

Enhancing the NHS through international engagement

Introduction

This is Healthcare UK's first exercise in bringing together the experience and best practice of healthcare exporters from within and beyond the NHS. It aims to provide NHS organisations which have limited international experience with an overview of the key things to consider to maximise the chance of success (and minimise risk) when beginning their export journey.

NHS organisations can draw on this information to get on the right track for generating a successful and sustainable international revenue stream, which can be used for innovation and improvement in UK patient care.

HealthcareUK

Healthcare UK helps British healthcare providers to do more business overseas. We do this by promoting the UK healthcare sector to overseas markets and building strong links with overseas governments, businesses, healthcare providers and academia.

We connect these organisations with the unrivalled expertise of the NHS, the UK's thriving commercial healthcare industry and our world-renowned academic sector.

We work with the NHS and other public sector bodies to strengthen the capacity to operate and succeed internationally.

As specialists in healthcare partnership working, we act as the bridge between international demand for healthcare services, systems and infrastructure and the rich pool of UK know-how and capability in these fields.

To find out how we can assist you, contact Healthcare UK:

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Visit: **www.gov.uk/healthcareuk**

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Foreword



The NHS has a history of doing international business overseas. As far back as the 1970s, the Department of Health issued a circular entitled “Exporting the NHS” which provided guidance to NHS organisations about the opportunities for taking British healthcare expertise overseas. It was published as a response to the growing number of requests the Department and individual NHS organisations like St Thomas’ Hospital were receiving from Middle Eastern countries who wanted to use their new-found wealth to develop their hospital and healthcare services and who considered the British healthcare system as the best source of know-how.

Fast forward to 2016, and the NHS now has the support of a UK government-funded organisation - Healthcare UK - working on its behalf; scoping out international opportunities for NHS organisations and providing the hands-on support necessary to help them evaluate and deliver on those opportunities.

In its first three years, Healthcare UK has helped British organisations to secure over £5bn for the UK economy, with approximately £235m of that secured and returned back to the NHS and other public sector bodies. Whilst still a relatively small proportion of the business Healthcare UK has supported, NHS activity has been growing year-on-year and we expect this will continue over the coming years.

This optimism is based on two major factors. Firstly, whilst some of the major London trusts and foundation trusts have been very successful in winning work overseas, including world leaders like Kings College Hospital, Moorfields, Guy’s & St Thomas’ and Great Ormond Street Hospital, organisations outside of the capital have been making excellent progress as well. Mersey Care and Alder Hey Children’s Hospital have been flying the flag overseas for the city of Liverpool, with Leeds Teaching Hospital and Northumbria Healthcare (the only foundation trust rated ‘outstanding’ by the CQC) also making their first forays into international waters.

Secondly, international demand for better and more efficient healthcare shows no signs of slowing down. The NHS’s own challenges of caring for an increased elderly population, or dealing with long-term conditions, are shared by many other countries, and in the developing markets where Healthcare UK primarily focuses, there is a pressing need for governments to meet the aspirations of their citizens.

Many emerging nations are embarking on bold programmes of healthcare reform and development which create new opportunities for partnerships with UK healthcare institutions and organisations.

Where better to come for support in developing or reforming a healthcare system than the NHS which, since its inception in 1948, has ensured universal access to high-quality healthcare, based on clinical need and not the ability to pay?


What the UK offers is unique both in terms of its quality and breadth, and that has not gone unnoticed overseas. Time and time again the message we hear, whether from India, the UAE or China, is “we want the NHS”.

Whilst international activity will not be an immediate priority for many NHS organisations with delivery of high-quality patient care in the UK rightly taking precedence, there are significant benefits to be gained by for the NHS by engaging in overseas activity. Frequently I hear from NHS organisations when reflecting on their experience, that they have benefited greatly from the learning experience that comes with taking time to understand the challenges of delivering healthcare in different markets.

Likewise international activity enhances the global reputation of the NHS and individual organisations, and provides developmental opportunities for UK staff, who can improve their mix of skills and gain transferable experiences. There are opportunities for genuine, two-way partnerships, grounded in shared values that seek to address the challenges of healthcare delivery including education and training, clinical collaboration and joint research opportunities.

And, of course, there are significant financial rewards from overseas work, which can then be reinvested back in the UK in innovation and improvements to increase the quality of patient care within the NHS, now and in the future.

To any NHS organisation wishing to engage in international work, be it an acute provider hospital, a provider of specialist, mental health or community services, or a large teaching hospital, my message is the same: Healthcare UK can and will support you on your journey.



Deborah Kobewka
Managing Director, Healthcare UK

Executive summary

There is increasing overseas demand for UK expertise, and much of this expertise sits within the NHS.

This publication shares the experience of NHS organisations that have already achieved export success, as well as insights from other healthcare services exporters.

It tells you the basic facts you need to know, and gives examples of best practice to help organisations new to exporting health services to start off on the best possible footing.

NHS organisations with successful international activities often enjoy formal strategic support from their board. It is highly recommended that NHS organisations develop an international strategy, approved by the board and linked to a wider commercial strategy, against which specific international opportunities can be considered and evaluated.

Profitable international revenue streams can be developed from in-house skills and expertise using a range of service models, from one-off advice and consultancy through to establishing managed services overseas. Each model requires different resources, has different benefits for the purchaser, end-user and health economy of your trading partner, and involves different risks.

Identifying and managing risk is key to a successful international venture. At each stage in the journey organisations need to develop a deeper understanding of the strategic, clinical, governance, financial, operational and legal risks involved and take steps to mitigate them.

Telling potential customers about the specific services you can offer is crucial. Websites and brochures focusing on your organisation's international offers are highly effective marketing tools.

Working with a local delivery partner can be an effective route to market. A series of up-front questions can help you decide whether and with whom you should go into partnership and reduce possible wasted effort.

Building relationships and trust with potential customers is essential to successful and sustainable commercial partnerships. Meeting potential customers when they visit the UK is cost-effective, but you will often need to make several overseas trips before winning business.

