

Market Analysis and Process Re-engineering of Physiotherapy Consumables

By

Meenakshi Sharma

*Dissertation submitted for the partial fulfillment of the
MBA Hospital and Health Management*

Academic year, 2015-2017



The IIHMR University, Jaipur

1, Prabhu Dayal Marg, Sanganer, Airport
Jaipur 302029, Rajasthan
Ph: 0141 3924700, Fax: 3924738
Website: www.iihmr.edu.in

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Ph: 0141 3924700, Fax: 3924738
Website: www.iihmr.edu.in

TO WHOMSOEVER MAY CONCERN

This is to certify that **Dr. Meenakshi Sharma** student of **MBA Hospital and Health Management** from The IIHMR University, Jaipur has undergone internship training at **Portea Medical Pvt. Ltd., Bangalore** from **February 6th, 2017 to May 5th, 2017**.

The Candidate has successfully carried out the study designated to her during internship training and her approach to the study has been sincere, scientific and analytical.

The Internship is in fulfillment of the course requirements.

I wish her all success in all his future endeavors.



Dr. Ashok Kaushik
Dean - Academics and Student Affairs
The IIHMR University, Jaipur



Dr. Anoop Khanna
Professor
The IIHMR University, Jaipur

10th May 2017

TO WHOM IT MAY CONCERN

This is to certify that **Ms. Meenakshi Sharma**, USN No. – **IIHMR-U/01/2015-17/0302**, student of MBA – Indian Institute of Health Management Research , 1, Prabhudayal Marg, Near Sanganer Airport, Jaipur, Rajasthan 302029, has undertaken a project work on “**Market Analysis and Process Re-engineering of Physiotherapy Consumables**” at Healthvista India Pvt Ltd from 06-02-2017 to 10th May 2017 in our Organization. And completed the same successfully.

During this tenure, she was found to be hardworking, and sincere and was sensitive to quality delivery as a professional.

Thanking you,

For Healthvista India Private Limited


HRD


ASHISH BHUTADA
Sr. VP
15th May 2017

☎ **1800 121 2424**

Regd. Office :

HealthVista India Pvt. Ltd. 69/B, 1st Cross, 1st Stage, Domlur Layout, (Next to the Domlur Post Office), Bangalore-560071
CIN : U85300KA2013PTC069291 Website : www.porteamedical.com Email : info@portea.com

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CERTIFICATE BY SCHOLAR

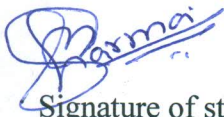
This is to certify that the dissertation titled **Market Analysis and Process Re-engineering of Physiotherapy consumables** submitted by **Dr Meenakshi Sharma** Enrolment No. **IIHMR-U/01/2015-17/0302** under the supervision of **Dr Anoop Khanna** for award of Postgraduate Diploma in Hospital and Health/ Pharmaceutical / Rural Management of the University carried out during the period from **6th Feb 2017 To 15th May 2017** Embodies my original work and has not formed the basis for the award of any degree, diploma associate ship, fellowship, titles in this or any other Institute or other similar institution of higher learning.


Signature

THE IIMMR UNIVERSITY, JAIPUR

CERTIFICATE BY SCHOLAR

This is to certify that all ethical issues have been considered while collecting data for my dissertation titled **“Market Analysis and Process Re-engineering of Physiotherapy consumables”**

A handwritten signature in blue ink, appearing to read 'Parma', is written over the printed text 'Signature of student'.

Signature of student

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First and foremost, I would like to thank my parents for their unconditional love for me, their continual support to all my decisions, for understanding my objectives in life and allowing me to express myself freely.

It is my utmost privilege to be a part of INSTITUTE OF HEALTH MANAGEMENT AND RESEARCH (IIHMR), which stands as an institute of national importance and a centre of excellence in Healthcare education in India.

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My dissertation at Portea, Bangalore has been an enriching experience and gave me the cordial environment and platform to learn and link our theoretical knowledge with practical knowledge.

Dr. Meenakshi Sharma

Executive Summary –

Title – Market Analysis and Process Re-engineering of Physiotherapy consumables

Author – Dr. Meenakshi Sharma

Advisor – Dr. Anoop Khanna

Background:

Portea Home healthcare (2012) is one of the pioneer start-ups for home healthcare in India with 17 centers across India and 4 centers in Malaysia. Portea is healthcare with technology. It provides primary healthcare more accessible, affordable and accountable to patients. As per UN 2013 report, with 25% increase in non communicable disease burden, more focus is diverting towards – “ Distributed Care Setups” which includes – Home Health Care, Community Healthcare , Telemedicine and Day Cares.

As one of the verticals in the organization, the equipments departments plays a key role in ensuring the required equipments are procured and managed for the smooth operations of other teams. Also in parallel, the equipment department also has its own business models where it does engage hospitals and other organizations in B2B model while it also engages customers in B2C model. The equipment department not only sells the equipments and consumables but also has a business model where it rents out the equipments to its partners on a regular basis.

Currently the equipment department has 7 different categories of products, some of them are respiratory and sleep, Geriatric and mobility, cardiac care, mother and baby care and physiotherapy and orthopedic.

The present study is focused on the physiotherapy and orthopedic product line of the equipment department. The product was first launched a year ago and has not managed to get traction and realize its full market potential. In the present study, we look to identify the challenges involved in the product line, bring in newer plans for process engineering and also launch a program to upsale the products amongst the employees/consultants.

Objectives –

This study was undertaken with the following objectives:

1. To estimate the current market potential of physiotherapy consumables/equipments product line.
2. To identify the challenges in the existing process line and propose process re-engineering.
3. To establish a new program to upsell the product line to Portea's Physiotherapy employees and consultants.

Methodology -

The data was obtained from several sources including the Portea's operations portal amongst many. The 13 most prevalent diagnosis/cases were identified amongst a list of 45 diagnostic conditions which are dealt by physiotherapist. Further a list of fast moving and high value product across the entire vertical was identified based on the sales numbers.

Such a data enabled in identification of fast moving high value products falling within the 13 most prevalent physiotherapy procedures were identified and taken to estimate the market potential of this particular product line.

To get an sense of the customer base, Portea's operations portal was used to collect data of new customers. Amongst the new customers, the target group falling within the purview of our interested 13 physiotherapy procedures were identified. Further a market size estimation was performed based on these numbers.

