

## CASE STUDY

Healthcare

### Assessment of Service Contracts in India for Imaging and Ultrasound



## About the client

The client is a leading provider of medical technology and digital solutions. With over 100 years of experience in the Indian healthcare industry, they are committed to providing innovative and affordable solutions to help healthcare providers improve patient outcomes. Their offerings range from imaging systems, ultrasound machines, patient monitors, life support systems to digital health solutions. They also have a strong focus on research and development, working to develop new technologies to improve the diagnosis and treatment of diseases.



Founded in

1994



Revenue

USD 18,300 Mn



Assets

USD 27,500 Mn



Employees

54,361



## Objectives

The client, a subsidiary of a prominent American multinational conglomerate, partnered with Netscribes to conduct an extensive evaluation of service contracts associated with imaging modalities, ultrasound systems, and ventilator systems within the Indian market. The primary objectives were:

- Gain insights into customer perceptions regarding various entitlements offered by competitors in their service contracts across India
- Assess the service and pricing models provided by competitors for specific target equipments

Target equipment	CT - 3 models	MR - 2 models	Cathlab - 1 model
	Ultrasound - 2 models	Anesthesia and Ventilator - 1 model each	



# Approach and solution

To assist the firm with in-depth market insights, we deployed a meticulous two-pronged approach:



## 1. A comprehensive report of the target equipment was delivered. The key components of our solution included:

- We conducted a detailed comparative analysis of service contract prices and entitlements to provide a holistic view of the market landscape.
- We highlighted the inclination of customers towards additional services, particularly digital offerings, to understand evolving market trends.
- Factors influencing the decision-making process for contract purchases was investigated, providing valuable insights for strategic decision-making.
- To identify potential revenue streams we helped determine additional services for which customers were willing to invest more.
- Gaps in existing service contracts as well as the unmet needs and expectations in the market were identified.



## 2. Next, we conducted an in-depth primary research to accomplish the entire research.

- This included Computer-Assisted Telephone Interviews (CATI) with key stakeholders, including heads of biomed engineering and procurement.
- A total of 60 interviews were conducted, with interview durations ranging from 60 to 75 minutes, depending on respondent availability.
- The target groups encompassed mid and large-sized hospitals, diagnostic centers with over 100 footfalls per month, and industry experts.



# Results delivered

Our comprehensive report encompassed the following key outcomes:

## 1. By focusing on customer perspectives, contractual details, and benchmarking against the client's own contract to understand the competitive positioning, we developed a comparative analysis of contract price and entitlements:

- Detailed analysis for CT systems (16 slice, 32 slice, and 128 slice)
- Insights into MRI machines (1.5T and 3T)
- Evaluation of Cath Lab systems
- In-depth assessment of Ultrasound systems
- Examination of Ventilator systems

Service contracts' parameters – Priority level				
	Hospitals	Diagnostic centers	Biomed team	Procurement team
<b>COVERAGE</b> (parts & labour charges etc...)	Rank X	Rank X	Rank X	Rank X
<b>SERVICES</b> (maintenance, support etc...)	Rank X	Rank X	Rank X	Rank X
<b>ENTITLEMENTS</b> (uptime guarantee, quick response etc...)	Rank X	Rank X	Rank X	Rank X
<b>ADDITIONAL SERVICES/ENTITLEMENTS</b> (real time system monitoring, UPS coverage etc...)	Rank X	Rank X	Rank X	Rank X
<b>EASE OF DOING BUSINESS</b> (contract customization, renewal benefits etc...)	Rank X	Rank X	Rank X	Rank X
<b>PRICE/COST BENEFITS</b> (price discounts, value for money etc...)	<b>Rank X</b>	<b>Rank X</b>	<b>Rank X</b>	<b>Rank X</b>
<b>VALUE FOR MONEY</b> (for the price paid towards the contract)	Rank X	Rank X	Rank X	Rank X

*Priority index: 1-7 scale (Most important, 7 - Least important)*

*Sample size:*  
*Hospital – 40 respondents; Diagnostic centers – 18 respondents*  
*Biomed team – 14 respondents; Procurement team – 34 respondents*

## CT system (32 slice) service contracts - customer speaks

"We calculate the penalty on a quarterly basis for all our CT systems, based on the overall active hours minus the actual uptime provided. The difference is considered in the upcoming billing. Let's say we have 10 machines, and we expect 24 hours of active time so the total active time should be 240 hours. If one machine was down for 5 hours then the actual active time becomes 235 hours, and the downtime calculation will be made accordingly based on 98% promised uptime. This 5 hours will be adjusted as credit note in the next upcoming billing cycle."