As with any commercial venture, each opportunity should be evaluated thoroughly in terms of commercial viability and risk. It is important to be clear from the start about the level of costs involved in developing a commercial relationship or making proposals, the up-front finance and capital required if successful, and a potential exit strategy or options.

Overseas customers will often have a problem to solve, rather than a specification. To pitch an offer successfully you need to articulate it as a solution rather than an 'off the shelf' product.

There are a range of financing options for international activity. If discretionary funds are not available, commercial finance and investments can be considered. NHS organisations could also consider partnering with commercial organisations to share costs and risks as well as insure against late or failed payments.

The quality or extent of NHS services should under no circumstances be compromised by the sharing of NHS expertise abroad. Healthcare UK will help NHS organisations develop their capacity and capability to operate internationally. This can lead to better patient care in the UK. International revenue can be reinvested in innovation and improvement in the UK and an international presence provides opportunities for staff development and recruitment and experience in delivering services to diverse populations.

Healthcare UK regularly supports overseas officials and new businesses to visit the UK and learn more about the NHS, as well as running regular missions to meet partners and customers in our priority markets. These missions are often led by senior government officials or ministers, who are accompanied by UK organisations looking to explore opportunities first-hand.

The case for NHS international activity

Case study

Moorfields Eye Hospital Dubai

Moorfields Eye Hospital Dubai is the first overseas branch of Moorfields Eye Hospital London, the oldest and one of the largest centres for ophthalmic treatment, teaching and research in the world. Moorfields brings over 200 years of specialist eye care to the UAE.

Opened in 2007, Moorfields Dubai provides day case surgery and outpatient diagnostic and treatment services for most surgical and non-surgical eye conditions. Moorfields has a team of resident ophthalmic professionals permanently based in the Middle East to maintain the quality and consistency of care. Since opening the purpose-built hospital, Moorfields has treated more than 30,000 patients from the UAE and wider Middle East. It also conducts research and teaching programmes and partners with local organisations on initiatives such as vision screening and diabetes awareness campaigns.

Sharing UK and NHS expertise is one of the best ways in which the UK can help individual people overseas.

Fragmented models of delivery in high-growth economies are increasingly recognised as unsustainable in the face of increasing demand, rising expectations and the growing prevalence of long-term conditions. Our trading partners are moving from heavy investment in infrastructure towards healthcare solutions that increase quality, efficiency and outcomes within the system.

These countries are increasingly open to, and willing to pay for, international expertise to help them 'leapfrog' in the development of their own health systems, and there is growing awareness of the systemic cohesion, clinical quality and value for money that the NHS system provides in comparison with other international models. The NHS is often at the forefront of overseas partners' minds.

Revenue generated from international sources can alleviate pressure on budgets and be reinvested in innovation and improvement within the UK. This will improve the quality of domestic services and ensure that the NHS continues to be a world leader in the future.

Operating internationally will give NHS organisations a larger footprint in the global health labour market, increasing the availability of highly trained staff and bringing benefits to both the UK and partner institutions.

Experience in providing services for overseas patients and populations can also improve the delivery of services to diverse patients within the UK.

The health and care sector accounts for nearly 10% of GDP but under-contributes to economic growth. The ambition is for the health sector to contribute to growth in a similar way as the education sector, which generates £17 billion per annum in export revenue but accounts for only 5% of GDP.

	UK	CHE	SWE	AUS	GER	NED	NOR	NZ	FRA	CAN	US
Overall ranking (2013)	1	2	3	4	5	5	7	7	9	10	11
Quality Care	1	3	10	2	7	5	11	4	8	9	5
Effective Care	1	8	10	4	6	5	11	2	9	7	3
Safe Care	1	4	5	3	6	7	11	9	2	10	7
Co-ordinated Care	1	3	11	4	10	5	7	2	9	8	6
Patient-Centred Care	1	2	9	5	7	3	11	6	10	8	4
Access	1	2	4	8	2	4	6	7	11	9	9
Cost-Related Problem	1	7	1	9	4	8	3	6	10	5	11
Timeliness of Care	3	1	9	6	4	2	8	7	10	11	5
Efficiency	1	6	2	4	9	7	4	3	8	10	11
Equity	2	2	1	5	4	8	6	10	7	9	11
Healthy Lives	10	3	2	4	7	5	6	9	1	8	11
Health Expenditures/ Capita 2011*	\$3,405	\$5,643	\$3,925	\$3,800	\$4,495	\$5,099	\$5,669	\$3,182	\$4,118	\$4,522	\$8,508

* Expenditures shown in \$US PPP (purchasing power parity): Australian \$ data are from 2010. Adapted from Mirror, Mirror on the Wall, 2014 Update. How the U.S Health Care System Compares Internationally. Davis, Stremikis, Squires and Schoen. The Commonwealth Fund 2014.

Why engage in international activity?

The five 'R's

Reputation: international activity enhances the global reputation of your organisation and the NHS.

Revenue: income generated from international sources can alleviate pressure on budgets and be reinvested in innovation and improvement with the UK. This will improve the quality of domestic services and ensure that the NHS continues to be a world leader in the future.

Research and learning: experience in providing services for overseas patients and populations can also improve the delivery of services to diverse patients within the UK. Staff can learn a lot from overseas work; and more formal research partnerships can contribute to breakthroughs in healthcare delivery.

Recruitment and retention: operating internationally will give your organisation a larger footprint in the global health labour market, increasing the availability of highly trained staff and bringing benefits to both the UK and partner institutions.

Offering staff the potential for overseas experience also aids staff recruitment and retention within the UK's competitive labour market.

Reach: the NHS is one of the best health systems in the world. Sharing your expertise internationally ensures that a greater number of people benefit from access to world-class healthcare and means that the values and quality associated with the NHS have a global reach.

Underlying principles of NHS international activity

Under no circumstances should the quality or extent of NHS services be compromised by the sharing of NHS expertise abroad.

The core purpose of sharing expertise internationally is to generate additional financial resources to reinvest in improvements and innovations to benefit patients in the UK.

