

Max Healthcare tracks Shatabdi for growth

■ Plans hospitals along train routes in tier-II cities

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It may sound unusual for hospital chains to plan their expansion along train routes, but Analjit Singh's Max Healthcare has done exactly that by basing its growth plans around the Shatabdi Express.

Under the Shatabdi model, Max Healthcare, which is the healthcare arm of the ₹8,000-crore Max India Group, is picking up locations along the routes of the superfast train — Bathinda, Mohali, Dehradun — to build its hospitals in non-metropolitan cities. Max's Shatabdi strategy overcomes challenges essentially emanating from the crunch of medical and paramedical talent in semi-urban markets. However, it is in contrast to the strategy of its top competitors — Apollo Hospital and Fortis Healthcare — both of which have opted to float a separate low-cost sub-brand to penetrate smaller centres of the country.

"Building world-class brick-and-mortar structures, equipping them with latest medical gadgets doesn't automatically translate into best



Analjit Singh,
Max India Group chairman



healthcare services unless one can attract competent doctors, paramedical staff and technicians to run that physical infrastructure, and therein lies the conundrum. It is difficult to pull the medical cream to smaller centres, and consumers there wouldn't settle

for anything less," said Ajay Bakshi, the newly appointed CEO of Max Healthcare.

The strategy seems to be already paying dividends. For instance, ace doctors from its corporate headquarters in New Delhi take Shatabdi trains to hospitals at other centres at regular intervals for conducting check-ups and surgery. Max has so far three such hospitals located in Bathinda, Mohali and Dehradun.

The Shatabdi strategy would help Max attract patients to its hospitals in smaller centres. For instance, it is working on a 'bed to bed' package for patients in non-metro centres who want to avail its facilities in the capital. If a patient at Max's hospital in a tier-II city needs surgery that can only be performed in Delhi, a complete, customised package would be placed before him with Shatabdi tickets thrown in, which would enable him, for instance, to check into a Max hospital at Bathinda and get treated in Delhi.

■ Continued on Page 2

■ iGate plans to start delisting Patni Computers, Page 13

Clip: 2 of 2

"We are working on building an ecosystem within Max where flow of people, goods and information is seamless. The Shatabdi model helps us achieve the first two — where patients and doctors can travel in comfort and samples for pathological or diagnostic tests can also reach Delhi without any compromise in quality," explained Bakshi. For the free flow of information, Max has invested Rs 90 crore to create a centralised database of online electronic health records, which means the entire history of patients visiting any Max hospital would be a click away for doctors and patients. This system, expected to be op-

Max Healthcare tracks...

erational within a month's time, would render inter-specialty and inter-geographical consultation for doctors and referrals for patients within the Max Healthcare network hassle-free.

The Shatabdi model may bring niche to Max but certainly not the scale which its competitors like Apollo and Fortis can achieve through their strategy, which can broadly be termed the 'Rajdhani model'. Apollo and Fortis aim to expand in non-metro cities and towns on a much bigger scale than Max and in a much shorter

time. For instance, Apollo may spend over Rs 12,000 crore in setting up 250 hospitals across the country to cater to tier II and smaller centres under its Apollo Reach brand where services on an average would be cheaper by 20-25, compared to their premium hospitals in the metros. Details on Fortis' economical brand, under which it plans to announce 25 hospitals in non-metro markets to start with, would be unveiled next month, said Aditya Vij, CEO, Fortis Healthcare (India) Ltd.

"The fundamental differ-

ence in strategy between Max on the one hand and Apollo and Fortis on the other stems from their size. While Max Healthcare largely remains restricted to being a regional player and hence the Shatabdi formula seems to be a very smart proposition for it, Fortis and Apollo have already built a pan-India presence, entered most metro markets and thus penetrating the rest of India quite aggressively," said Murali Rao of consulting firm Technopak.

Apollo and Fortis have a bed strength of 5,842 and 4,835, which is much higher than Max's 1,100 or even the 1,900 it will stand at by end of the current fiscal.