



Market survey and Feasibility study of a 200 bedded Government hospital in Prayagraj, Uttar Pradesh

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Roll no.- 1834

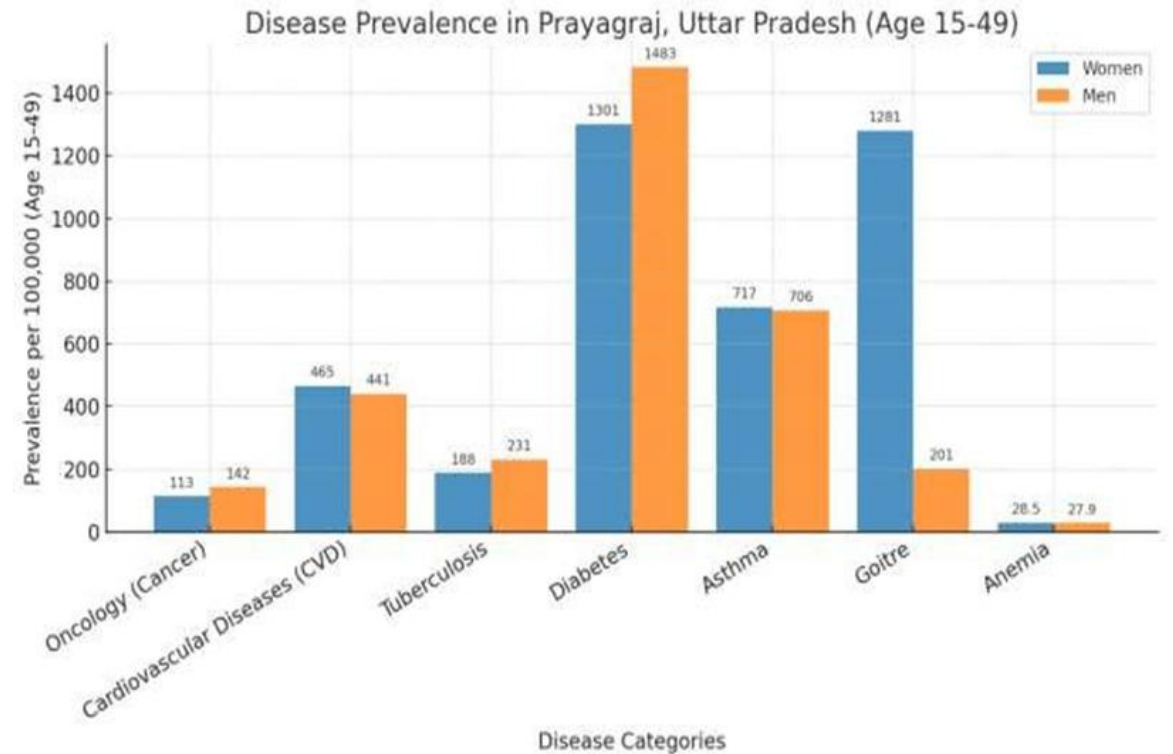
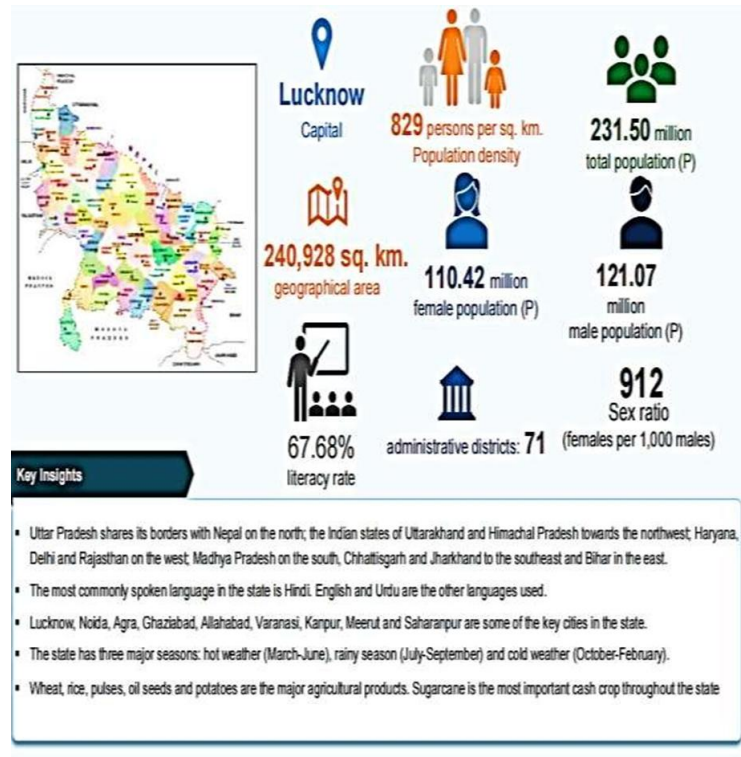
MBA Hospital & Health Management (2023-25)