NHS organisations must abide by UK and international law and uphold the values of the UK and the NHS at all times, while making the necessary allowances for cultural sensitivity and respect for local practice. The NHS 'brand' is held in extremely high esteem across the world and by participating in international activity the NHS acts as an ambassador for the UK. It is of utmost importance to protect and promote the reputation of the NHS and the UK at all times.



Case study

World-class clinical services in Dubai: King's College Hospital, London

King's College Hospital is developing a multi-disciplinary hospital and several day care clinics in Dubai in partnership with Ashmore Group Plc and Al Tayer Group. After the successful launch of King's College Hospital's flagship Abu Dhabi clinic, which recently celebrated its first anniversary and continues to grow its patient base, Dubai is set to become home to an 80-100-bed world-class hospital facility and several clinics which will all be fully integrated with King's College Hospital's facilities in London. King's College Hospital Dubai will be located in the premium community of 'Dubai Hills'.

The first of the facilities to open their doors will be a number of clinics towards the end of 2016 and in 2017, in prime locations across Dubai. This will be followed by the 80-100-bed multi-speciality hospital scheduled to open in 2018. The hospital will offer four main specialties - Paediatrics, Endocrinology, Orthopaedics and Obstetrics and Gynaecology - as well as other acute and general medical services.

In line with the existing operating model of the Abu Dhabi clinic, all staff and services will be fully integrated with King's College Hospital in London to ensure provision of quality, evidence-based healthcare to the UAE and regional population, with a significant proportion of experienced clinicians joining King's College Hospital Dubai from the UK.

Kick-starting your international activity

This section provides best practice, hints and tips for achieving successful and sustainable international revenue streams.

The advice is structured into three key steps: creating an international strategy, developing a general service proposal, and marketing a healthcare solution. It also gives a high-level overview of the types of risks that should be considered throughout. The steps are not necessarily sequential and the boundaries are fluid, but consideration of these steps should provide a good foundation from which to begin.

Key steps:

1. creating an international strategy
2. developing a general service proposal
3. marketing a healthcare solution

Step 1: creating an international strategy

NHS organisations that have experienced success in their international activities have often enjoyed formal support from their board.

It is highly recommended that your organisation develops an international strategy, which sets out the vision for your organisation's involvement in overseas activity over one to five years and is endorsed by the board.

The first step in developing this strategy should be to take stock of the international activity that your organisation is already undertaking, whether commercial or philanthropic in nature.

For example, clinicians may have research and development links to international institutions, charitable healthcare links to developing countries, or have familial or professional contacts within healthcare providers.

You should then think about what you do well as an organisation and whether you would like to build an international reputation in this area. An understanding of what you are already doing internationally and what you are good at domestically can then be used as a basis upon which to build your international activities.

For a wealth of information and advice to help you start, grow or accelerate your international activity, visit www.greatbusiness.gov.uk

Once you have an understanding of the services which your organisation might look to internationalise, it is vital that you start thinking about the potential opportunities. The lack of a specific customer or request for your services should not deter you at this stage; but you should begin thinking about potential markets and demand as early as possible, to ensure best use of any time invested in developing a strategy.

As a minimum, an NHS international strategy would typically, contain the following:

- an exploration of the drivers (financial, philanthropic, reputational or otherwise) and the principles upon which your organisation will engage in international activity
- a high-level outline of the types of international services that your organisation will seek to provide, including analysis of the comparative strengths and weaknesses of your organisation compared to other UK or global providers
- clarity on who is responsible for governance, oversight and delivery of the strategy and the safeguards that are in place to assure quality and minimise risk
- the level, type and amount of resources available for each of these activities
- a decision on which target markets and patient groups to focus on, including any restrictions or limitations
- a series of high-level, ambitious activities, objectives or milestones aimed at the realisation of the international strategy, including timeframes or deadlines for achievement.

Your international strategy can then underpin all international activity and provide a framework against which individual international opportunities can be considered and evaluated.

For support in developing your international strategy, contact Healthcare UK at healthcare.uk@trade.gsi.gov.uk

Step 2: developing a general service proposal

Potential service models:

Delivering services remotely from the UK

Providing services to international customers in the UK

Consultancy and professional services

Joint ventures, licensing and franchising

There are many ways that NHS organisations can deliver services to overseas providers, ranging from one-off advice and consultancy, training and development programmes, establishing and delivering a clinical service to patients directly in an overseas market, or providing operational and managerial oversight.

Each model of service delivery has implications in terms of the level of resource and risk involved, and will have different benefits to the purchaser, end-user and health economy of your trading partner.

An international strategy should provide enough direction to create one or more high-level service proposals, outlining the services you would like to deliver in overseas markets. Healthcare UK can provide advice and support as you develop your proposals and begin to promote your services to potential overseas customers by adding your offer to our register of UK services that are available internationally, as soon as you feel ready. We use this register to react to specific requests for services from overseas customers, and to familiarise potential customers with what the UK has to offer, through our staff in overseas Embassies and High Commissions.

There are a range of potential service models that NHS organisations might consider deploying to generate revenue from outside the UK.



Multidisciplinary teams from Qatar and St Thomas' learning emergency ECMO together

Case study

Supporting Hamad General Hospital Foundation Care Services with the introduction of ECMO: Guy's & St Thomas' NHS Foundation Trust

The Guy's & St Thomas' (GSTT) Intensive Care Unit offers a highly specialised extracorporeal membrane oxygenation (ECMO) national programme, which provides support for patients with severe cardio-respiratory failure. GSTT manage more than 100 adults with severe cardiac and respiratory failure every year, (making the programme one of the largest in the world) and provide ECMO for 20% of the UK, performing over 100 retrievals of the sickest patients by road, sea and air. The GSTT ECMO survival rate is consistently between 70% and 75%; one of the best in the world.