Key Findings:

- The business volumes could be in the size of around Rs. 4 to 5 Lakh per month.
- To understand the gap between projections and actual sales, we realized that only 42% (366 in number) of the leads were getting converted into sales. This poor conversion ratio may be one the biggest reasons why we have not been able to reach the complete potential of the products. Hence a greater emphasis shall be given to improve the conversion rates.
- Also, in the case of distribution of physiotherapy consumables thorough our physiotherapist, we found problems and challenges in the existing PCO model (store-sub store model). Hence we have proposed a new model called "FedEx COD" model

Conclusion –

This particular product line has already been in service for over a year, however has not reached its true commercial potential. Hence a process re-engineering has been proposed in this study. As a strategy to increase the sales, a program to up sell the products to our consultants has been proposed in the present study.

LIST OF ABBREVIATIONS:

Serial No	Abbreviation	Full Form
1.	PCO	Physiotherapy Coordinator
2.	BEO	Branch Engagement Officer
3.	RM	Regional Manager
4.	B2B	Business 2 Business
5.	B2C	Business 2 Customers
6.	CE	Customer engagement
7.	Ops	Operations
8.	TAT	Turnaround Time
9.	PT	Physiotherapy
10.	LTV	Long term value
11.	FAQ	Frequently asked questions
12.	SPOC	Single point of contact

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Market Analysis and Process Re-engineering of Physiotherapy consumables

Introduction:

Due to an ageing population and a shortage of hospital beds, it has become a challenge to find new ways to support and care for people with chronic illness living at home. Living with chronic illness changes the lives of those affected, who are often in need of support and nursing care in their homes. E Health has the potential to become a means of providing good care at home, which is especially challenging with regard to this emerging field.

Portea Home healthcare (2012) is one of the pioneer start-ups for home healthcare in India with 17 centers across India and 4 centers in Malaysia. Portea is healthcare with technology. It provides primary healthcare more accessible, affordable and accountable to patients. As per UN 2013 report, with 25% increase in non communicable disease burden, more focus is diverting towards – “ Distributed Care Setups” which includes – Home Health Care, Community Healthcare , Telemedicine and Day Cares.

As one of the verticals in the organization, the equipments departments plays a key role in ensuring the required equipments are procured and managed for the smooth operations of other teams. Also in parallel, the equipment department also has its own business models where it does engage hospitals and other organizations in B2B model while it also engages customers in B2C model. The equipment department not only sells the equipments and consumables but also has a business model where it rents out the equipments to its partners on a regular basis.

Currently the equipment department has 7 different categories of products, some of them are respiratory and sleep, Geriatric and mobility, cardiac care, mother and baby care and physiotherapy and orthopedic.

The present study is focused on the physiotherapy and orthopedic product line of the equipment department. The product was first launched a year ago and has not managed to get traction and realize its full market potential. In the present study, we look to identify the challenges involved in the product line, bring in newer plans for process engineering and also launch a program to up sell the products amongst the employees/consultants.

Rationale :

Home healthcare is becoming the need of hour with technological advancements. As per UN report 2010, 70% of patients' need can be fulfilled at home. Physiotherapy and orthopedics being one such categories where patients can be treated at home. However, many of physiotherapy procedures involve usage of consumables and equipments.

The physiotherapy consumables and equipment product line has been around for more than a year at Portea but has not managed to reach full market potential. Here we look to estimate the current market potential of this product line, identify some challenges in the existing process line and propose a process re-engineering. We also have proposed a program to upsell the product line within Portea's consultant network.

Objectives –

1. To estimate the current market potential of physiotherapy consumables/equipments product line.
2. To identify the challenges in the existing process line and propose process re-engineering.
3. To establish a new program to up sell the product line to Portea's Physiotherapy employees and consultants.
4. To build Life Time Value for Physiotherapy and for Customer Engagement.

Methodology

Study Type- Descriptive

Study area:

At present Equipment Service is available in 17 cities but PT Consumables service was available only in 9 cities out of which we chose 5 Metro cities including Calcutta, Hyderabad, Chennai, Bangalore and Delhi as our Physiotherapy service is running properly there.

Study period: 3 months from Feb to May 2017

Sample size: Patient data of 2000 individuals

To perform market analysis, the data was obtained from multiple sources within the organization. Each of the sources had direct access to certain segment of the customers and hence a comprehensive data collection was performed from multiple sources. Each of the sources and nature of data obtained from them are discussed below.

Source of Data collection

1) Operations Portal:-

- i) What is operations portal: Operations portal is an end to end IT software deck custom developed by in house development team. The portal helps in tracking patient details, appointments, reports and case history, payment details etc.

- ii) Nature of data available:- Data pertaining to newly registered patients who availed physiotherapy service for the month of March and April. The nature of physiotherapy procedures were also obtained from the portal.

2) Subject matter expert (SME) of Physiotherapy:

- i) Who is subject matter expert: - A SME in physiotherapy is a person who is well experience in the domain of physiotherapy. The primary role of SME is to assist physiotherapist troubleshoot in case of any complications and help me resolve the situation.
- ii) Nature of data available:- SME helped in identification of equipments and consumables based on the category of physiotherapy procedures.

3) Physiotherapy coordinator: - (PCO)

- i) Who is a PCO:- A PCO in Physiotherapy is a Senior Physiotherapist who has set of Physiotherapist under him/her and helps in coordinating and solving the case when a junior physiotherapist not able to manage.
- ii) Nature of data: - PCO helped in understanding the problems our Physio cases in cross selling the PT Consumables. PCO also gave an over of the nature of PT consumables required by physiotherapist and also the quality related aspects with respect to the PT consumables.

4) Branch Engagement Officer:- BEO

- i) Who is a BEO- BEO is a part of Customer Engagement and referral team who engages with old client and encourages Physiotherapist in bringing cross referral.
- ii) What is the nature of data- BEO helped in providing number of Cross Sales Data/ Referral Data, as the major source of leads comes from Customer reengagement.

5) Equipments Operation team

- i) Who is Equipment Operation Team- They are the group of people including a Operation Manager, Coordinator, Biomedical Engineer, Store Manager, Service Executive.

- ii) What is the Nature of Data – The problems Ops Team are facing in terms of Inventory Management, fulfilment of Leads, and execution of the Process.

6) Product managers of Equipments

- i) Who is Product Manager – PM is the one who take cares of launching a new Product line comprising of several products of similar categories.
- ii) What is Nature of Data – Previous knowledge of similar product lines.

