



BLACK SWAN



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Experience:

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“Rarity, massive impact, and retrospective predictability” are the three characteristics of a Black swan event as described by Nassim Nicholas Taleb in his book by the same name.

Covid19 pandemic is a classic presentation. Rare, as we have not seen such an occurrence in our lifetimes. Massive impact, not only on Economic front, but also on the behavior of civilization. Post event, we all are going to wonder as to why we didn't see it coming.

The epicenter of this 'Black swan' is incidentally our domain, Healthcare. As in an earthquake, the shakeup at the epicenter is going to be the maximum. This is where the maximum disruption will happen, and this is where a radical approach will be required to rebuild in accordance with the New Normal.

When the lockdown opens gradually, our conditioned behaviors and organizations will look forward to claw back our pre-April 2020 statuses, little realizing that the tectonic plates have shifted. A surge of business and revenue may be released from the pressure cooker of long lockdown, but in all probability, it won't be more than a mirage.



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A crisis is the best time to plan for post crisis future. The palette to paint that canvas will have different colors of Economics, Politics, Society, Technology etc. A big game changer would be the shift in consumer behavior itself. At this point of time, visualizing the future would throw up more than one possible scenarios. It can be in form of threats to some established elements of business, or areas of platonic opportunities. An in-depth study of the existing business, the course it might take, associated processes, and preparation of change if warranted, will precipitate the probable recipe for conservation and growth of business enterprise. Some sample issues to be tackled may be:

- 1. Product Strategy** – Is the focus going to shift from lifestyle diseases (LD) to infectious diseases (ID)? How are you prepared to treat ID with LD, LD with ID, and both separately. What will be the economics associated with each of these? The resource allocation and its dynamism? The predictability of patient loads? The margins & viability? Do we know what new Product requirements will be thrown open? Will some of the products lose their sheen? All these and much more have to be brought to the drawing board once again.
- 2. Marketing Approach** - Will the expectation of consumers change? In which direction? Will the existing channels be as effective? What element of the brand will attract the patients now? How is the Payer dynamics going to change? How will the medical value travel market behave? A lot of new understanding and creativity will have to be brought in...probably segmenting boundaries shall change



- 3. Redefining Quality** – Infection control, barrier nursing, equipment deep sterilization. Will the costs of treatment increase on preventive measures? Will the protocols change? Will provider safety weigh in much more now? Will the quality consciousness seep into consumer behavior? A relook at all the manuals and SOP's may be offing now.
- 4. Human resource concerns** – Is being a healthcare worker a more hazardous job than before? Will a hazard premium ride over the manpower cost now? Will the complexion of employee mix have to be changed in a facility? Will employee behaviors change? A complex query right now but will have a major impact on how the healthcare is delivered in the country, and the world.
- 5. Supply chain Challenges** - Will the economic slump create disruption in healthcare supplies as well? Will the import geographies change? How will the costs workout? What will be the impact on lead times? How the inventories have to be maneuvered and managed? The effect of external dynamics and changed internal requirements is going to see a major change in the times to come.
- 6. Capital Deployment** - will this crisis give birth to new opportunities? When and how these opportunities can be invested in? How will they align with my current business? In an absence of precedence, how an investment case can be made out of these opportunities? The foundation of some of the great businesses was laid at the times of worst crisis. This time it may be no different.



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- 7. Infrastructural re-alignments** - Is the healthcare entity set to reverse from sum-of-parts to a parts-of-a-whole delivery mechanism? How will it play out in managing efficiencies and optimizing operations? Do we have to redesign infrastructure consequent to altered processes? Will the technology deployment have to be redistributed? Will “Medical Distancing” be a technical adaptation of social distancing? The design of services, if altered, will push for optimizations through infrastructural re-adjustments.

These are only a sample for demonstrating the need of re-assessment, the time to go to the Drawing board once again. In Healthcare domain, there would be an endless list. This is the time for using experience , acumen and farsightedness to build near probable scenarios, re-shape your businesses, look for emerging opportunities, and jumpstart your journeys again.

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