In 2013 the intensive care units of Hamad Medical Corporation (HMC) invited GSTT to form a partnership to develop an ECMO programme in Doha, Qatar. The creation of a severe respiratory failure centre, with an ability to provide ECMO, at Hamad General Hospital, was a significant undertaking requiring investment in both equipment and staff training. Together, GSTT and HMC developed a hybrid model of theory and practical training (both bedside and simulation) delivered in the UK and in Qatar. This was coupled with an appropriate governance structure, in line with international best practice, that was designed to work in the ground in Doha. The first patient with severe respiratory failure was admitted to the new centre in mid-2014, with GSTT providing an interim clinical support service both on the ground and long distance.

The Extracorporeal Life Support Organisation have classified the partnership as outstanding.

Step 2: developing a general service proposal

Delivering services remotely from the UK

Advances in communications technology and transportation are increasing connectivity across the globe. Many services can be delivered to overseas customers remotely from within the UK. Examples of services being delivered remotely include tele-consultations, remote diagnostics, screening and testing of samples, and distance learning.

The **advantages** of remote service provision include:

- services can often be provided with relatively little marginal cost or capital expenditure by making use of spare capacity within existing infrastructure, systems and services
- it is easier to ensure quality and regulatory compliance because the service is embedded within existing quality assurance and governance processes, and you are familiar with domestic requirements
- you can charge for services in GBP, avoiding issues of exchange rate fluctuation; and you can use existing finance and payment systems and models
- you can reach large volumes of customers across a wide geography and those receiving the service do not have to travel far to receive high-quality, cost-effective treatment.

The **disadvantages** of remote service provision include:

- quality of overseas technology and network connectivity can create limitations
- because the activity takes place in the UK, relatively little knowledge/skills are transferred to overseas professionals, limiting the benefit to the health system and economy of international partners.



Providing services to international customers within the UK

International customers are often prepared to travel to the UK to benefit from our world-class services, and this is often an attractive option for UK organisations. For example, you could invite international students to train within your organisation or convene a course for international delegates within the UK. Many hospitals have an existing private patient unit with capacity to increase the volume of international private patients.

Many of the advantages are similar to remote service provision, insofar as the set-up costs are relatively low compared to establishing services overseas.

It may be easier to ensure quality of delivery in the domestic setting, and you will generate your revenue in GBP. As with remote service provision, delivering services to international customers within the UK does relatively little to help our international partners improve the quality of their domestic health systems.

Case study

Supporting children with cancer in Kuwait: Great Ormond Street Hospital for Children NHS Foundation Trust

Great Ormond Street Hospital (GOSH) is renowned for its excellence in paediatric healthcare. The Kuwait Ministry of Health asked GOSH to set up a cancer treatment programme that would replicate the world-class clinical service provided in London. GOSH support includes:

- a 'visiting consultant' programme where GOSH consultants will provide clinical support and training at Kuwait's NBK Children's Hospital
- training and education modules leading to advanced nursing knowledge and stronger leadership/ management
- ongoing advice and remote support
- on-site attachments at GOSH enabling Kuwaiti staff to observe how GOSH works in practice
- clinical service reviews resulting in recommendations and support from GOSH for service improvement
- a diagnostic confirmation service.

Step 2: developing a general service proposal

Consultancy and professional services

There is potential for NHS organisations to generate international revenue through sharing know-how. Providing professional advice to purchasers and providers of healthcare in overseas markets is one way of doing this.

This might include:

- a baseline review or needs analysis of a system or service
- programme management
- strategic planning
- help with (re)design of clinical pathways or specific services
- any combination of these.

NHS organisations drawing on their direct experience of the delivery of clinical services have a potentially powerful consultancy proposition. Skills and experience in process consulting, gained through clinical and administrative redesign activity, can be commercialised and offered internationally.

However, many existing professional services organisations have international footprints, track records and proven methodologies to draw upon, as well as established relationships with key customers that position them to out-compete NHS organisations entering international markets for the first time.

For this reason, NHS organisations may wish to consider partnership with commercial entities whose market reach, business development capabilities and commercial expertise could enable them to leverage their own expertise. There is a robust commercial consultancy and professional service sector in the UK that can help you access the international market. You may already have worked with these organisations on domestic programmes and will therefore have good contacts. Care should be taken to ensure that any partnership is well balanced.

The **advantages** of delivering consultancy and professional services include:

- in many cases you will have the experience and intellectual property within your people and organisation to deliver these services, and other health systems are looking to the NHS for clinical, financial and operational lessons learnt
- you will likely have relatively good existing international networks from your clinical and managerial leaders, which represents a good way to access opportunities
- your risk exposure is comparatively low as long as you structure your contract and deliverables in a sensible way, drawing on professional advice as appropriate.

The **disadvantages** of delivering consultancy and professional services include:

- competition from existing professional services organisations in the UK and overseas
- exploring opportunities and developing proposals takes a significant amount of time. Certain markets expect needs analysis to be done pro-bono before paying for recommendations and implementation advice
- you will need to assess a suitable price point for your services in different markets
- revenue streams can be comparatively short-lived.

Step 2: developing a general service proposal

Joint ventures, licensing and franchising

In addition to providing professional advice, it is possible to generate longer-term revenues from making an active contribution to the delivery of your services in another country. There are a range of legal models through which this can be achieved involving partnering with a local entity.

There may be a variety of approaches available for commercial arrangements within a general agreement for partnership. The right business framework is critical to the success of the international expansion and local enterprise.

There is a great deal of flexibility in how a contract can be negotiated and how different needs may be satisfied. It is important to seek advice from a legal firm experienced in this and other areas of international work.

Directly providing managed healthcare services in overseas markets can bring significant rewards, but entails a degree of commitment of capital and resources which may prove prohibitive for many organisations. The exposure to risk is correspondingly greater than other available business models. Therefore, a partnership with a UK investor in overseas healthcare may be worth considering.

Joint ventures

Many international customers prefer the UK organisation to take an equity stake in the new local overseas business, which often signals a long-term commitment to the country and the opportunity. Certain countries have regulations preventing foreign ownership of local entities in the health sector, which prevents overseas organisations from owning a majority shareholding.

