



Unique partnering model helps Cloud-based X-ray service grow in Indonesia

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Melbourne-based Zed Technologies shows how Australian digital health ideas can accelerate overseas growth. With a cloud-based service, the company has partnered with an Indonesian med-tech company in a unique customer-reseller model. And with a trusted local partner, Zed Technologies is powering into one of the fastest growing medical-technology markets in Southeast Asia.

Zed Technologies was founded in 2012 by entrepreneurs Ross Wright and Ronald Li. Between them, the radiographer and imaging specialist had worked in radiology for over 40 years. Knowing some of the frustrations, they wanted to turn a professional challenge into a telehealth opportunity.

'Our goal is to ensure that doctors and patients can easily share X-rays and scans,' says Wright. 'In 2012, we created a cloud-based service that enables radiology clinics to securely save patient images in the cloud, and share them easily with physicians and specialists.'

'This means patients don't need to carry physical scans around with them. It also means that specialists anywhere in the world can examine a scan and provide a remote diagnosis.'

With a world-leading product, the company has been quick to grow overseas. In 2017, Wright attended a three-month Austrade Landing Pad residency in Singapore. This resulted in major overseas contracts.

'Singapore was a great platform for expansion in Southeast Asia. But in 2019, we began to look seriously at the one of the largest markets in our region – Indonesia.'

A massive market for med-tech

With a population of more than 260 million people, Indonesia has one of the fastest-growing health markets in the world. According to a recent report by AsiaLink Business ([Digital Health in Indonesia – Opportunities for Australia](#), 2020) digital health revenues will rise from US\$85 million in 2017 to US\$973 million by 2023, a compound annual growth rate of 60 per cent.

And with a population spread across a 17,000 islands, Indonesia is a natural market for telehealth.

'Indonesia is hungry for medical technology,' says Wright. 'When we researched the market, we saw that imaging in hospitals and clinics was still film-based. We could help hospitals leapfrog a generation of technology and go straight to cloud-based digital image sharing.'

Austrade helps find tech partners

According to Wright, one of the biggest challenges in Indonesia was gaining 'cut-through' in a crowded market.

'There are lots of technology companies in the Indonesian health sector, and some hospitals are spoilt for choice,' he says. 'Austrade helped by connecting us to med-tech companies that were sincere, and could become viable partners. That was hugely helpful to us.'

In May 2019, Wright attended a digital health forum organised by Austrade in Melbourne. Also present was Dr Hans Wijaya, Chief Executive Officer of the National Hospital of Surabaya (NHS) in East Java. Wijaya was scouting for technology ideas.

'Dr Wijaya is enthusiastic about med-tech,' says Wright. 'Under his leadership, NHS had already created a technology spin-off – 'Life Partners' – to identify, introduce and commercialise new med-tech. This was exactly the entry point we were looking for.'

Trials for new technologies

According to Wright, it's typical for tech customers in Asia to request trials of new technology. This usually takes the form of a proof of concept (PoC). And for med tech, this means running software in an operational environment for three to six months.

'Wijaya invited us to Surabaya where we met the tech specialists at Life Partners', says Wright. 'We discussed the viability of setting up a PoC. We also discussed potential commercialisation options, with Life Partners acting as a distribution channel if the PoC was successful.'

The PoC ran from December 2019 to February 2020. Zed Technologies organised Zoom-based training for Life Partners staff. After completion, the company negotiated permanent installation at NHS, and a commercialisation agreement with Life Partners.

'I strongly recommend a well-scoped PoC approach for Australian med-tech – especially in Indonesia,' says Wright. 'It enables customers to assess whether the software will work in their environment.'

On-the-spot advisors

Zed Technologies credits Austrade with helping them to establish and grow a commercial market in Indonesia. Wright says that Austrade also helped Zed Technologies to understand the medical technology market in Indonesia.

'Advisors in Australia helped us to refine our market-entry strategy by identifying potential opportunities,' he says. 'With expertise in Indonesia, Austrade also helped us understand the regulatory environment and advised on how to address and manage compliance.'

'When we went to Surabaya, Austrade local staff members provided on-the-ground assistance, which included meeting-coordination and logistics,' says Wright.

IA-CEPA to help grow potential in Indonesia

Wright anticipates that the new [Indonesia-Australia Comprehensive Economic Partnership Agreement](#) (IA-CEPA) will prove a catalyst for future med-tech tie ups. One reason is that Indonesia now allows Australian companies to majority-own medical facilities in Indonesia. Wright says this will likely be a catalyst for change.

'Dr Wijaya is keen to promote the benefits of IA-CEPA as he believes it will support direct collaboration with Australian medical expertise and technology in the future,' says Wright. 'He anticipates that over time, IA-CEPA will reduce some of the red tape that companies like ours encounter.'

Zed Technologies has now reached a partnering agreement with Life Partners. This involves Life Partners branding the scan-sharing application as its own in Indonesia, and on-selling the service – a model called ‘white-labelling’.

Wright recommends this partnering model as one of the approaches that Australian tech companies should consider when they are ready to expand.

‘In Life Partners, we have a partner and reseller combined – and that gives us credibility in the market,’ he says. ‘We find that in the medical world, we have the same approach to doing business as our Indonesian partner.’

‘Indonesia is a great market for med-techs that need or want to scale fast. It is huge and extremely receptive to med-tech.’

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