Results and Data Interpretations:

1) Disease Profile:

To begin with, a complete list of disease profiles under Physiotherapy categories were collected which are 45 in number as shown in table 1. The numbers of cases per month for each of the categories are also depicted in table 1. From the list of 45 disease categories, top 13 disease categories. A small subset was chosen as this would help in inventory management which is one of the biggest challenges. The sub set of 13 disease categories is shown in table 2 along with the number of cases per month. Figure 1 is a representation of table 2 in form of a pie chart.

DISEASE PROFILES ACTIVE PATIENTS WITH NO. OF NEW CASES

SR NO.	DIS. PROFILE	NO. CASES
1	Lumbar spondylosis	41
2	ACL repair - Post Surgical Rehab	7
3	Ankylosing spondylosis	3
4	hamstring tightness	8
5	Knee OA	102
6	lower back pain	7
7	Cerebral palsy	2
8	Cervical Spondylosis	67
9	chikengunia	3
10	Chondromalacia Patellae	2
11	coccydenia	2
12	Fibromyalgia	5
13	Frozen shoulder	49
14	Geriatric cases	9
15	Golfers Elbow/ Tennis Elbow	15
16	hamstring tightness with si joint dysfunction	8
17	Head injury	3
18	hemiplegia	2
19	Impingement syndrome	11
20	Ligament sprain	12
21	lissencephaly (genetic disorder)developmental delay	2
22	Meningitis	4
23	Meniscal Injury	9
24	Muscle Spasm	68
25	Muscle Strain	47
26	Muscle Weakness	5
27	Muscular dystrophy	3
28	paraspinal muscle spasm	5
29	Parkinsons	23
30	Patellofemoral pain syndrome	7
31	Piriformis syndrome	11
32	PIVD	86
33	Plantar Fascitis	5
34	Post polio residual position rehabilitation	5
35	Post surgery rehab	42
36	Post fracture stiffness - Rehab	33
37	Rheumatoid arthritis	11
38	Sacroiliac (SI) Dysfunction	23
39	Spondylolisthesis	4
40	Stroke	18
41	supraspinatus tendinitis	5
42	Total knee replacement - Post surgical rehab	16
43	Transient ischaemic attack	6
44	Trapizius Muscle Strain	5
45	Upper Cross syndrome	7

Table 1:- List of diseases profiles under Physiotherapy

MAJOR CASES CATEGORY

SR NO.	DIAGNOSIS	NO. OF CASES
1	Knee OA	102
2	PIVD	86
3	Cervical Spondylosis	67
4	Lumbar spondylosis	41
5	Frozen shoulder	49
6	Muscle Spasm	68
7	Muscle Strain	47
8	Parkinsons	23
9	Post surgery rehab	42
10	Post fracture stiffness - Rehab	33
11	Sacroiliac (SI) Dysfunction	23
12	Stroke	18
13	Total knee replacement - Post surgical rehab	16

Table 2:- Top 13 diseases profile under Physiotherapy.

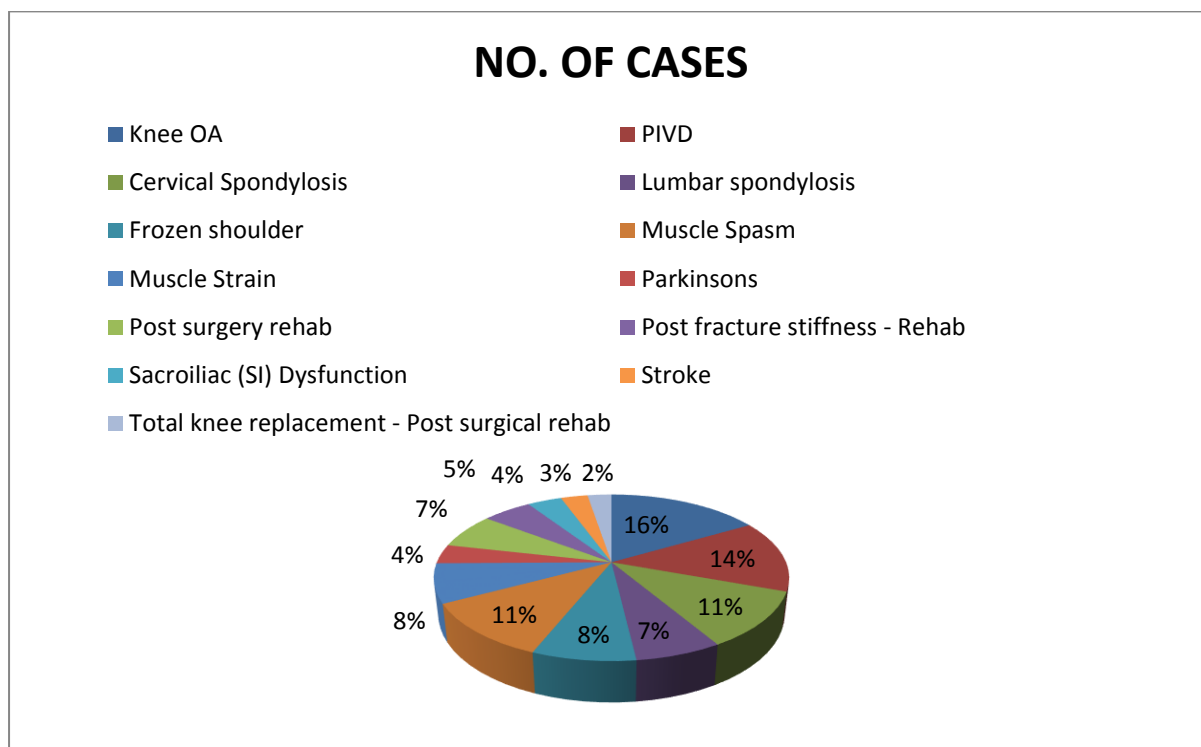


Figure 1:- Pie chart representing the share of top 13 disease categories under physiotherapy portfolio.

2) Products of PT Consumables:

Based on 1 year utilization of PT Consumables, we identified the fast moving and slow moving equipment categories (Table 3). This data will help us in understanding the kind of Inventory which is required to be maintained which will enable in effective Inventory Management. Table 4 shows the top moving PT equipments/consumables under each disease categories.