- Procurement personnel, Hospital

"Need more and better services with less pricing options for CT systems, spares cost is really high and sometimes it is difficult to manage within allocated budget" - Procurement personnel, Hospital

"This time we did a five-year renewal for our CT systems, last time it was a three-year renewal. So, discount percentage was less last time, but this time we were able to negotiate and increase discount percentage by 7% year on year provided the parts coverage remain the same."

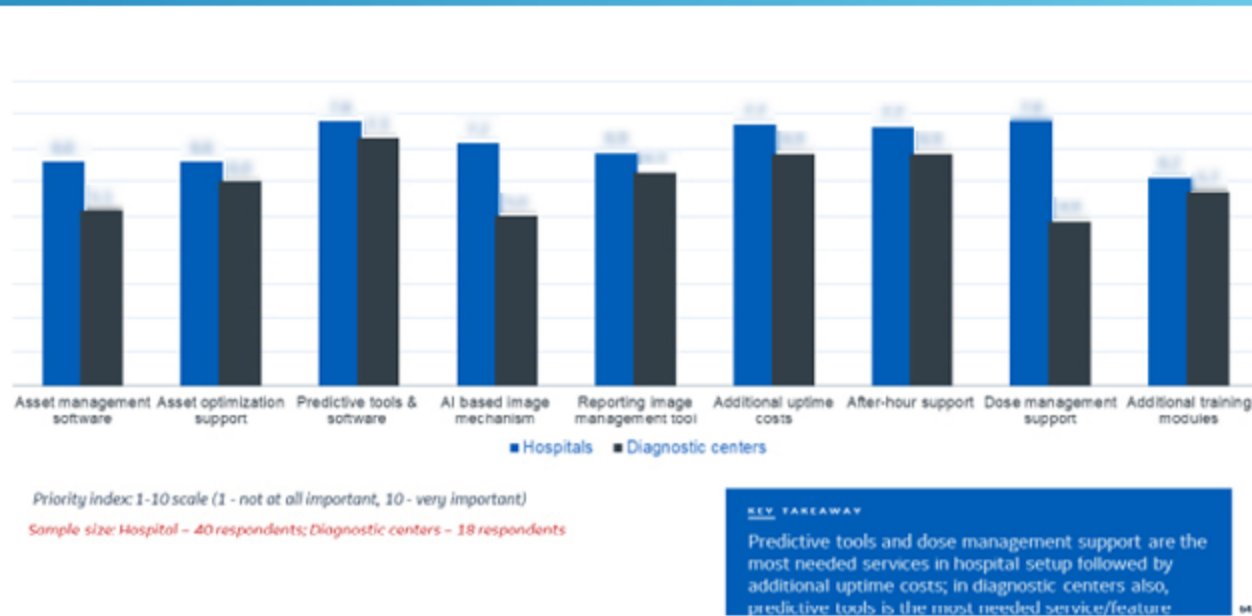
- Procurement personnel, Diagnostic center

"For CT systems, online trainings only. Earlier Siemens had a rate card for the type of trainings, and it was really costly but now they have given us certain number of free training hours and over and above that we have to pay" - Procurement personnel, Hospital