UK organisations can also form partnerships to develop and deliver international projects. These partnerships allow organisations to pool resources, share risk and bring together different skill-sets. Partnerships with private sector organisations can be an effective way of accessing capital.

Joint ventures should be approached with caution. They require initial cash or capital investments and agreements are usually very complex to negotiate (leading to high legal expenses). It is very hard to exit swiftly and retain the initial capital. Minority shareholders have relatively little control of the business, and dividend payments are taken from profit rather than revenue.

Nevertheless, it is possible to develop a highly profitable business through joint ventures.

Licensing

It is possible to license a local entity to provide your services in-market. A potential contract might include a combination of fees for:

- consultancy, initial scoping studies and other services
- licenses for intellectual property, including know-how, and use of brand names
- block contracts for pre-specified pieces of work
- fees for training courses and other services to be provided by the UK organisation
- clinical software
- use of regulatory and quality control packages
- innovative service models.

Appropriate licenses can be agreed whereby different services provided attract individual income streams over varying lengths of time and reflect different levels of UK input. However, licensors have less control over how the customer actually uses the intellectual property, brand or the know-how than franchisors.

Step 2: developing a general service proposal

Case study

Portsmouth Hospitals NHS Trust: franchising ALERT®

ALERT® is a flexible, multidisciplinary programme teaching healthcare staff how to anticipate, recognise and prevent critical illness at an early stage, offering them a structured, prioritised system of patient assessment and management. Portsmouth Hospitals NHS Trust has commercial franchise agreements for ALERT® in New Zealand, Australia, Ireland, the Netherlands, the USA, Sweden and Denmark.

NHS Innovations South East assisted with the commercialisation of ALERT®, prepared the business case and business model, protected the intellectual property in the UK, and undertook market research. It identified overseas partners and negotiated franchise agreements.

Franchising

Franchising is a more complex form of license but one which offers a comprehensive means to deliver a holistic service overseas or to grant rights to a local entity while maintaining strong controls over the local franchisee. Traditionally, a clear definition of how the services are to be provided comes in the form of a manual. The franchisor provides the manual and then monitors the franchisee's adherence to the manual.

Many forms of franchise agreement also include other rights for the franchisor such as control over key staff appointments or access to customer data. They can also contain obligations on the franchisee to undertake training and other quality control measures to ensure that the reputation of the franchisor's brand is not put at risk and that the services are delivered to a certain standard.

The franchisee usually pays an up-front fee for the grant of the franchise as well as other regular fees to the franchisor for services provided. Agreements can cater for both use of the franchisor's brand or 'white label' products and services (where the franchisee can use and grow their own brand with the confidence that the quality behind that brand is of the high standard of the franchisor).

UK organisations can maintain high levels of control of revenues and reduce financial risk, as no up-front investment is required and multiple franchises can run simultaneously. Writing the manual is an up-front cost but once this is done the manual can be used in multiple other contracts. The franchisor can exercise its exit clause if not satisfied with the quality of the service being delivered by the franchisee. Agreements can provide for a variety of fees paid by the franchisee including fees set as a proportion of turnover.

Step 3: marketing a healthcare solution

Once you have put in place an international strategy and have chosen to explore one or more service delivery or business models, you will be able to start refining your specific service proposal.

Developing marketing material:

- Do you need a delivery partner?
- Identifying opportunities
- Building relationships with potential customers
- Assessing client suitability
- Pitching your offer
- Assessing opportunities

Developing marketing material

In almost all cases, services available to international customers differ from the services provided within the UK. Ensuring that potential customers are aware of the specific services that they can access is essential.

Giving potential customers something tangible to take away from meetings is a good idea.

You should think about developing an international brochure, which outlines your organisation's credentials, your track record and your unique selling point, as well as the specific services you are able to offer internationally.

In articulating your track record, highlight any previous international activity, so that the customer understands that you can work in different healthcare systems and markets. The esteem in which the NHS is held across the world can act as the basis of your organisation's global unique selling point, but an association with the NHS brand will not be enough in itself to persuade a potential customer to buy your specific services. NHS organisations are not licensed to use the NHS logo in isolation when operating overseas but are free to use the NHS logo as part of the organisation's name. Use of the NHS title and image within an organisation's name conveys that the organisation's main purpose is to deliver healthcare for the NHS in the UK. It is therefore able to deliver services to high levels of quality and clinical standards. For example, you may label your overseas services in the following (non-exhaustive) ways:

- licensed to [overseas partner] by [NHS organisation]
- a joint venture between [NHS organisation] and [overseas partner]

Step 3: marketing a healthcare solution

It is recommended that you develop an international section on your website, which acts as an online brochure and can reach a wider audience. Potential customers will be able to access information from around the world, which allows you to promote your offer to interested parties with little marginal cost, once the website is complete. It is also worth considering whether social media could be used as a cost-effective method of marketing your services.

Country-specific Business Councils will often work with UKTI to support you to enter markets.

Where there is a language barrier to overcome, you should aim to make your international offer available in the language of your customer. At the very least, a translated summary should be made available. You should aim to ensure that an interpreter, fully conversant in healthcare/medical terminology is present at meetings.

Do you need a delivery partner?

Key considerations

You may decide that the best route to market in a particular country is by working with a local delivery partner. In some countries and sub-sectors, this is the only way to market. Business development resources are limited. It is therefore imperative that you ask the following key questions before proceeding:

- Can you deliver this opportunity to satisfactory risk levels without partnering with another organisation?
- Are you able to leverage the capabilities of a private sector partner to achieve scale overseas without impacting on your domestic service provision?
- Who is the right partner and what commercial relationship should you look to enter into?
 - options include one-off advice through to a long-term partnership agreement.
- How will partners use your brand?
- Use of your brand by a partner could affect your reputation.



Case study

NHS Leadership Academy in Partnership with KPMG UK

Working with the NHS Leadership Academy, KPMG UK formed and currently leads a consortium of consultants, UK and international academics, learning technology, design and marketing, and patient representation experts to successfully co-design and co-deliver the Elizabeth Garrett Anderson Programme (EGAP) and the Nye Bevan Programme (NBP); two of the largest healthcare professional leadership development programmes in the UK. The EGAP is a two year programme for clinical and non-clinical middle managers looking lead large-scale, complex projects, departments or services, whilst the NBP is a one year programme for clinical and non-clinical leaders aspiring to board level executive roles.