Sr No	Top fast moving products	Bottom Slow moving products
1	Cervical pillow	Commode raiser
2	Dr cool	Foot Drop Splint
3	Hot Cold packs/Gel Packs	Anti-Embolism Above Knee Stockings (Pair)
4	knee brace/cap	Auxiliary Crutch (Pair)
5	Knee Brace Long Type	Fahrenheit Sauna Belt
6	Ls belt/corset	Medical Compression Stocking Below Knee
7	Open patella knee cap	Premium Orthopaedic Heat Belt
8	Silicon sole	Hand grip exerciser
9	Stockings varicose	
10	Swiss Ball	
11	Thera band	
12	Cervical Support Pillow	
13	Cervical Traction Kit	
14	0.5 Kg Weight Cuff	
15	Spirometer	

Table 3:- Fast and slow moving equipment categories.

DIAGNOSIS	PT CONSUMABLES						
Knee OA	Hot Cold packs/Gel Packs	dr cool	knee brace/cap	Open patella knee cap	0.5 KG WEIGHT CUFF	Thera band	
PIVD	Hot Cold packs/Gel Packs	dr cool	Ls belt/corset	Swiss Ball			
Cervical Spondylosis	Hot Cold packs/Gel Packs	Cervical pillow	Cervical Traction Kit	Thera band			
Lumbar spondylosis	Hot Cold packs/Gel Packs	dr cool	Ls belt/corset	Fahrenheit Sauna Belt	Swiss Ball		
Frozen shoulder	Hot Cold packs/Gel Packs	Thera band	Swiss Ball	0.5 KG WEIGHT CUFF			
Muscle Spasm	Hot Cold packs/Gel Packs	dr cool	Thera band				
Muscle Strain	Hot Cold packs/Gel Packs	dr cool	Thera band	0.5 KG WEIGHT CUFF			
Parkinsons	Swiss Ball	0.5 KG WEIGHT CUFF	Thera band	Spirometer			
Post surgery rehab	Hot Cold packs/Gel Packs	Spirometer	Thera band	0.5 KG WEIGHT CUFF	Swiss Ball	Stockings vericose	
Post fracture stiffness Rehab	Hot Cold packs/Gel Packs	0.5 KG WEIGHT CUFF	Thera band				
Sacroiliac (SI) Dysfunction	Hot Cold packs/Gel Packs	Ls belt/corset	Swiss Ball				
Stroke	dr cool	Knee Brace Long Type	Stockings vericose	0.5 KG WEIGHT CUFF	Thera band	Spirometer	Swiss Ball
Total knee replacement - Post surgical rehab	dr cool	Hot Cold packs/Gel Packs	Spirometer	Stockings vericose	Knee Brace Long Type	0.5 KG WEIGHT CUFF	Thera band

Table 4:- List of top selling equipments/consumables under each disease categories

3) Analysis of the Market Size:

The next task was to determine the market size/potential of these Physiotherapy consumables/equipments by understanding the average ticket size of each category. Table 5 shows the ticket size of each PT equipment/consumables.

Further to understand the city wise sales of each of these consumables, we collect data pertaining to 4 cities viz., Bengaluru, Delhi, Hyderabad and Kokatta. Table 6 shows the number of cases under each of the 13 categories. To understand a sample market size, we then determined the cost of each of these consumables with the number of sales of under each categories. By doing so, the total market size was estimated to be between Rs. 4 lakh to Rs. 6 lakh. A summarized version of table 6 is shown in table 7 for quick and easy understanding.

SR NO	DIAGNOSIS	PT CONSUMABLES							Total Value	Avg Value	Median Value
1	Knee OA	Hot Cold packs/Gel Packs	dr cool	knee brace/cap	Open patella knee cap	0.5 KG WEIGHT CUFF	Thera band				
		440	2500	240	280	250	582		4292	715.3333	360
2	PIVD	Hot Cold packs/Gel Packs	dr cool	Ls belt/corset	Swiss Ball				4818	1204.5	939
		440	2500	678	1200						
3	Cervical Spondylosis	Hot Cold packs/Gel Packs	Cervical pillow	Cervical Traction Kit	Thera band				3188	797	783.5
		440	985	1181	582						
4	Lumbar spondylosis	Hot Cold packs/Gel Packs	dr cool	Ls belt/corset	Fahrenheit Sauna Belt	Swiss Ball			6417	1283.4	1200
		440	2500	678	1599	1200					
5	Frozen shoulder	Hot Cold packs/Gel Packs	Thera band	Swiss Ball	0.5 KG WEIGHT CUFF				2472	618	511
		440	582	1200	250						
6	Muscle Spasm	Hot Cold packs/Gel Packs	dr cool	Thera band					3522	1174	582
		440	2500	582							
7	Muscle Strain	Hot Cold packs/Gel Packs	dr cool	Thera band	0.5 KG WEIGHT CUFF				3772	943	511
		440	2500	582	250						
8	Parkinsons	Swiss Ball	0.5 KG WEIGHT CUFF	Thera band	Spirometer				2582	645.5	566
		1200	250	582	550						
9	Post surgery rehab	Hot Cold packs/Gel Packs	Spirometer	Thera band	0.5 KG WEIGHT CUFF	Swiss Ball	Stockings vericose		3710	618.3333	566
		440	550	582	250	1200	688				
10	Post fracture stiffness - Rehab	Hot Cold packs/Gel Packs	0.5 KG WEIGHT CUFF	Thera band					1272	424	440
		440	250	582							
11	Sacroiliac (SI) Dysfunction	Hot Cold packs/Gel Packs	Ls belt/corset	Swiss Ball					2318	772.6667	678
		440	678	1200							
12	Stroke	dr cool	Knee Brace Long Type	Stockings vericose	0.5 KG WEIGHT CUFF	Thera band	Spirometer	Swiss Ball	6585	940.7143	688
		2500	815	688	250	582	550	1200			
13	Total knee replacement - Post surgical rehab	dr cool	Hot Cold packs/Gel Packs	Spirometer	Stockings vericose	Knee Brace Long Type	0.5 KG WEIGHT CUFF	Thera band	5825	832.1429	582
		2500	440	550	688	815	250	582			

Table 5:- Average ticket size of each of the PT equipment/consumables.