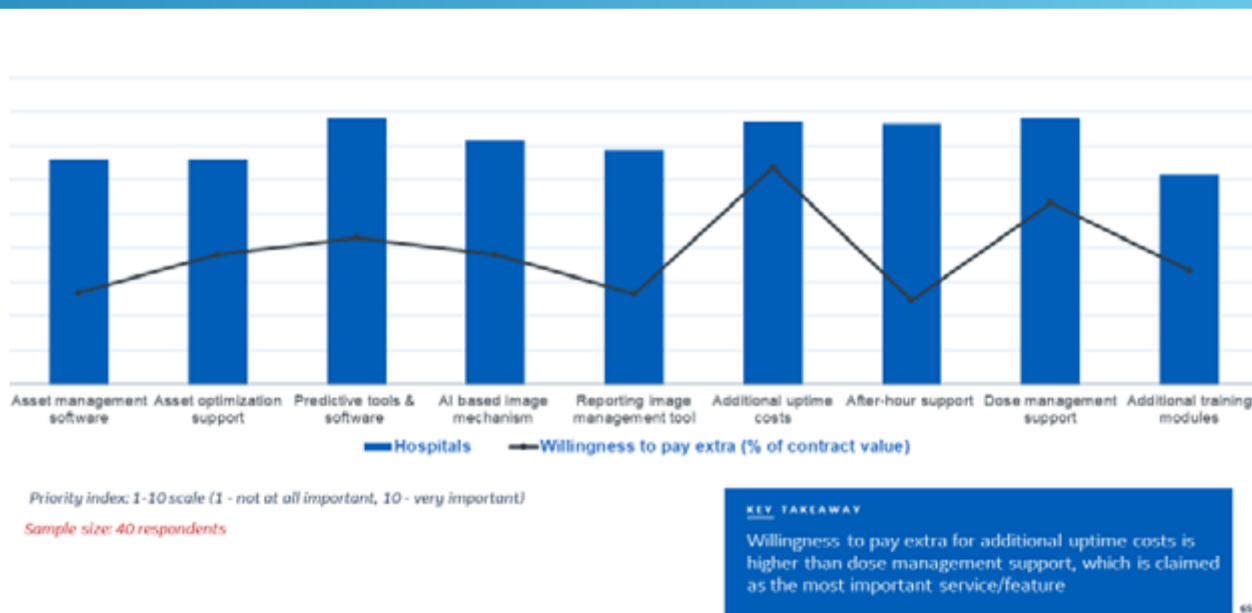
## 2. Propensity for additional services:

- An understanding of the market's inclination towards digital services and the potential for additional offerings was delivered.

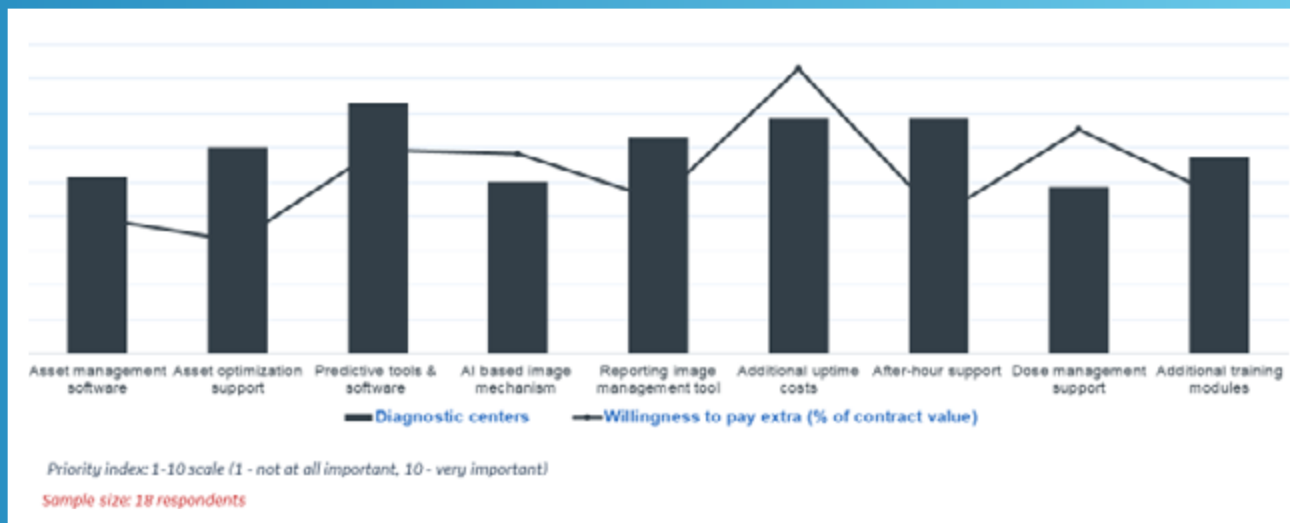
## Requirement of various additional features & services