The programmes apply a number of innovative delivery methods blending on-line education using immersive scenario and simulation based learning and residential workshops. The experience is delivered via a bespoke "virtual campus" learning environment easily accessible via computers, tablets and smartphones, which is facilitating learning and networking. The programmes also innovative in terms of assessment with traditional academic assessment blended with peer assessment and assessment of participants' progress by NHS staff and patients.

Over 3,000 NHS staff have now undertaken the programmes and feedback has been exceptional. There has been global interest in the programmes and government and non-government organisations around the world are now interested in developing similar approaches and programmes for their own circumstances.

Step 3: marketing a healthcare solution

Identifying opportunities and building relationships with potential customers

Healthcare UK has in-market specialists in many of our priority countries, who identify and generate opportunities that are suited to UK capabilities. Using the Department for International Trade's network in over 100 countries, Healthcare UK can facilitate introductions to potential customers across the globe.

Healthcare UK acts as a central point of contact for overseas organisations and can help you build relationships with potential customers in a number of ways:

Inward visits

We recommend that NHS organisations take advantage of the numerous visitors who pass through the UK to learn from the NHS first-hand. This represents a cost-effective way to engage with overseas delegations to educate them about the NHS and service that you deliver domestically, as well as an opportunity to promote the services you can deliver internationally.

Outward missions

Healthcare UK runs a number of trade missions to each of our priority markets every year. These missions are usually led by a minister, a senior government official, or one of the Prime Minister's trade envoys, and they are an effective way to engage with senior decision makers in these markets. There is no substitute for meeting face-to-face with a potential customer and getting a feel for the environment in which your services will be delivered.

Twinning with organisations

Twinning arrangements with overseas organisations can allow you to build mutually beneficial and lasting relationships.

To keep up-to-date with business opportunities, visit www.exportingisgreat.gov.uk/opportunities

Memoranda of Understanding (MoU)

Healthcare UK facilitates government-to-government MoU, which act as an umbrella for UK organisations to engage with healthcare purchasers and providers in a particular institutional or geographic area. These agreements are legally non-binding but are a commitment by both parties to work together to address specific challenges.

Dialogue with potential customers will increase your understanding of the cultural context and healthcare environment within which you aim to operate, and the challenges that the customer is trying to overcome. You will develop a deeper understanding of the health issues and challenges that the country is facing; and therefore how your services can help the country, its people and its commercial potential.

Assessing client suitability

Key considerations

- Have you checked that you are not conflicted in working with the customer on this opportunity before a proposal is submitted, for example are there registered declarations of interest on your board?
- How well do you know the customer and do you know enough about how they work commercially and financially to trust that they will be able to pay you? For example, have you undertaken necessary financial due diligence and anti-money laundering checks?
- Do you have recognised and named customer managers within your organisation, who will lead projects and overall customer satisfaction?
- Do you know how you will price your services, whether this matches the customer's budget and will make you a profit?

For information on winning aid-funded business, visit www.gov.uk/aid-funded-business

UK Export Finance can provide guarantees to loans provided by a UK-based bank or provide funding directly to your overseas buyer to allow them to purchase your UK goods and services. www.gov.uk/uk-export-finance

Step 3: marketing a healthcare solution

Pitching your offer: Your offer should be succinct

Not all overseas purchasers of UK healthcare services have a well-defined set of requirements. Even public tenders and formal requests for proposals may be framed in terms of healthcare challenges to be overcome rather than narrowly defined solutions. Opportunities may equally well arise from introductions to potential customers who need support in finding potential solutions to less easily definable challenges.

You may wish to frame your proposal as the solution to a specific health or healthcare issue and offer a long-term commitment, rather than a discrete product or service.

To do so, you will need in-depth understanding of the context in which you intend to operate and the needs of your customer

Crucially, you will need to develop an understanding of the financial and commercial incentives within the existing system, and how your service will complement or disrupt these incentives. This requires a grasp of the return on investment that the purchaser of your service can expect, whether the purchaser is a government, healthcare provider or patient. This in turn will enable you to develop a proposal that clearly articulates the vision for your service and the benefits to both the purchaser and end-users (patients) within their specific healthcare system

Search the internet for 'Doing Business In...' to find sources of market information and intelligence.

Assessing opportunities

Each opportunity must be assessed on its own merits, for commercial viability and for risks. The following factors should be taken into consideration when making this assessment. They do not apply equally to each opportunity, nor is the sequence in which they appear chronological. However, they are all important considerations in assessing whether to proceed with any commercial endeavour.

- How well defined is the need?
- Is there a formal request for a proposal?
- What are the likely costs involved in bidding/developing a formal proposal, and up-front costs of delivery if the bid is successful?
 - ensure you consider separately the risks of bidding for and delivering on the contract
- Will you need to raise finance?
- Are there in-house discretionary funds available?
- How are these accessed?
- Will you need to look for commercial finance or loans?
- Could you seek investment?
- Will you require any customer(s) to pay a proportion of the fees up-front?
- Is the business model proposed the right one?
- Could the same financial/ service outcome be achieved with a lower level of risk?
- What is your exit strategy?
- Who are the competitors?
- Are they likely to bid? If not, why not?
- What will your pricing structure be and/or how will prices be set?
- Will you look for immediate profit or market penetration?
- How long could it take until a return on investment is achieved?

In addition to these questions, an in-depth consideration of the risks listed in the following section should be core to any assessment of whether to formally pitch or bid for a given opportunity. Once you have assessed the risks, you should seek approval from your board to proceed.