SR NO.	DIAGNOSIS	BANG CASES	DELHI CASES	KOLKATA CASES	HYD CASES	TOTAL CASES	Total Value	Avg Value	Total Revenue	Avg Revenue	Median Value	Min Revenue
1	Knee OA	57	44	30	31	162	4292	715	695304	115884	360	58320
2	PIVD	22	29	7	8	66	4818	1205	317988	79497	939	61974
3	Cervical Spondylosis	26	30	16	19	91	3188	797	290108	72527	783.5	71298.5
4	Lumbar spondylosis	37	15	18	27	97	6417	1283	622449	124490	1200	116400
5	Frozen shoulder	45	20	13	15	93	2472	618	229896	57474	511	47523
6	Muscle Spasm	37	19	11	10	77	3522	1174	271194	90398	582	44814
7	Muscle Strain	35	13	2	22	72	3772	943	271584	67896	511	36792
8	Parkinsons	3	9	2	1	15	2582	646	38730	9683	566	8490
9	Post surgery rehab	20	8	4	6	38	3710	618	140980	23497	566	21508
10	Post fracture stiffness - Rehab	12	12	3	4	31	1272	424	39432	13144	440	13640
11	Sacroiliac (SI) Dysfunction	8	7	0	4	19	2318	773	44042	14681	678	12882
12	Stroke	28	9	7	8	52	6585	941	342420	48917	688	35776
13	Total knee replacement - Post surgical rehab	42	8	2	4	56	5825	832	326200	46600	582	32592
						869			3630327	764687		562009.5
						43			544549	114703		84301.425
							AFTER 15% DISCOUNT		3085778	649984		477708

Table 6:- Number of cases city wise and a projection of market size.

SR NO.	DIAGNOSIS	TOTAL CASES	Total Value of the PT Cons.	Median Value	Total Revenue	Min Revenue
1	Knee OA	162	4292	360	695304	58320
2	PIVD	66	4818	939	317988	61974
3	Cervical Spondylosis	91	3188	783.5	290108	71298.5
4	Lumbar spondylosis	97	6417	1200	622449	116400
5	Frozen shoulder	93	2472	511	229896	47523
6	Muscle Spasm	77	3522	582	271194	44814
7	Muscle Strain	72	3772	511	271584	36792
8	Parkinsons	15	2582	566	38730	8490
9	Post surgery rehab	38	3710	566	140980	21508
10	Post fracture stiffness - Rehab	31	1272	440	39432	13640
11	Sacroiliac (SI) Dysfunction	19	2318	678	44042	12882
12	Stroke	52	6585	688	342420	35776
13	TKR - Post surgical rehab	56	5825	582	326200	32592
		869			3630327	562009.5
	Total Cases	2002	After 15% discount		30,85,778	4,77,708

Table 7:- Summary of data shown in table 6.

4) Inventory Management:

To further effectively manage the portfolio, a stock inventor of all the available consumables/equipments under Physiotherapy was undertaken. Table 8 shows the stocks of PT consumables available in 6 major stock houses of the company (Bengaluru, Ahmadabad, Delhi, Mumai and Pune). The categories highlighted in red fall under slow moving categories of consumables which are high in stock numbers. The next task is to effectively liquidate these stocks through special offerings and discounts or making a buy back with the manufactures.

S. No.	Brand		Size	MRP	Ahmedabad	Banglore	Delhi	Kolkata	Mumbai	Pune	Total Qty	Total Amount
		Physio										
1	Visco	Thera band	Blue	450	3	59	79	27	30	4	202	90900
2	Visco	Thera band	Green	430	4	6	66	11	13	30	130	55900
3	Visco	Thera band	Black	450	5	48	35	32	10	4	134	60300
4	Visco	Thera band Gold/ other/Red	Gold	900		37	37	35	10	2	121	108900
5	Visco	Ls belt/corset Medium	M	460		31	48	29		3	111	51060
6	Visco	Ls belt/corset Large	L	480		50	43	30		3	126	60480
7	Visco	knee brace/cap Medium	M	170		5	10	184		5	204	34680
8	Visco	Open patella knee cap Large	L	200		64	59	1			124	24800
9	Visco	Hot Cold packs/Gel Packs	L	510		115	87	48	47		297	151470
10	Visco	FOOT DROP SPLINT	R/L- M	510		108	49	54			211	107610
11	Visco	FOOT DROP SPLINT	R/L-L	1900		34	38	57			129	245100
12	Visco	Swiss Ball/Flexi	S	1100	5		4	61			70	77000
13	Visco	Pelvic Traction Kit	M	1200		18	5	82			105	126000
14	Visco	Medical Compression Stocking Below K	M	1200		10	12	65			87	104400
15	Visco	renheat Sauna Belt Universal Unive	Univer	1600		47					47	75200
16	Visco	remium Orthopaedic Heat Belt Larg	L	1700		46		6			52	88400
17	Visco	0.5 KG WEIGHT CUFF Universal		370	10	51	35	13	8		117	43290
18	Visco	1 KG WEIGHT CUFF Universal		800	16	26	52	7	4	3	108	86400
19	Visco	2 KGS. WEIGHT CUFF Universal		890	10	66	40	29	13	2	160	142400
											2535	1734290

Table 8:- Stocks available in 6 major cities of operations under each consumable categories.

Discussion:

So far, we have estimated the market size and undertaken the stock of inventory. The challenge now is to effectively build in a process to sales and distribution of Physiotherapy consumables/equipments. Here we explore the existing method, identify the shortcomings in the existing models and proposing of a new process.

First we explore the existing process which is called Stores-Sub stores Model/Hub & Spoke model.

1) Stores Sub Store Model/Hub & Spoke Model:

It is based on Hub and Spoke Model- in which Hub—is the store and Spoke are the sub stores. In our context of home healthcare, the model will be further referred to as PCO model where Hub/Store is Equipment operations and Spoke is PCO. Figure 2 is diagrammatic representation of Store-Sub store model.

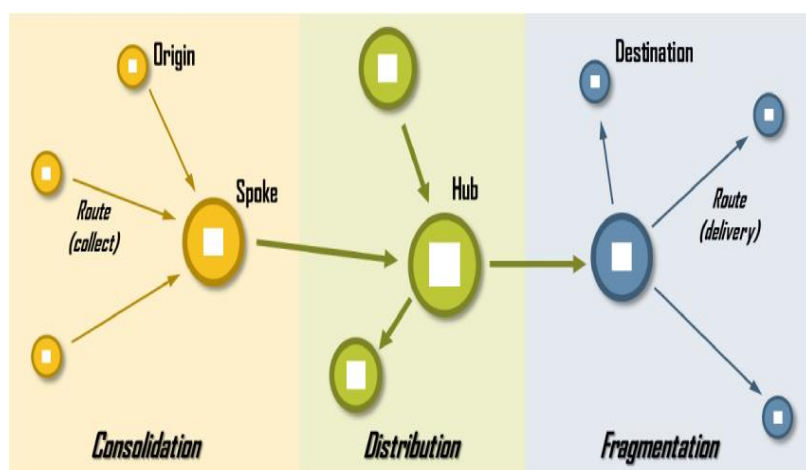


Figure 2:- Diagrammatic representation of Store-Sub store model.

