CORPORATE STRATEGY FOR ASIAN HOSPITAL
AND MEDICAL CENTER

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EXECUTIVE SUMMARY

Asian Hospital and Medical Center (AHMC) is a 217-bed tertiary care hospital facility offering a comprehensive spectrum of services with a focus on providing high intensity care and the latest medical and surgical interventions. Despite its only eight years of existence, AHMC has shown tremendous growth in terms of the utilization of its services. The target market is the A, and B class of patients coming from the southern part of Metro Manila including the CALABARZON areas.

Generally new in the healthcare industry, it has established its niche as the leading hospital facility in the south of Manila. Factors considered are the physical facility which is compared to a hotel, state of the art medical equipment for a more comprehensive diagnosis and treatment, and well trained hospital staffs and physicians in their particular specialty that provide quality healthcare service.

The hospital suffered financial difficulties in the first three years of operation brought about by internal and external problems. The partnership with Bumrungrad Hospital International (BHI) in April, 2005 with the infusion of the much needed capital to meet financial obligations and expand clinical services has resuscitated the hospital.

The growth of the hospital as one of the leading healthcare facilities should be sustained to make it more competitive. Strategic analysis using various input tools such as the External Factors Evaluation (EFE) and the Internal Factor Evaluation (IFE) Matrix and the Competitive Profile Matrix, were carefully reviewed and analyzed identifying the threats and opportunities, strengths and weaknesses of the organization. The information
and statistics gathered provided the basic criteria needed to formulate the competitive strategies for determining the future directions of Asian Hospital. The strategic formulation tools like the TOWS Matrix, IE Matrix, Grand Strategic Matrix and the QSPM further refined the strategic decision making process of Asian Hospital recommending either intensive, integration or diversification strategies. Based on the different analytical tools processed, the most appropriate strategy is the Intensive Strategies. These strategies require intensive efforts if the hospital wants to remain competitive with the existing products/services. These strategies would require an intensive marketing plan, penetration of the untapped local areas and international healthcare market through quality of care, expansion of the clinical services based on the health demands of the target market, medical tourism, as well as introduction of new additional healthcare services/programs for revenue growth. While these would require intensive investment on equipment, operational processes and systems including cost management must be improved to make Asian Hospital the hospital of choice of the market it serves.

This strategic paper proves that in order for the hospital to increase its growth in terms of the number of patients/clients as well as on its revenue, the strategy must be geared towards innovation of healthcare services through an intensive investment to capital expenditure and intensive investment for marketing efforts to reach the prospective market segments. The financial impact of this strategy will achieve an increase of 5% in revenue and profit from 2010. This will be through the capital investment of Php 783,806,136.00; if it will hit the targeted patient volume of 182,351 for
2011 then the revenue for 2011 will be Php 2,046,566,969.00 and the gross profit will be Php 670,255,579.00.