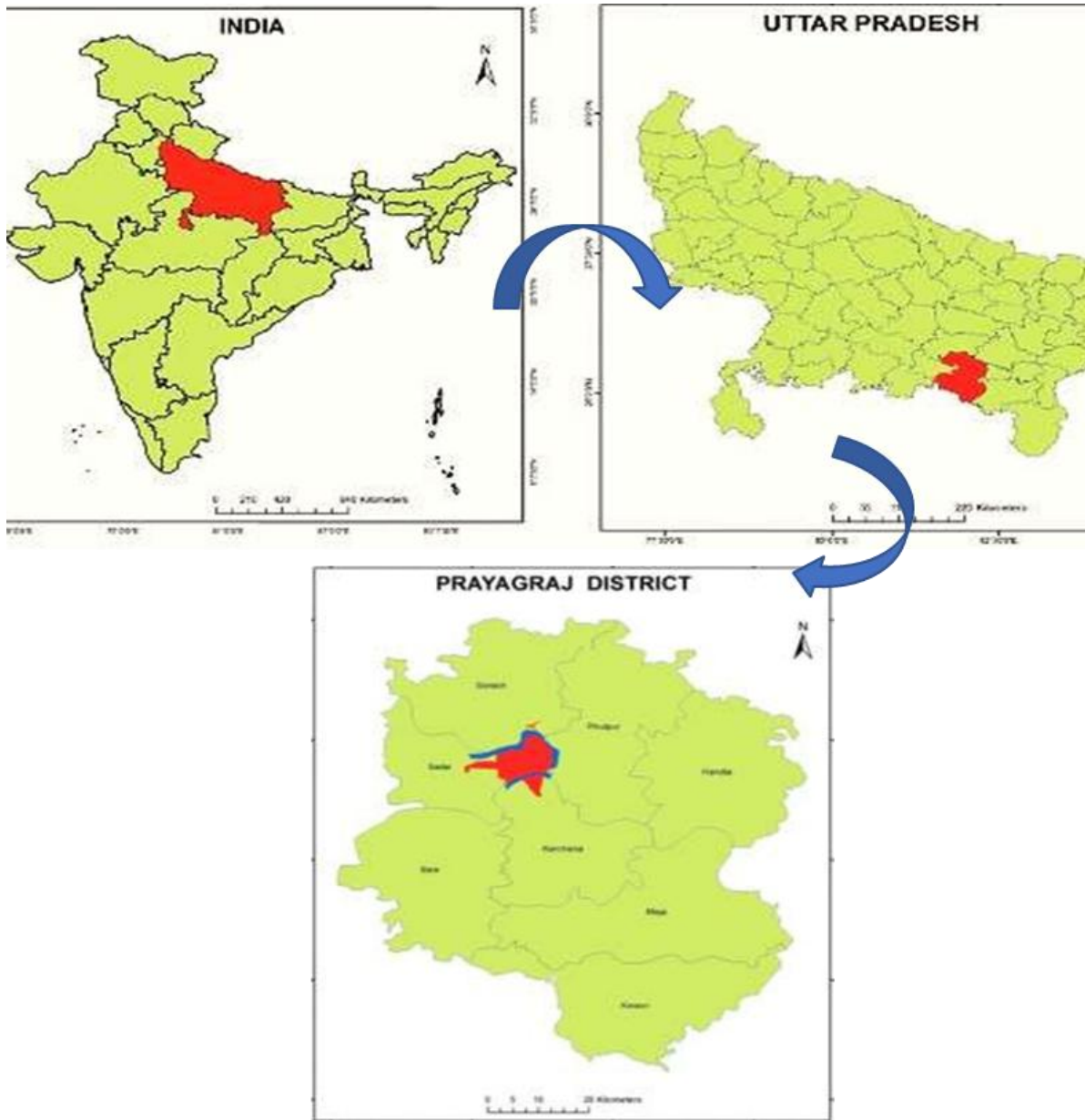
ABOUT THE ORGANIZATION



Established in 2007, Octavo Solutions Pvt Ltd (OSPL) is a dynamic force in Health and hospital Advisory Services. OSPL holds the distinction of being the first consulting firm accredited by the Quality Council of India (National Accreditation Board for Education and Training) for healthcare consulting. Its competencies span across various domains including Accreditation, Financial Management, Healthcare Financing, Business Development, and more. It has successfully executed projects globally for over 9 years, including in challenging regions like Sri Lanka, Afghanistan, Syria, Iraq, Nepal, and Ethiopia.

PROFILE OF UTTAR PRADESH





Profile of NAINI

Naini is situated across from Prayagraj City on the banks of the Yamuna River. Jhansi, which is a part of Prayagraj itself, is located to the north, across the Ganges. Between Jhansi to Naini, there are no roads or direct pathways. Naini became a significant industrial hub. Alstom, ITI Limited, Bharat Pumps & Compressors (headquarters), Areva, Steel Authority of India Limited (SAIL), and Food Corporation of India (FCI) are a few of the prominent industries in Naini.

RESEARCH QUESTION

- Is establishing a 200 bedded super speciality hospital in Prayagraj, Uttar Pradesh, commercially viable and operationally feasible based on the current healthcare demand, existing infrastructure, and available resources in the region?

OBJECTIVES



To identify the possibility and viability of establishing a 200-bed super specialty hospital in Naini, Prayagraj.



To conduct a market and financial feasibility study for a 200-bedded hospital in Prayagraj.



To assess healthcare demand and service preferences among the local population.



To study the existing hospital infrastructure and identify service gaps.



To analyze risks, legal compliances, and stakeholder expectations.

METHODOLOGY

Study design	Descriptive study
Study population	2 Government & 6 Private Hospitals