i. Concept and Meaning of Central with Sub Stores:

- This is a mixed store system, a mix of centralized and decentralized stores.
- Under this store system, sub-stores are established in different departments according to the requirement of the company.
- Sub-stores are maintained at each department when the central store is at a distance from the production department. Such sub-stores are managed and controlled but the central store itself.
- At the beginning of a period, the central store issues a fixed quantity of materials to the sub-stores.
- At the end of the period, sub-stores send a filled requisition form to the central store to maintain the stock to a predetermined level.

ii. STAKEHOLDERS AND RESPONSIBILITIES:

- Equipment Ops Manager—acts as Store
- PCO--- Acts as Sub store
- BEO--- Acts as Separate channel to help PCO
- Cash Collection team—Cash collection
- Customer Engagement team- for Forecasting inventory and LTV

iii. Process of PCO Sub Store Model:

Figure 3 gives details of the Process Flow of PCO Sub Store Model

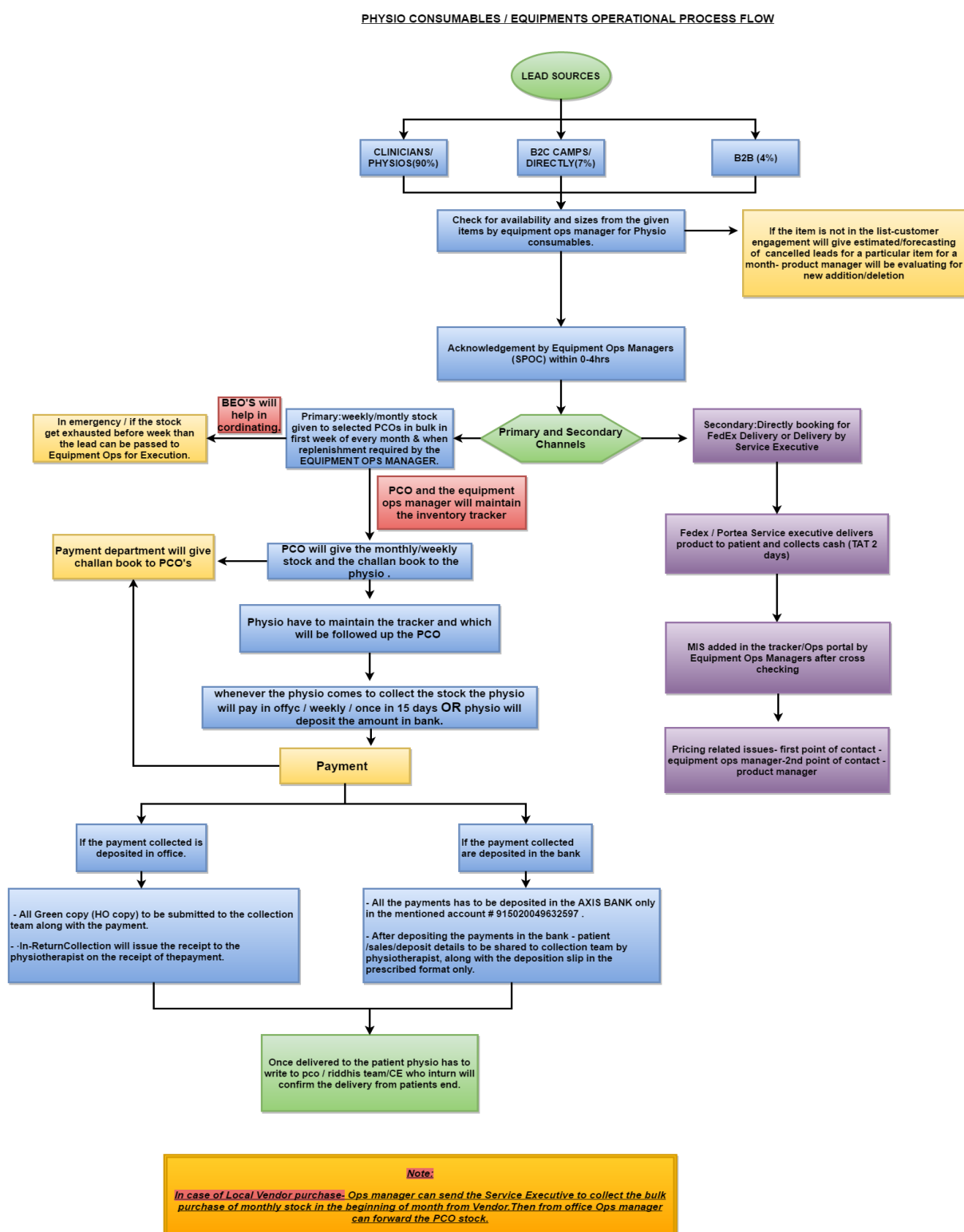


Figure 3- Process Flow of PCO Sub Store Model

iv. GUIDELINES:-

- The BEO's will train the PCO about the process flow and will help in coordinating among the equipment Operation team, PCO and the physiotherapist.
- As per the requirement the equipment ops will give the monthly/weekly stock to the PCO.
- PCO will give the monthly/weekly stock to the physiotherapist.
- Finance team will give the challan book to the PCO's which in turn will be given to the physiotherapist.
- Finance team will maintain the collection tracker (pt consumable format –collection RHS).
- Inventory tracker (pt consumables format – LHS) will be filled by both EQUIPMENT OPS MANAGER and PCO and continuous updating will be done by PCO and BEO'S will follow up.
- The channel between PCO's and the PHYSIO will be monitored by BM Physiotherapy.
- If the MRP varies due to any reason there's a revised MRP column in the PT code – cash excel (equipment prescription pad for PT consumables) where the revised amount has to be mentioned.

v. ROLE OF BEO'S –

- BEO'S will train the PCO about the process according to the process flow as provided in the SOP.
- Any changes in the process by the OPS EQUIPMENT MANAGER will be communicated to the PCO'S by the BEO'S
- BEO'S will follow up and identify the physiotherapist who are suitable for the process and will suggest the same to the respective PCO'S.
- BEO'S will help in coordinating between EQUIPMENT OPS MANAGER, PCO and PHYSIOS.

vi. TRAINING SESSIONS –

3 different sessions have been conducted for different stakeholder trainings:

- For RMs- Regional Managers
- For BEOs
- For PCOs

The following points are discussed by the EQUIPMENT OPS to the BEO'S and the BEO'S will explain the same to the PCO'S.

