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Venturing into Asia Pacific

Hong Kong or Singapore?

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“Healthcare Informatics has not only become an integrated part of modern healthcare but has also **propagated** the entire industry into a new era of **efficiency** and it will continue to play a **vital role** in the quest of providing **quality** health services. The potential for Healthcare Informatics is colossal and the growth is right here in **Asia Pacific**.”

The above quote was written by me back in 2006 and to be honest, I think it still holds true, hence the motivation for authoring this introductory article – to help ehealth solution providers interested in venturing into the Asia Pacific market decide, where in Asia to establish their regional headquarters.

Before we continue, if you are an ehealth solution provider that has developed products and/or services tailored specifically for a particular market (e.g. South Korea), then this article is not meant for you - one should always open an office in the targeted market. However, if you are still in the process of figuring out and/or venturing into the Asia Pacific market, then please read on.

The Core Basics

There are countless articles available on the Internet on why Singapore and Hong Kong are the two best places in Asia Pacific to run a business in terms of; good infrastructure (e.g. electricity, fast internet access, housing, environment, transportation etc.), political stability, strong financial support (e.g. getting credit), ease in starting a business (getting the relevant paperwork done), stable and effective legal system (e.g. enforcing contracts), business friendly policies (e.g. low taxes), trading agreements (cross-border trading, including free trade agreements), local talent pool, expat friendliness, quality of life, vibrant lifestyles, cost of living etc.

We will not be re-examining such basic factors in this article since it does not bring additional value to you (one can easily find numerous articles on this subject via the Internet) and to be honest, both countries are really ‘on par’, the differences becomes obvious only when one examines the factors contextually to their own business model.

Hence, what we will be covering instead are topics localized to the realm of healthcare informatics solutions and how to determine the most suitable market(s) and which country to establish your regional headquarters.

The Common Sense

No article, no matter how robustly written, can tell you specifically where to setup your regional headquarters - because it is contextually driven. The following information serves to raise your awareness on the factors to be considered before making such an important decision, it is also strongly suggested that you make a few trips out to the countries of interest before actually establishing your regional headquarters.

The First Important Question

Asia Pacific is a big region, consisting of many different sub-regions, each with their own languages, cultures, currencies and idiosyncrasies. Which markets (sub-regions) are of interest to your company? For the convenience of this article we will classify Asia Pacific into the following sub-regions;

- ASEAN
 - Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam
- Greater China Region
 - Mainland China, Hong Kong, Macau and Taiwan
- ANZ
 - Australia and New Zealand
- South Korea
- Japan

If your answer is “all the above”, then I have some bad news – you are not ready for the Asia Pacific market (but all is not lost, contact us for professional advisory).

The reason why it is important to first uncover the markets of interest is that each market requires a different approach and for some markets like ASEAN and Greater China, the approaches can also differs greatly within that sub-region. Think about it, ASEAN consists of ten different countries, each with their languages, cultures, policies, currencies etc., or China. China requires one to adopt a different approach, depending on which part of the vast country one is trying to do business at.

The Second Important Question

In the first important question, we asked you to identify which market in the Asia Pacific region is your company interested in (it can be multiple markets). For the second important question, we are going to ask – are your products and/or solutions suitable for the targeted market?

It is one thing to desire for a targeted market but it is another thing when it comes to suitability. Let us examine a few factors;

1. Language, Contextual Translation

Language translation means more than just translating your solution from the original language (usually English) into another language, it is also being contextually relevant.

Take Mandarin (Chinese) for example, the written script comes in two flavors - Simplified Chinese and Traditional Chinese, both are used in the Greater China region. China uses the Simplified version while the rest of the countries in Greater China use the Traditional version. Now you might be thinking that this is a no-brainer, just translate your products to both versions.

Well, I hate to be the bearer of bad news, in addition to having a different written script, the medical vocabulary used in the countries of Greater China differs too. This is due to a variety of reasons, to name a few, top physicians in these countries receive training (e.g. fellowship) training from universities/ hospitals from different (western) countries, another reason is because the spoken variant of Mandarin is different between the countries (yes, even if the written version is the same script).

Hence if your target market is Greater China, then you will need to devote resources in ensuring that your products and/or solutions are at the very minimum, readable in the official language and Hong Kong would make a sensible choice as the regional headquarters of your company.

South Korea and Japan pose slightly less problems for translation work and of course, if your targeted market is the ANZ then there is no real problem, but how about ASEAN where there are ten countries, each with their own languages? Surely the challenges posed might be greater than the Greater China region.

On the contrary, many countries in ASEAN use English as a lingua franca so no translation is required; hence if the burden of translating your products and/or solutions is too heavy a burden, then the ASEAN and ANZ market is a much suitable option and should this be the option, then Singapore would make a much sensible choice as the regional headquarters of your company.

2. Clinical Differences

Companies interested in venturing into the Asia Pacific region are usually well-established in their home country / market(s), this means the products and/or services are well-developed to suit the clinical needs of their home country / market(s). The problem however, is the personas built into the products might not be performing the same roles and tasks in certain parts of Asia Pacific.

Take Nurses the example, the expected roles of Nurses differs greatly across the Asia Pacific, if your products and/or solution is designed on the assumption that Nurses performs certain key tasks (which may be the norm for your company back home) but the Nurses in your targeted market are not expected (nor trained) to perform these activities, chances are, you will not convince a potential hospital (let alone the targeted market) to change the roles of Nurses in order to adopt your products and/or services.

The same applies for physicians and specialists, cardiology is another good example. The roles of Interventional Cardiologist and Cardiothoracic Surgeons in China differs slightly from the USA, if your company is targeting the China market and the unique selling point of your products and/or solutions happens to fall in the segments where the roles are swapped between Cardiologist and Cardiothoracic Surgeons, the likelihood of market penetration just went down a little.

Personas are not the only segment to be assessed, the healthcare systems of the targeted market (in addition to other segments) needs to be taken into consideration.

Language, Contextual Translation and **Clinical Differences** are not the only factors to consider when determining if your products and/or solutions are suitable for targeted market, in fact, there eight other major factors that one needs to take into consideration.

After determining your product and/or solution's suitability for the targeted market, you would need to also be aware of the following before deciding if Singapore or Hong Kong is a better option for your company;

- What Markets can you access from Singapore?
- What markets can you access from Hong Kong?
- China versus Greater China - Is there even a co-relation?
- China– One Big Market or a Myriad of Markets?
- The ASEAN Economic Community (AEC)
- Guangxi and Relationship – Same Same but Different
- The importance of “Local Presence” (and strategies to overcome it)

If you are interested in finding out more about the above topics or would like to obtain professional help in;

- Market development into the Asia Pacific or it's sub-regions
- Strategic Planning including Marketing, Growth strategies, Go-To-Market strategies etc.
- Product development and/or localization for the Asia Pacific region
- Establishment of Thought-leadership and building of brands in the Asia Pacific region

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