Data collection method	Primary Data in Catchment Area: - Benchmark against leading Hospitals in Catchment area. - Patient or Attendant’s Survey / Doctor’s Survey / Administrator Survey in Catchment area. Secondary Data: - Census Reports - Directorate of Health – Uttar Pradesh - National Family Health Survey-5 (NFHS-5)
Sample size	Patient or Attendant – 37 Doctors - 6 Administrator – 3
Sampling technique	Convenience sampling method
Data Collection Tool	Questionnaire
Inclusion criteria	- Patients, doctors, and healthcare administrators from the Prayagraj catchment area. - Individuals willing to provide informed consent to participate in the study. - Participants aged 18 years and above (for patients or attendants).
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Ethical Considerations



Informed consent was obtained from all participants before data collection. The purpose of the study and their right to withdraw at any time was explained.



Confidentiality of participant information was strictly maintained. No personal identifiers were recorded or shared.



Data were stored securely and only used for academic and research purposes.



The study adhered to the ethical guidelines set by the institution or relevant ethical board.



Participation was voluntary, and no monetary or coercive incentives were provided.

COMPETITOR ANALYSIS

S. NO.	NAME OF HOSPITAL	TOTAL BEDS	GOVERNMENT OR PRIVATE	DISTANCE FROM NAINI
1	Swaroop Rani Nehru Hospital	1200	Government	8.5 Km
2	Vatsalya Hospital	100	Private	10.8 Km
3	Saraswati Heartcare & Multispeciality Hospital	100	Private	8.5 Km
4	United Medicity Hospital & Medical College	1000	Private	8.4 Km
5	Jeevan Jyoti Hospital	210	Private	5.8 Km
6	Vineeta Hospital Pvt Ltd	300	Private	16 Km
7	Nazareth Hospital	192	Private	11.1 Km
8	Narayan Swaroop Hospital	100	Private	17.5 Km
9	Shanti Vilas Hospital	100	Private	7.4 Km
10	Motilal Nehru Divisional Hospital	206	Government	9.6 Km
11	Prachi Hospital	103	Private	17.9 Km
12	Yash Hospital	60	Private	10.5 Km