- Business plan.
- Process flow of PCO model.
- Roles and responsibilities of different stakeholders.
- Timelines and TAT.

vii. Advantages of Central Stores with Sub - Stores:

- Overcoming the demerits of centralized stores.
- Offering an easier location for storing of materials.
- Avoiding delay in issuing materials.
- Providing services to meet the special needs of individual departments.
- Reducing the internal transportation cost.

viii. Disadvantages of Central Stores with Sub - Stores:

- Keeping a track on the stock is a major challenge as there is no electronic tracking system yet in place.
- Once a physiotherapist makes a sale, collection of the sale amount by the finance team is a challenge.
- Several products come in various sizes and hence become practically not possible to stock large numbers by the physiotherapists.
- Damages during transportation etc are issues.

2) FedEx COD Model:

Learning from the previous PCO (store-sub store model), we have proposed another model called FedEx COD model where the products will be directly shipped to the customers and customers have an option to make Cash of Delivery (COD) for the products received.

The turn around time from lead generation to product delivery has not been changed drastically from the PCO model and the average turn around time is about 48 to 72 hours.

Process Flow of FedEx:

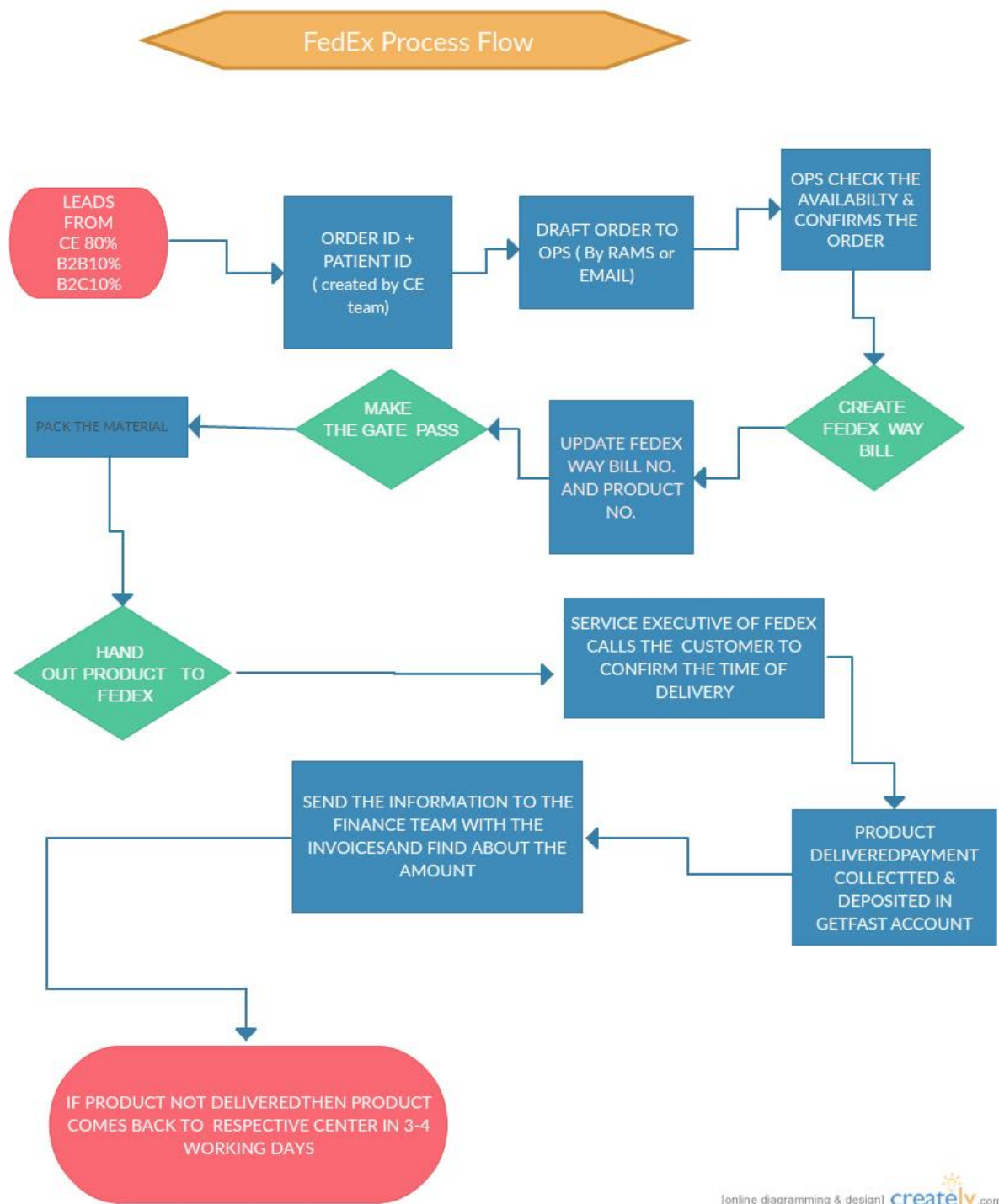
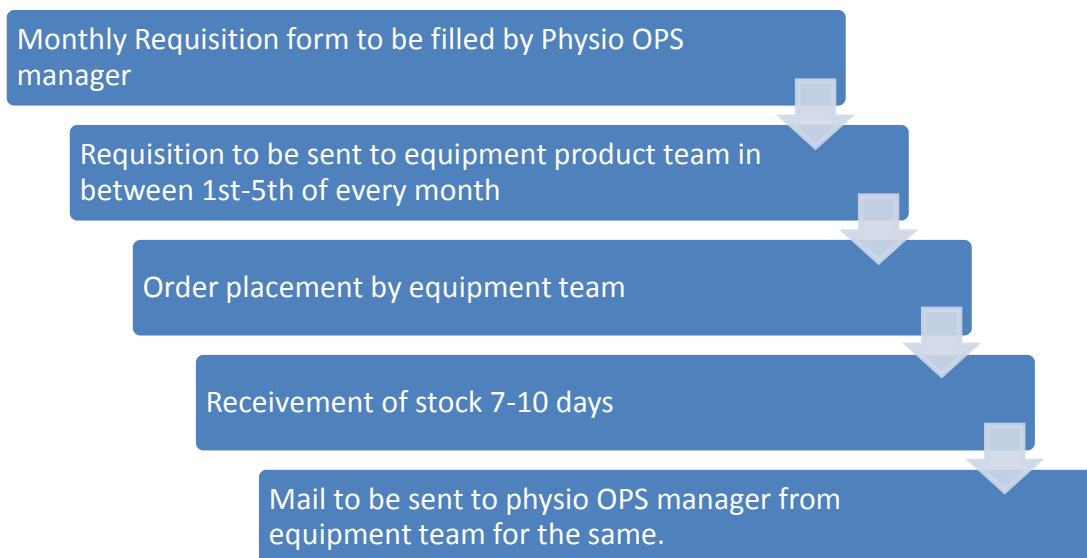


