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*Author*

*The Handbook of Medical Tourism Program Development*

# Growth Matrix Analysis for Medical Tourism

**MEDICAL TOURISM MONOGRAPHS™**  
From Maria Todd

USA \$4.95

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Keywords: *#MedicalTourism #HealthTravel #MedicalTravel  
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## *Handbook of Medical Tourism Program Development*

Developing Globally Integrated Health Systems



**Maria K. Todd**

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**Growth matrix analysis in medical tourism is used by strategic management and includes four marketing strategies in order to enable economic growth of medical tourism hospitals and clinics.**

	PRODUCTS		
MARKETS		EXISTING PRODUCTS	NEW PRODUCTS
EXISTING MARKETS		MARKET PENETRATION	PRODUCT DEVELOPMENT
NEW MARKETS		MARKET DEVELOPMENT	DIVERSIFICATION

**What is it?** Growth matrix analysis is part of a company's application of strategic management that attributes the profitability of the company to their business fields and products.

**How is it used?** To reach their goals of economic growth, medical tourism hospitals and clinics must increase market sales or contest new markets.

The **four forces** that define marketing strategies are:

1. market penetration (increase of market sales)
2. market development (create new market segments)
3. product development and
4. diversification (i.e., joint ventures).

Each strategy includes varying growth potentials as well as risks which can be determined by using the Growth Matrix. But it doesn't end there.

Few medical tourism consultants explain HOW to use this data and implement the strategy in general terms appropriate for class discussion because they either never tried this approach or never heard of it.

Maria Todd shares this method with clients and Master Class participants around the world in the context of their medical tourism destination, situation, goals and objectives. Not every supplier or facilitator firm has identical goals and objectives for their business.

To begin, one must have detailed information on the market and product types to illustrate market penetrations and interconnections. Part of this is Proof of Concept (POC) but it comes from each facilitator firm or hospital or clinic or practitioner. It doesn't come from the consultant. The consultant works as a guide to bring to life the business concept and fill in gaps in knowledge, experience, and best practices to arrive at the destination of the business owner.

Health and wellness tourism stakeholder suppliers including hospitals, clinics, physicians, dentists, rehab centers, hoteliers and spa operators interested in growing their medical tourism and joint-venture potential often arrive at their first meeting with Maria with an inability to articulate objectives of what they want to achieve and a timeline and trajectory to do so.

In many instances, they cannot even complete a client brief. Hiring a consultant to share their business concept means that the consultant is developing the business concept; not the client. This brings about risk that the client will be given a commodity approach with a "one size fits all" formula that the client may be unprepared or incompetent to execute. Or worse, not passionate and dedicated to the concept.

Professional consultants have and can share technical checklists that clients and workshop participants can implement immediately upon return to their facilities and gather resources to enable clients to take home the framework and put it to use to design their unique business concept and approach for health and wellness business startup, product design, and area of specialization on their own. They tap the consultant for assistance as needed to accelerate the learning curve and avoid mistakes.

## How Growth Matrix Helps a Medical Tourism Business Owner

If a medical tourism hospital or clinic has regional or international market growth as a goal, then they can see which of the basic strategies are assigned in the matrix. Illustratively, the strategy can be determined between selecting a recommended growth strategy (area of capital commitment, fields at the top right) for each business unit or an offensive or defensive strategy, or zones of selective strategies.

To be ready to use this Matrix, you must have completed the research to be able to replace placeholders with your own business units. The assessment of these units is done via separate weighting matrices in which they will be judged on the criteria of the individual dimensions of relative market attractiveness and competitive strength. Then you can use the analysis to gradually implement the growth matrix analysis for your medical tourism business development.

Igor Ansoff was the author who was credited with publishing the growth matrix in 1957.

**The business owner, not the consultant, must decide on which growth strategy to choose.**

**Market Penetration.** The first quadrant in the matrix is market penetration. It is often adopted as a strategy when the organization has an existing product with a known market and needs a growth strategy within that market. In medical tourism, selecting a source market to penetrate takes research and courage. The tendency of most beginner is to "broadcast and hope" someone notices. Competition in medical tourism is intense. This means that in order to grow, the supplier must have more than empty beds and excess capacity to sell the way that they sell to local patients. They may need to do more than announce availability and advertise prices to increase market share. They will need a target and to know

the target, its pain points, challenges, other options, and desires.

**Market Development.** Market development is the second market growth strategy in the matrix. This strategy is used when the hospital, clinic, health resort, hot spring, or clinician or facilitator firm targets a new market with existing products. Excess capacity is not a “product”. A product has a design, packaging, and fills a market need.

There are several examples. When a medical supplier decides to enter the international market for the purpose of expansion, they must first invest time and money to research the markets they believe will be most receptive to their new international product. Many mistakenly assume that their excess capacity is their product, and that buyers everywhere have the same needs as the people located in their hometown.

These “wantrepreneurs” attempt to expand their local brands across new global markets. Then they are surprised when their approach doesn’t gain traction. That’s too simplistic a view. People are more than just their medical problems. The best approach is one that entails expanding from a current market to another market where its product does not currently compete. That requires research. If you cannot afford or are unwilling to conduct the necessary research or hire an expert to gather the data and interpret it for you in exchange for their professional fee, stay on the porch with the little dogs.

**Product Development.** Product development in the matrix refers to hospitals and healthcare suppliers which have a good market share in an existing market and therefore might need to introduce new products for expansion and differentiation from other near market or same market suppliers.