Need gap analysis

Population in Catchment Area (Prayagraj District) as per 2011 Census	60 Lakh
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Population growth Expected in 2026 (17.64 % is decadal Growth)	75 Lakh
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Total Beds required for 75 Lakh population (As per Global Average 3/1000)	22500
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Total Beds available in CATCHMENT AREA (Prayagraj District)	15000
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Total Estimated Bed Deficit in CATCHMENT AREA (Prayagraj District)	7500
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STRENGTH

- Naini is an industrial township of Prayagraj in Prayagraj district and experiencing rapid Residential & Commercial expansion.
- Proposed location is ideally located & has excellent connectivity to Prayagraj City, Nearby Areas.
- Proposed Super Specialty Hospital mission is to provide Quality services in Prayagraj District and Nearby areas at affordable price by introducing path breaking technologies & maintaining the highest quality of patient care.
- There are no good medical facilities around Naini & this provides a large untapped Catchment area. Also, Catchment Area increase due to neighboring areas.
- Proposed Super specialty Hospital can be commissioned soon with 200 Bedded State-of- the-art facility & would cater the Prayagraj District and Nearby Towns / Villages with Highest Quality Care.
- Locational Advantages being near to many areas where there is no such well-equipped hospital available.
- The Site selected by the promoters has the requirement of Super-specialty hospital as there are few Multi-Specialty Hospitals having such standards in Catchment Area

OPPORTUNITY

- A Corporate set up along with affordable cost for Super specialty & Specialty services - Image booster
- Unorganized Healthcare infrastructure around Prayagraj City & Neighboring areas.
- Increase in lifestyle related diseases & Preventive Healthcare market is expanding.
- Medical insurance is growing rapidly.
- Industries, Colleges, Schools, Banks & institutions tie-up would be big boost for Proposed Super Specialty Hospital.
- Setting up of the referral centres (Referral OPD / 10-20 Bed Nursing Homes acquisition) will help to absorb the catchment area.

WEAKNESS

- Long gestation period for Return on Investment (ROI) in Hospital industry.
- A strong backup of Top management is required to achieve the VISION & MISSION of Organization.
- Lack of availability of Trained human resource in Prayagraj District (Catchment Area).
- A strong team of Doctors / Consultants is required.
- Issues associated with retention of Nursing talent.
- The growing demand for quality healthcare and absence of matching delivery mechanism pose a great challenge. Many hospitals are struggling with outdated information & medical Technology in India

THREAT

- Presence of Existing Hospitals - Swaroop Rani Nehru Hospital (Government) & Nazareth Hospital, United Medicity Hospital & Medical College, Saraswati Heart care & Multispecialty Hospital, Parvati Multispeciality Hospital, Vineeta Hospital(Private).
- Healthcare players expanding their Services & Facility in Tier II City and Towns
- Standalone Nursing Homes in Catchment Area (Prayagraj District).
- Pricing Threats: One of threats that could seriously impact financial health in the business could be low- cost competitors, a partner entering into our market space, or an overseas player establishing their presence where we generated the largest income for the business.