## Additional features & services – Willingness to pay extra - Hospitals



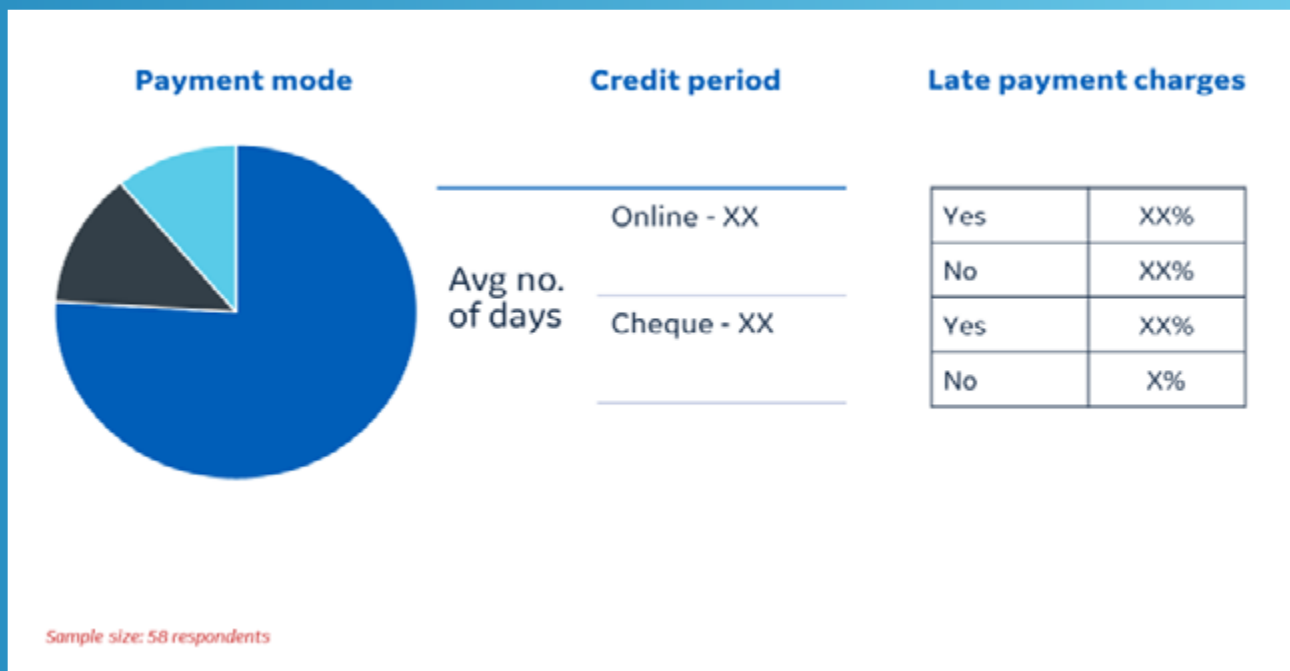
## Additional features & services – Willingness to pay extra – Diagnostic centers



### 3. Key factors influencing contract purchases:

- We provided valuable insights into the factors influencing decision-makers in the purchase of service contracts.

## Payment process



### 4. Experts' Inputs:

- We enriched the findings by integrating expert opinions and industry insights.





## Client benefit

Netscribes successfully delivered a comprehensive assessment, shedding light on market dynamics, customer preferences, and areas of improvement within service contracts for imaging modalities and ventilator systems in the Indian market. These insights enabled the firm to refine their offerings, strengthen competitive positioning, and drive strategic decision-making in the dynamic healthcare landscape.

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