

# ASSIGNMENT

## Managing Operations & Quality

### TOPIC

Operational Steps of CDCS to Client for Performing Feasibility Study to Set Up Hospital in Bangladesh

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## Introduction

Now-a-days, it is very difficult to sustain in the market with the business if there isn't any prior feasibility study. So, today, from small to heavy industry investors, everyone likes to have a feasibility study before taking final investment decision. To support them, there are some consulting organizations who prepare that market feasibility study for the investing company. The whole process of start to end follows some basic general steps, which will be discussed in the following report. Here, a market feasibility study of a hospital setup in Bangladesh done by a Bangladeshi consulting organization named Center for Development and Competitive Strategies (CDCS) will be discussed.

## About CDCS

CDCS, Center for Development and Competitive Strategies, is incorporated under the Companies Act 1994 with the Registrar of the Joint Stock Companies and Firms, Government of Bangladesh. It is operating as an independent private sector research and consulting firm since 2005. With its customized knowledge solutions, CDCS serves business enterprises, development organizations, market and non-market entities.

## Operational Steps

The whole process starts from communicating the client and ends at billing and other concluding tasks. Here 10 major stages of the entire process have been described. The whole process has been graphically shown in the following diagram in page 3.

### **Step 1: Communicating Clients**

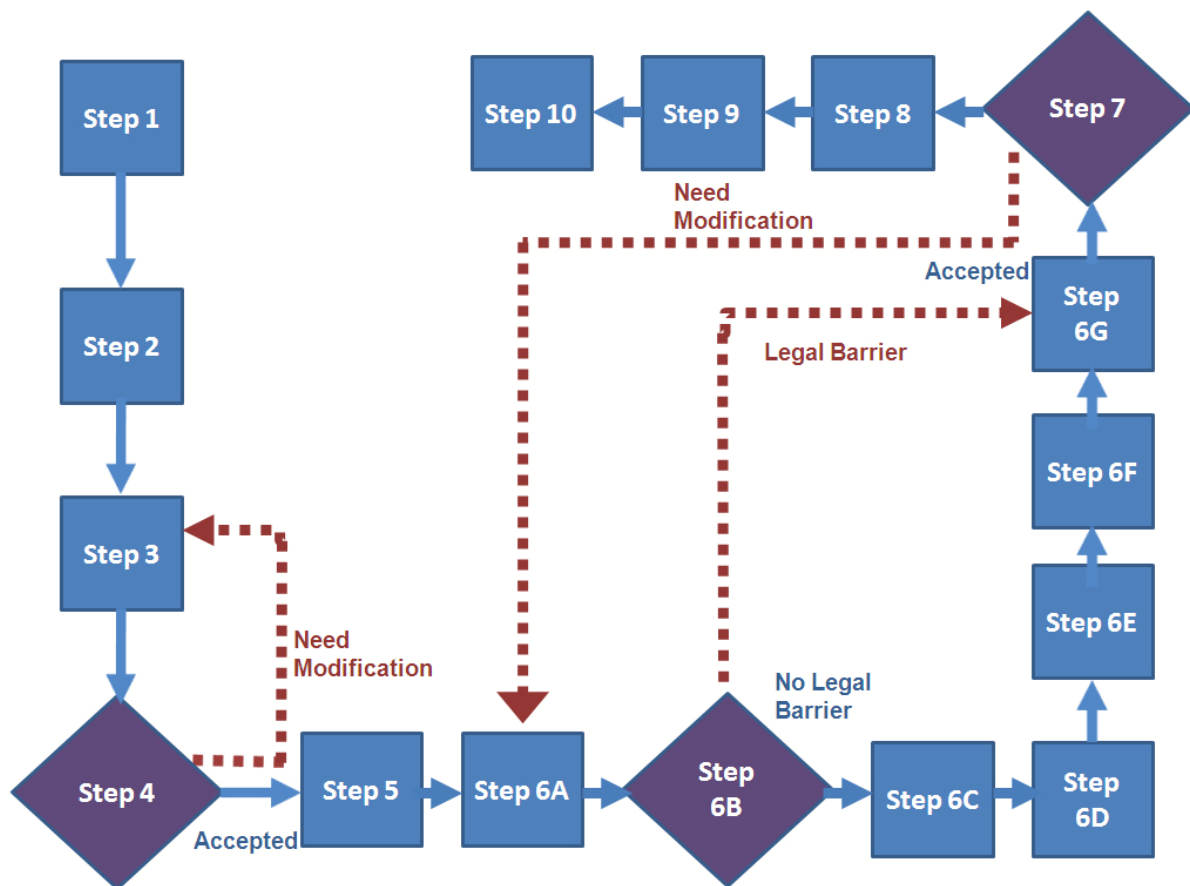
The entire process begins from here. The consulting company CDCS communicates with the prospective clients through many different ways; like: personal contact, direct marketing/door to door marketing, sending E-mail or by websites. Sometimes company get in touch with prospecting clients through various seminars & events arranged by the company on different topics.

## Step 2: Client's Approach

Before a formal approach, the client company tries to be informed about the capacity of the consulting organization. In this stage clients communicate with the consulting organization and provide an overview of the required study which includes the following basic questions:

- What Needed
- Why Needed
- When Needed

After that, client company asks for sending a formal proposal.



