with his customers. He discusses the cash flow model to ensure stability in contract delivery and help the customer to understand and support the business.

Glenn Keys would like to see Aspen Medical continue to grow at the current rate. In the past five years it has grown to almost 400 people and is the fastest growing company in Australia. He would like to be able to expand that model and become an international name. He believes that people are better off because of Aspen work, whether it’s clearing people who have been on surgery waiting lists for many years or working offshore. Aspen has earned a great national name and is seeking a great international name.

Visit the web site at www.aspenmedical.com.au

Links

- Austrade health services overview at www.austrade.gov.au/Health-and-medical-overview/default.aspx
- A guide to export pricing is found at the bottom of the page at www.austrade.gov.au/Getting-financial-assistance/default.aspx
- An overview of legal issues associated with exporting at www.austrade.gov.au/Legal-issues/default.aspx.