Bringing together the best of UK healthcare: UKIHMA

UK International Healthcare Management Association (UKIHMA) brings together NHS and commercial organisations working in the international health sector to jointly win work overseas. By combining the unique skills and international reputation of the NHS with the knowledge and experience of the private sector, UKIHMA offers an exciting vehicle for what is a large and growing market around the world. Working with Healthcare UK, UKIHMA identifies and shares opportunities with members, and helps to form and support partnerships for these opportunities.

With a broad membership base covering the skills needed to plan, design, build and run hospitals and primary care facilities, as well as supporting services such as clinical services quality assurance, technology, IT, commissioning, education and financial services, members can rapidly come together to create a consortium, and therefore offer a unique end-to-end solution for more complex opportunities. For NHS organisations, these consortia provide valuable support and expertise from private sector partners with a wealth of international experience.

In addition, UKIHMA can connect members with decision makers on major international projects, opening doors that may not be available to organisations working in isolation, and also host discussions between member organisations to facilitate the sharing of knowledge and ideas.



Identifying and managing risk

One of the key internal barriers cited by those with experience of exporting NHS services is an organisational lack of understanding of the risks involved. Prior to approving international activity, your board will want to be confident that you have considered and acted to mitigate the risks involved. At each of the stages throughout your international journey, you will need to develop a deeper understanding of the risks involved and potential controls and mitigation strategies for reducing risk. As a minimum, you should understand the key risks to your organisation relating to the following:

Strategic

How would the success or failure of international initiatives impact on your organisation's wider commercial strategy?

Clinical delivery

Are you able to effectively balance workforce requirements for clinical and managerial delivery outside of the NHS with day-to-day requirements for core clinical delivery for the NHS? Are you confident you can deliver a quality service to your overseas customers on an on-going basis?

Clinical governance

Do you have adequate understanding of how to manage clinical governance and responsibilities while providing services or advice overseas.

Do you understand accountability and potential penalties for individuals and organisations for clinical shortfalls?

Financial

What risks arise from financial liabilities relating to international activity? Have you considered how interest or exchange rate fluctuation might impact on profitability? Have steps been taken to understand the domestic and international tax requirements?

Regulatory and legal

Is there any current legislation or regulation that prevents you from delivering your intended service? Are the legal, policy and regulatory environments stable or likely to change in future? Have you identified organisations with which your organisation could share and mitigate the risk?

Reputational

How will your international activity be perceived by domestic stakeholder groups? What are the potential implications for your organisation's reputation domestically and internationally? How can these be managed?

Ethical

How might the delivery of healthcare outside of the UK differ from the ethical framework within which you operate in the UK? Have you considered and communicated any ethical 'red-lines' to potential customers?

Safety, security and resilience

Have you considered the likelihood of your staff encountering danger and taken appropriate steps to ensure their safety and security? Have you planned ways in which your services could be made more resilient to major disruptions?

A deep understanding of the risks associated with international activity under each of these broad headings will be necessary as you move towards consideration of specific opportunities and partnerships. At the very least you will need to invest time, which has an opportunity cost, and resources to develop the service proposition and build relationships with international customers.

Getting started

Within the next ten years, Healthcare UK aims to support all NHS organisations to develop the capacity and capability to engage in international commercial activity and to share the world-class skills and expertise that the NHS has developed over 66 years of delivering universal healthcare, free at the point of delivery to those in need.

Once you are clear about the international activity your organisation is already involved in, and you have an idea about the kinds of skills and expertise that you wish to provide internationally, Healthcare UK can help you to refine your international offer. We can link you with individual overseas opportunities and facilitate market access. We will help you find UK or overseas delivery partners and provide insights on political, cultural and commercial issues to put you in the best possible position to win international business.

Healthcare UK will help NHS organisations kick-start international commercial activity, maximising your chances of developing, or increasing, successful and sustainable international revenue streams.

Overseas demand for UK expertise

Healthcare UK has identified five aspects of healthcare where there is considerable demand overseas and the UK offers a depth of experience and innovative solutions. This demand related to current conditions within emerging markets. However, the opportunities to assist in improving the quality of healthcare in these countries will not last for ever.



Clinical services

The NHS has sophisticated, well developed, integrated clinical services. Primary care in the UK is recognised internationally as a leading service. It is based on a high-quality, multidisciplinary model designed to improve accessibility, sustainability and clinical outcomes. It is also a mode of delivery which is underdeveloped in many emerging economies, including Healthcare UK's priority markets.

Historically, NHS hospital and community services have been much admired for their consistent standards of care and expertise. There is a growing recognition that the care pathways being developed in the UK for non-communicable diseases such as diabetes and chronic heart disease offer high-quality outcomes for patients and value for money, especially when applied to large populations of patients.

Similarly, mental health services are very well developed and combine the latest diagnostic and treatment approaches with an ability to offer services at scale across whole communities. The NHS also has extensive experience in treating an increasingly elderly population, a new challenge now being faced by many of our markets.

Much of the international demand is for NHS assistance in developing and implementing the high-quality clinical services that UK patients have come to expect as standard. It is not necessary to be a world-leading, super-specialist hospital to develop international partnerships; each and every healthcare provider in the UK has something to offer which is in demand.



Education and training

The demand for high-quality health services is escalating worldwide, driving an expansion of the workforce with the appropriate skills. Training is a top priority in each of Healthcare UK's priority markets. The UK has an enviable clinical and medical education and training system. The UK is home to five of the world's top ten universities for clinical, pre-clinical and health subjects, producing excellent doctors, nurses and allied health professionals. We have world-class postgraduate and specialist training pathways and can provide high-quality leadership and management training.



Health systems development

Through developing and operating the NHS for more than 66 years, the UK has the know-how to partner with governments and providers to support the design and development of innovative, cost-effective and evidence-based models of healthcare delivery. The UK has one of the more advanced public health systems.

Strategic strengths include:

- public health promotion, protection, improvement, surveillance and screening
- epidemiology
- quality assurance and regulatory standards
- the development and control of drugs, vaccines and immunisation programmes.

The UK has an outstanding track record in early-stage and translational health research. It has been at the forefront of developing the systems and capacity for responding to major health incidents.