**Figure: Operational Steps**

## Step 3: Proposal Submission

Based on the client's requirement, the consulting organization submits the proposal which covers, details of the topics (what to study), timeline of the study and cost of study.

## Step 4: Client's Response on Proposal

After getting the formal proposal from CDCS, the client either completely accepts the proposal or requests for some changes. If any change takes place then again CDCS prepare proposal (Step 3) & sent to client.

## Step 5: Negotiation About Cost

In this stage negotiation about cost of doing study takes place with CDCS and parties like: client organization, other stakeholders (if there is/are) and other third party (if there is/are any).

## Step 6: Research Work

### Step 6A: Primary Study on The Sector

Based on information collected from internet, journals, books, newspapers and magazines, CDCS first perform a basic study. In case of hospital setup, the organization focuses on three major areas to have an overview on this sector. It includes 3 major areas to cover under the broad category, Healthcare Service Sector in Bangladesh. The 3 major areas are: healthcare services in Government, Private and NGO sector. It also covers the investment scenario in this sector. It covers an overall scenario on that particular issue based on existing data resources.

### Step 6B: Study on Legal Framework

It's a very crucial stage where the entire project's future may decided. Through field study and other secondary data CDCS investigate the legal feasibility of the investment on the particular sector. Through field study CDCS brings the result. CDCS seeks the question answer of,

- What are the documents required and how to collect those?
- Who are the related government and other regulatory bodies and what they do?
- Is there any government or non-government association, who are they?
- What are government policy regarding this sector?
- Is government providing any special benefit for this sector?
- What about tax? Any tax rebate issue?
- What are benefits in case of foreign investments?
- How fund of foreign companies or owner be transferred?

In contrary, CDCS also looks for the answer of,

- Is there any government embargo in that sector?
- Are there any legal barriers?
- Are there any legal barriers about foreign fund transfer?
- Is there any solution to overcome legal barriers?

Normally, from the experience it can be shared that, the major government parties involved in this sector are: City Corporation (for any city area), RJSC or Registrar of the Joint Stock and Companies, Bangladesh Board of Investment (for foreign investors), Ministry of Health and Directorate General's Office of Health Service.

If the legal barriers are too much and it is almost impossible to solve, then CDCS, suggest, NOT to go or the business and in that case with the consent of client organization, CDCS directly goes the last step of the study Step 6G and conclude the research study part.

In the current case, it has revealed that, Bangladesh government normally does not allow any solely foreign owned hospital to establish in this country.

### **Step 6C: Demand Side Study**

Demand side study is related to the study of market demand of the service and related scenario. In hospital setup project, CDCS will check out the diseases an injury that takes place in the country. This information majorly collected from different secondary sources.

### **Step 6D: Supply Side Study**

In another way it can also be defined as the competitors' study. For this project, CDCS will study the service status and availability of healthcare facilities which will cover: hospitals, clinics, doctors, private medical practitioners, available doctors and nurses, pharmacies, pharmaceuticals companies, students involved in medical study (majorly doctor and nurses) and so on. The whole health service sector can be majorly divided into 3 major areas, like: government owned, private owned and NGOs. As a part of the study CDCS analyze the related data through various statistical tools and graphs in both the previous and current step.

### **Step 6E: Other Areas to Consider**

Besides the regular study areas, sometimes some additional issues may need to be addressed. Here are the issues like, medical tourism, reason for patients going abroad, difficult in getting visas in required countries and analyzing related data. The study also involves to the study of patients' favorite countries to visit for medical

purpose and who are agencies to support this activity. These data are collected from various field interviews and secondary data sources. This study will help to understand how much necessary it is to have an international standard hospital in Bangladesh.

### **Step 6F: Price & Costing**

Service pricing and initial plant (hospital) setup is an important issue in ever business. So, as a vital part of the study, CDCS tries its level best to perform well in that sector. This part of the study includes two major parts.

They are,

- Price Survey of Healthcare Providers  
In this part, hospital charges, doctor's fees, cost of diagnostic tests etc. are surveyed.
- Hospital Setup Cost  
What are the costs involved to setup a hospital, what are major things required, stuffing cost et are covered in this area.

### **Step 6G: Conclusion & Future Research Agenda**

In the concluding part of the report, the consulting organization CDCS offers recommendations, concluding remarks and possible areas which may cover as the extension project of the study. The entire report generally gets full of data and besides that, the study also have a big portion of additional data kept in Appended part.

### **Step 7: Draft Submission**

After the study, CDCS submit the draft report to the client. If client organization accepts the complete report then it goes to next step or sometimes client may ask for some addition or deduction; and in that case based on requirement CDCS modifies the report where it is required. In the given figure, it has shown that, it goes to Step 6A.

### **Step 8: Preparation of Presentation**

Based on the report content a Power Point Presentation prepared by the consulting organization.

## Step 9: Report Presentation

After that, with the help of that Power Point Presentation, CDCS present the whole report to the client and other stake holders. CDCS also submit,

- Hard Copy of the Report
- Soft Copy of the Report
- Soft Copy of Power Point Presentation

Besides that, based on client's requirement, CDCS also provides necessary document along with the given stuffs.

## Step 10: Billing & Other Concluding Tasks

Officially this is the last step where full payment of the bill takes place and dialogue about further work on current project's extension or new project takes place.

## Conclusion

In this report it has tried to give a basic overview of the entire process which may be easy or complex based on the different situation, time limitation, availability of data and client's nature.