Product development is needed when the hospital or clinic or surgery center has a fundamental good customer base and knows that the market for its existing product has reached saturation. In this case, the market penetration strategy is no longer practical. A new product development strategy that caters to the existing market is a better approach.

The new product doesn’t have to be a new surgery procedure. It can be a re-design of an existing product with more features, more amenities, a different price substantiated by different included elements and cost drivers. We test this with a knowledge of what the customer wants to buy or needs along a minimum viable product (“MVP”) strategy. Then we add or subtract features to achieve the right mix.

**Diversification.** The diversification strategy in the matrix applies when the product is completely new and is being introduced into a new market. At the most fundamental levels in medical tourism, this is difficult. That’s because anything totally new and unproven is regulated by pharmacotherapeutics and ethics committees, regulators, and clinical trials.

So in medical tourism, we look to bundling methods of packaging proven clinical approaches with a mix of amenities to create customer experiences. Health tourism is an experiential product that offers an unforgettable visitor experience. It is produced by combining carefully coordinated travel to a destination, an opportunity to enjoy the hospitality of its people, its culture and its history, the rest and rejuvenation of its accommodations, the unique flavors and recipes of local and regional gastronomy, and the precision and compassion its health services providers working collaboratively. Together, they produce the elements to create a unique visitor experience and story-telling value that will be shared for generations.

***Each destination can have diversification options while offering the same “technical” surgery or treatment or diagnostic service in a different place, by a different specialist, at a different price point.***

Are you ready to begin developing your matrix? Don’t hire any consultant until you first research each of the four elements of the matrix, put your ideas and the support of each option with the data and research you gathered. Then a consultant can start to sort through them with you and begin eliminating or expanding on what you started. Only then will this be your concept, your product and your target market.

You’ll save time and money and end up with a better outcome if you do.



# About the Author



Maria Todd specializes in health travel business strategy, market penetration and private sector and public sector advisory services and destination development.

As a healthcare management consultant, she leverages clinical, administrative, health law paralegal and health plan work experience to the benefits of her clients.

With decades of hands-on experience on strategic planning, go-to-market strategy, bundled pricing initiatives, and negotiating direct-with employer relationships, she works with hospitals, ASCs and medical groups on unique, innovative projects that boost brand recognition, positioning and drive revenues up.

She helps clients prepare for contracting with insurance plans and self-funded / self-insured employer health benefit plans through direct-deals between healthcare providers and plan administrators.

As the former CEO of Mercury Healthcare International, she recently downsized her firm to work independently as consultant to healthcare organizations. She's fearless, but seasoned when asked to implement new ideas and concepts. Now she has more time for projects that interest her and can usually make time for a quick call or a brief consultation.

Maria is the author of 20 internationally-published books on healthcare business administration covering managed care and physician employment contracting, physician-hospital-health plan integration, business development, and healthcare marketing. She's published thousands of blog articles and is frequently interviewed for industry journals, magazine & news media.

She holds 1 registered trademark, 22 copyrights, and a U.S. patent pending. She has presented 2900+ speaking engagements in 117 countries on a variety of healthcare business topics to improve revenues, quality and curtail risks. She loves teaching and shares insights, tools, tips and tactics with workshop participants.

Maria's favorite health tourism assignments focus on destination development and cultivating Centers of Excellence. She can bring value and accelerate program development and launch in any aspect of medical travel and health tourism business development.

She resides in St George, Utah with her husband and cats.

She is available to consult to healthcare organizations, self-funded employers, regulators, the media, the investor community, insurers, and pharma and medical device manufacturers. Contact her at (800) 727.4160.

# CLIENT BRIEF *AskMariaTodd*<sup>TM</sup>

Do you have a short project you'd like to run past Maria Todd to request a little help? Please complete this brief questionnaire and send it to Maria@MariaTodd.com or call +1 (800) 727.4160.

NAME:

TITLE:

ORGANIZATION:

LOCATION:

EMAIL:

TELEPHONE:

## **I would like to discuss:**

- Medical Tourism Department Development
- Medical Tourism Package Development
- Medical Tourism Marketing Strategy
- Getting New Contracts with Payers
- Source Market Targeting Strategies
- U.S. Domestic Medical Tourism Development
- International Insurance Contracting
- Help to Review International Insurance Contracts
- International Insurance Contract Readiness
- International Contract Negotiation Assistance
- International Insurance Collections
- Denied Claims Appeals
- Package Pricing Assistance
- Direct-with-Employer Contracts
- Delegated Credentialing Agreement
- Medical Tourism Facilitator Contracts
- Accreditation / Re-Accreditation Guidance
- Medical Tourism Destination Marketing and Branding
- Medical Tourism Cluster Development
- Medical Tourism Staff Training
- Other: \_\_\_\_\_

## **I am:**

- Ready to engage your assistance
- Shopping for a consultant

## **This project is:**

- One-time only
- Ongoing
- Intermittent, as needed

## **I prefer to work with you**

- in-person at your location
- In-person at my location
- Remotely as much as possible

**State date:** \_\_\_\_\_

## **PLEASE NOTE:**

- I do not refer patients to medical tourism facilities or practitioners.
- I work exclusively B2B client practitioners, facilities, facilitators, software designers, pharma, hospitality, airlines, travel agents, investors, insurers, employers, and government authorities and ancillary services providers.

**My policy:** I offer a complimentary 15-minute introductory discussion to discover how I may be able to help you. Afterward, for advice and quick consults, I charge for my time in 15-minute increments. If travel is required, I charge actual expenses and bill daily flat rates.