MARKET SURVEY FINDINGS

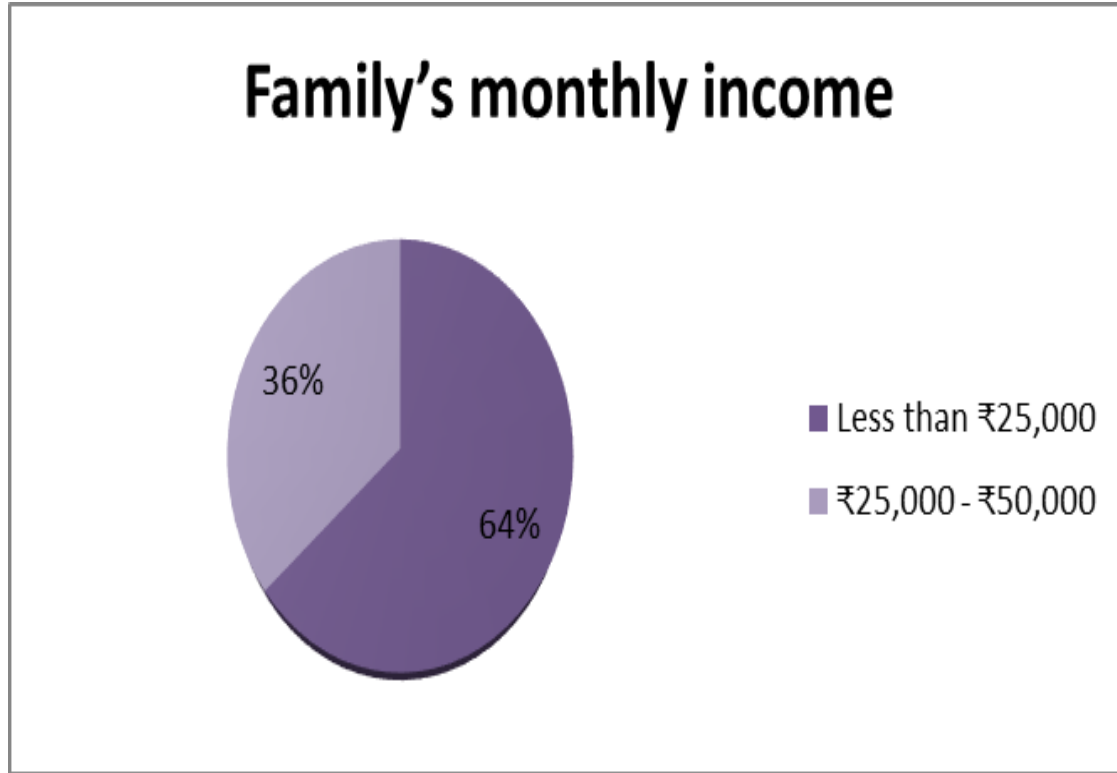


Figure 1

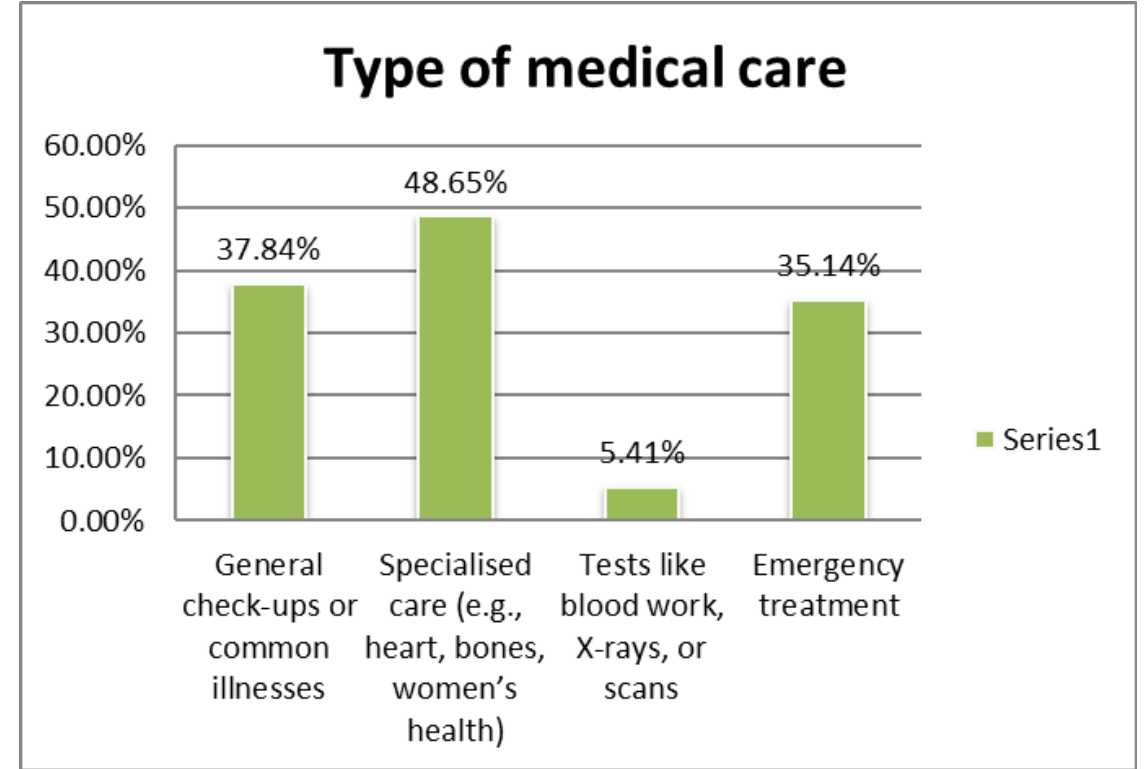
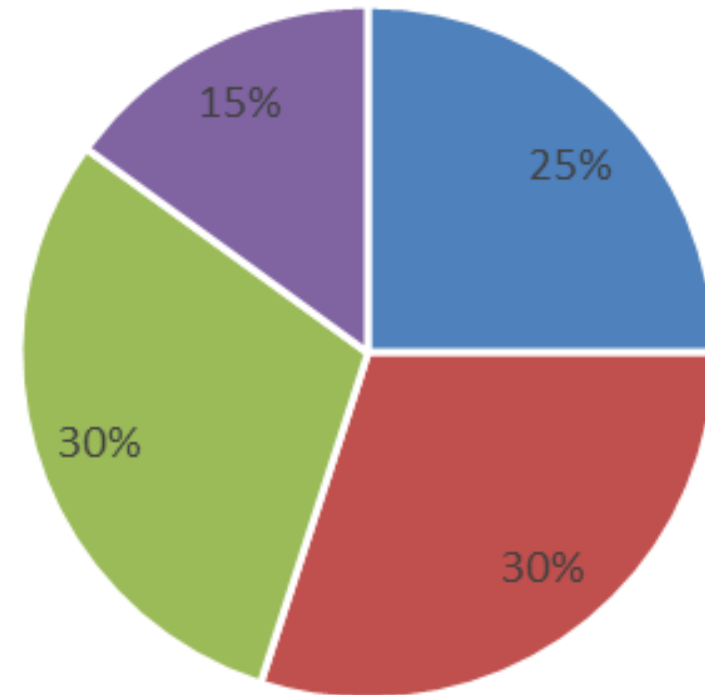


Figure 2

**Key factors
influencing
individuals when
choosing a
healthcare facility**