Digital health

The UK leads the way in many aspects of digital health, thanks to Britain's academic base, its visionary clinicians and policy makers, and support from the NHS through commissioning and delivery of services.

The UK's in-depth expertise includes the design and delivery of national and local electronic health records; the adoption of patient-centric care driven by tele-health and tele-care; the development of effective healthcare IT policies and standards; the creation of powerful population health analytics; and the ability to manage a complex supply chain while delivering regional and national digital healthcare programmes.



Infrastructure services

Many countries are embarking on major healthcare infrastructure developments, ranging from comprehensive state-of-the-art medical cities to front-line facilities for local communities. UK organisations are leaders in the financing, design, build, and operation of healthcare facilities.

There is demand for the NHS to assist with the operation of services in new-build projects, and subsequently to transfer knowledge and operations to local providers.

The UK is a pioneer in the design of advanced facilities and the integration of communications and information systems. The UK also leads in public-private partnerships, which enable the provision of efficient and cost-effective public services in modern facilities while reducing the financial risk to governments and healthcare providers.

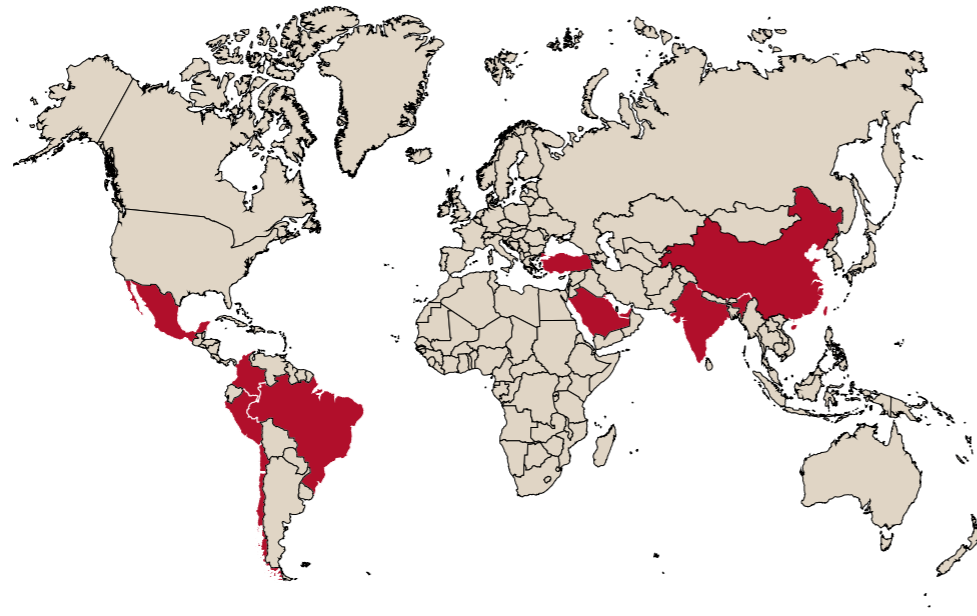
Priority markets

Healthcare UK focuses its activity in a number of priority markets, which are selected based on the size and scale of the opportunities, and the openness and receptiveness to provision of healthcare by UK organisations.

Each of these markets is experiencing significant investment aimed at improving the quality and coverage of healthcare for its citizens in areas where we believe the UK possesses strong capabilities.

Priority markets

China
India
Saudi Arabia
United Arab Emirates
Kuwait
Turkey
Brazil
Mexico
Columbia
Peru
Chile



Within these markets Healthcare UK aims to identify high value opportunities, with an accessible value of over £250 million for UK organisations. This figure is a cumulative total of contract values and not a single contract. NHS organisations can win business within this context by aiming to provide smaller parts of the project, joining consortia, becoming sub-contractors, and providing consultancy or expertise as part of the wider UK offer.

Healthcare UK also works in other markets; but there is a need to balance breadth of global coverage with the requirement to build strong relationships and develop in-depth knowledge of the healthcare ecosystem in each market. Healthcare UK can connect NHS organisations with Department for International Trade advisors in over 100 markets, who will introduce UK suppliers to opportunities wherever they exist.

Healthcare UK

Visit www.gov.uk/healthcareuk to join the conversation and subscribe to our blog

Healthcare UK helps to improve the health systems of our international partners by introducing them to the UK's world-class healthcare providers and solutions, which demonstrate value for money and facilitate the transfer of knowledge, skills and expertise.

The NHS International Development team within Healthcare UK exists to develop the capacity and capability of public sector healthcare providers to operate commercially internationally. We are developing a broad network of UK public sector healthcare organisations that are capable of delivering international health services. We are also listening to our NHS colleagues about how we can best support them to kick-start their export activity.

When NHS organisations are ready, we help them access leads and convert these into business success by:

- assisting NHS service providers to identify and match the potential needs of overseas purchasers and partners
- providing NHS organisations with an understanding of individual overseas opportunities
- catalysing the formation of consortia of UK organisations (NHS and other) to provide solutions to overseas healthcare challenges and opportunities
- helping NHS organisations to find local partners to facilitate market access
- providing insights on political, cultural and commercial drivers in target markets to enable NHS organisations to position themselves optimally
- helping NHS organisations navigate the negotiation and tender process effectively
- introducing NHS organisations to our network of Department for International Trade healthcare colleagues in overseas markets and to experienced International Trade Advisers in the UK

For further information contact us at healthcare.uk@trade.gsi.gov.uk



HealthcareUK

www.gov.uk/healthcareuk

Healthcare UK helps British healthcare providers to do more business overseas. We do this by promoting the UK healthcare sector to overseas markets and building strong links with overseas governments, businesses, healthcare providers and academia.

We connect these organisations with the unrivalled expertise of the NHS, the UK's thriving commercial healthcare industry and our world-renowned academic sector. We work with the NHS and other public sector bodies to strengthen the capacity to operate and succeed internationally.

As specialists in healthcare partnership working, we act as the bridge between international demand for healthcare service, systems and infrastructure and the rich pool of UK know-how and capability in these fields.

Disclaimer

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