Figure 4 – Process Flow of FedEx COD Model

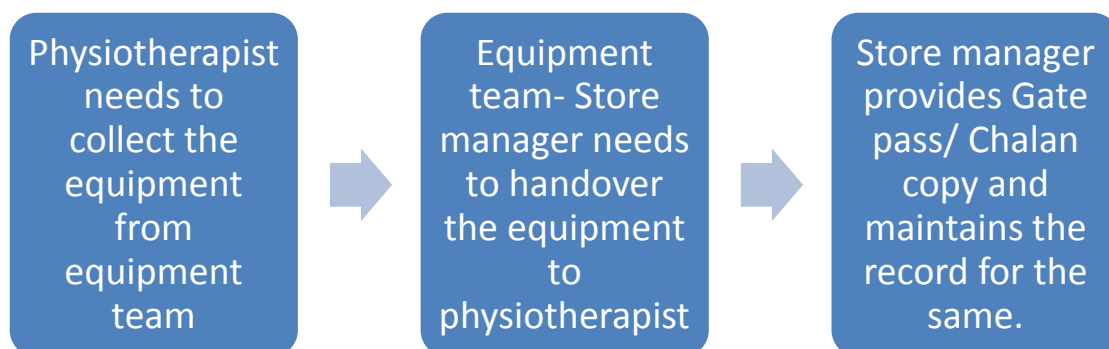
3) In house physiotherapy equipments purchase program and its policies.

In addition to the FedEx model which deals with Business to Customer (B2C model), we have also put in place where our in house physiotherapists can procure the equipments and consumables for their personal practice at a discounted price from the organization. The process and policies pertaining to this program has been detailed below. This also opens up opportunities in terms of business for the organization as portea has a extensive network of physiotherapists and a discount would encourage them to buy these from portea rather than external vendors.

Step1: Requisition for equipment



Step2: Collection of equipment by physiotherapist



Step 3: Mode of payment:

A) Single shot payment (cash/cheque/online-NEFT)

- Cash and cheques to be collected by store manager.
- Online-NEFT : details to be shared by equipment ops team, however cross verification will be done by finance team (SPOC- Panchanan)
- Once the payment is received physio needs to get no due signed and submit to equipment team.

B) Monthly deductions (6 months)

- Half of the total ticket value to be paid by PORTEA and half by the clinician
- Deductions to be completed in 6 months tenure from the date of purchase
- Once the deductions are completed the clinician needs to get no due signed and submit it to equipment team.
- If the clinician wants to leave the company and all deductions not done he can pay the due amount and take the equipment's or else needs to surrender the equipment.
- If the clinician is surrendering the equipment the deductions done are non refundable he will not be entitled to get neither the money which he has paid nor the equipment.

HR role for equipment policy:

Equipment handover list to be shared by Sushma on weekly basis with HR and physio product team.

Deductions to be done over a period of 6 months maximum.

Every month deduction list to be shared by HR

At the time of physio leaving company HR needs to cross for any pending dues against equipments

Prices for Physio Equipment:

The Prices offered to the Physiotherapist is based on the least price sales (Dealers price).

It's based on two models where there is an option of One Shot Payment and another model of 6 months EMI is made available.

The Price list for the equipment along with EMI amount as follows:

ONE SHOT PAYEMENT MODEL FOR THE PHYSIOTHERAPIST:

Brand	Product Description	Mkt Retail Price / MRP incl Taxes	Price to Physiotherapist
Johari Digital	TENS/MST	6000	4200
Johari Digital	ULTRASOUND	25000	12240
Johari Digital	STIM3	20000	17400
Biomed/Ultrahealth	Static Cycle	9999	7440
BMI	Tilt table-- Manual	29999	24000
BMI	Tilt table -- Motarised	60000	45600

EMI MODEL WITH TWO PART PAYEMENT:

Brand	Product Description	Mkt Retail Price / MRP incl Taxes	Price to Physio	EMI MODEL TWO PART PAYEMENT	
				DOWN PAYEMENT (40% of the payment)	MONTHLY INSTALLMEN TS for 5 months (60 % payment)
Johari Digital	TENS/MS T	6000	4200	1680	504
Johari Digital	ULTRASO UND	25000	12240	4896	1469
Johari Digital	STIM3	20000	17400	6960	2088
Biomed/Ultra health	Static Cycle	9999	7440	2976	893
BMI	Tilt table— Manual	29999	24000	9600	2880
BMI	Tilt table -- Motarised	60000	45600	18240	5472

Conclusions:-

From the market analysis, it is now evident that our average ticket size is in the range of Rs. 470 to 580. The preferred brands are Tynor (North & East India) and Theraband & Visco (South & West India).

In total, there are around 2000 new patients every month signing up for physiotherapy services of which 869 patients form the target group having interest in the 13 most highly sought after services as described previously, forming a little over 40% of the total new patients. As shown in table number 7, the business volumes could be in the size of around Rs. 4 to 5 Lakh per month. While our market estimations are modest in projections, we have been able to only generate about Rs. 1.5 lakh of revenue per month.

To further understand the gap between projections and actual sales, we realized that only 42% (366 in number) of the leads were getting converted into sales. This poor conversion ratio may be one the biggest reasons why we have not been able to reach the complete potential of the products. Hence a greater emphasis shall be given to improve the conversion rates.

Also, in the case of distribution of physiotherapy consumables//equipments thorough our physiotherapist, we found problems and challenges in the existing PCO model (store-sub store model). Hence we have proposed a new model called “FedEx COD” model where the products shall be shipped to the customers directly which also is expected to contribute to our conversion ratios as complications such as non availability of size etc can now be eliminated. It also brings efficiency in the model as critical components such as stock inventory will now be centralized, man hour costs for delivery of products by service support executives will be eliminated.