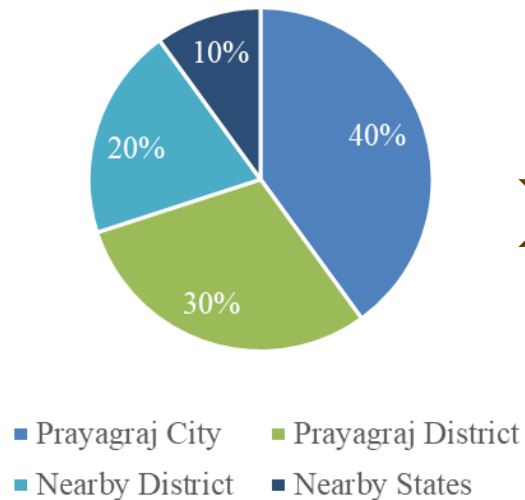
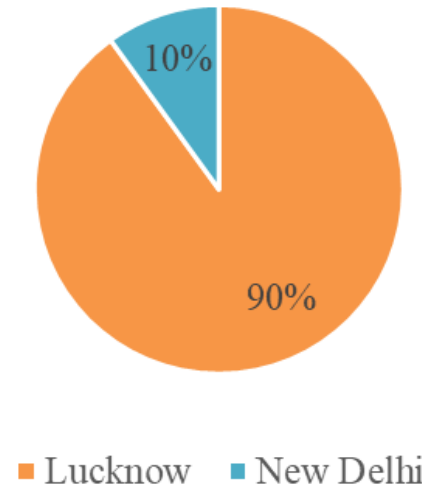
- Good Infrastructure & Facilities
 - Quality of patient care
 - Qualified Experienced Professionals
 - Brand Name
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Patient Referrals

As per the survey in Catchment Area, % of patients Drain Out to avail Hospital Services (mainly Super Specialty) are as follows:

- 90% patients Drain Out to Lucknow (PGI Lucknow, Medanta Hospital, Sahara Hospital, KGMU Hospital)
- 10% patients Drain Out to New Delhi (Medanta Hospital, Fortis Hospital, AIIMS, Pushpanjali Hospital)

Referred outs



Referred ins

The pie chart shows the geographic distribution of individuals accessing healthcare services. 40% are from Prayagraj City, followed by 30% from Prayagraj District, 20% from nearby districts, and 10% from nearby states, indicating a strong local reach with some regional influence.

Factors confirming the proposed super specialty hospital is viable



The proposed 200-bed super-specialty hospital is viable due to the ideal location and the growing market potential in Prayagraj District and nearby towns/villages.



Prayagraj District features a large catchment area with a densely populated patient base.



There is a lack of super-specialty hospitals in the catchment area, particularly in Naini, where no super-specialty or multi-specialty hospitals are currently available.



Despite an increase in hospital beds in Prayagraj City in recent years, most hospitals maintain decent bed occupancy rates.



The catchment area includes a robust presence of industries, educational institutions, banks, and other organizations.



Lifestyle-related diseases are on the rise, contributing to the expansion of the preventive healthcare market.



The rapid growth of medical insurance in the catchment area supports increasing access to healthcare services.



The region's healthcare infrastructure remains largely unorganized, creating opportunities for a structured super-specialty hospital to meet the demand.

Challenges Identified

Workforce Shortage: The lack of trained medical personnel, especially specialists and experienced nurses, is a significant concern in Prayagraj.

High Attrition Rates: Existing healthcare facilities report difficulty retaining qualified professionals due to better opportunities in metro cities.

Competition from Established Hospitals: The presence of large, established hospitals such as Swaroop Rani Nehru Hospital and United Medicity Hospital may pose competitive pressure.

Cost Sensitivity: A substantial portion of the target population falls in the lower income bracket, making affordability a crucial factor in hospital design and service pricing.

Technology and Equipment Maintenance: Regular maintenance and upgradation of equipment is essential but often overlooked due to cost and logistical constraints.

Cash Flow Constraints: Liquidity management during the initial years of operation is critical to ensure sustainability.

Dependency on Referral Systems: Patient inflow may initially depend heavily on external referrals and satellite outreach centers, which need strategic partnerships to be effective.

Conclusion

The present study comprehensively explored the commercial and operational feasibility of establishing a 200-bedded super-specialty hospital in Naini, Prayagraj.



Drawing from both primary data and secondary sources, The study confirmed a significant gap in healthcare service delivery in Prayagraj, primarily driven by an increasing population, inadequate medical infrastructure, and insufficient availability of super-specialty care. As per global standards, Prayagraj's projected population of 7.5 million by 2026 would necessitate approximately 22,500 hospital beds, yet only around 15,000 beds are currently available—indicating a shortfall of 7,500 beds.



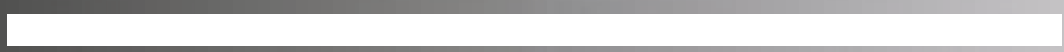
Survey data revealed that a substantial proportion of patients (90%) currently travel to Lucknow and 10% to Delhi to access advanced medical services. This significant patient outflow reflects the local inadequacy of high-end medical care, which a new super-specialty hospital in Naini could address.



The SWOT analysis reinforced the project's viability by highlighting the strategic location, growing demand, and poor existing alternatives, while also acknowledging challenges such as workforce shortages, long ROI timelines, and competitive threats.



Importantly, patients and families prioritize quality of care, experienced professionals, and modern infrastructure when choosing healthcare services—factors that the proposed hospital aims to deliver at an affordable cost.



Thank You

