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WHEN INNOVATION MEETS GROWTH



THE BUSINESS OF MEDTECH

Asia Is Not One Market. Why Do Western Healthcare Leaders Keep Treating It Like One?

By Gary J. Sagiv

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Asia Is Not One Market. Why Do Western Healthcare Leaders Keep Treating It Like One?

As I sit here in China, something has finally struck me. After more than 30 years of living, working and travelling across Asia, I am beginning to understand just how much I still have to learn.

I have lived in India and China and worked across nearly 30 other Asian countries, meeting hospital executives, physicians and distributors. I have negotiated deals, built partnerships, celebrated successes and made some expensive mistakes along the way.

And yet one lesson keeps coming back to me: Western healthcare and MedTech leaders continue to treat Asia as one market. It is not. Not even close.

I have been guilty of making assumptions myself. I thought that years of experience meant I understood how business was done. What I sometimes underestimated was the culture behind the decisions.

Japan is not Thailand. Vietnam is not Indonesia. Hong Kong is not Mongolia. China is not Bhutan. Each has its own healthcare system, business practices and expectations.

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A friendly meeting is not a purchase order

India taught me an expensive lesson.

I remember leaving hospital meetings convinced we had a deal. Physicians were enthusiastic, management was positive, and even the distributor was confident.

Then nothing happened. Emails went unanswered. Purchase orders never arrived. I had mistaken enthusiasm for commitment.

Sometimes people are simply being polite. Sometimes they genuinely like the technology but lack purchasing authority. And sometimes saying no is uncomfortable.

So I changed my approach. Instead of asking whether they liked the product, I started asking who controlled the budget, who made the final decision and what would happen next.

A meeting with a clear next step is worth more than a room full of compliments.

One product, three very different markets

In Thailand, I spent an entire day at a private hospital that was competing for international patients. Its management wanted to invest in advanced technology to differentiate its services.

The following day, I visited a public hospital treating significantly more patients. Its management recognised the same clinical benefits but faced very different procurement restrictions.

It was the same technology, in two hospitals, with two completely different commercial realities. I had to rethink my entire approach. One hospital was looking for a competitive advantage; the other needed a solution that could work within its procurement system. The same sales pitch simply would not work for both.

Vietnam, a country often overlooked by Western MedTech companies, has enormous patient volumes. But clinical need does not automatically translate into purchasing power. We quickly realised that demonstrating how our technology could increase treatment capacity was far more persuasive than discussing technical specifications. We changed our pitch (and lowered our price), and the results were excellent. Our local partner was instrumental in making that happen.

Indonesia is another market that Western companies frequently overlook. In my experience, it offers tremendous opportunities and some exceptional business partners. But selling equipment in Jakarta is one thing. Maintaining it, training clinicians and supplying consumables across thousands of islands is another.

Here, our approach focused on accessibility, reliable support and building a relationship with a trusted local partner. The right partnership can also create opportunities in neighbouring markets such as Malaysia and Myanmar.

The mistake Western companies repeatedly make is selling the same product using the same business model in fundamentally different markets.

We learned to adapt, and to change our financing, training, service and implementation strategies to reflect local realities.

Advanced hospitals can be your toughest customers

Singapore, Japan, China, South Korea and Hong Kong have sophisticated healthcare systems. But sophistication does not guarantee accessibility. Japan may require extensive evaluation and institutional consensus. In South Korea, reimbursement can determine commercial viability. In Hong Kong and China, an enthusiastic physician does not necessarily control purchasing decisions.

Even excellent international clinical evidence may not be enough. Hospitals may require local validation, economic justification or changes to existing clinical workflows.

Proving your technology works is only half the job. You must prove it works within the hospital's clinical and financial reality.

Mongolia: what does innovation really mean?

During COVID, I visited Mongolia under exceptional circumstances, when I was the only foreigner permitted to enter the country. I even had the opportunity to meet the country's Health Minister. The experience reinforced something our industry often overlooks.

In a country with vast distances and limited access to specialised healthcare outside major cities, portability, reliability and technical support may matter far more than sophisticated features.

Imagine two clinical devices. One offers advanced capabilities but requires highly trained operators and constant technical support. The other is simpler, portable and reliable enough to operate in smaller facilities.

Which delivers greater value?

Perhaps the most innovative device is not the one with the most features. It is the one that actually reaches the patient.

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Hospitals love innovation, until it requires change

Asian hospital executives love talking about innovation. It appears in strategic plans, conference presentations and annual reports. But implementing innovation often means retraining staff, changing workflows and challenging established practices.

I visited a private hospital in Nepal that had invested in impressive diagnostic equipment while continuing to use traditional rehabilitation methods. The contrast was striking. Investing in diagnostic technology strengthened an existing service, while introducing new rehabilitation technology would have meant changing how the department operated.

Hospitals often prefer technology that improves what they already do over technology that changes how they do it.

But MedTech companies are equally responsible.

We spend millions developing technology, obtaining regulatory approvals and demonstrating clinical benefits. Then we arrive expecting hospitals to recognise how brilliant our products are.

Why should they reorganise themselves around our technology? Instead, we should be asking what keeps hospital management awake at night.

Are rehabilitation departments overloaded? Are patients waiting nine months for sleep studies?

Are imported Western stents so expensive that hospitals avoid holding inventory and order them only when needed? Are stroke patients reaching hospitals within the critical treatment window for thrombolysis, or is an earlier warning and referral system needed?

These are real clinical, operational and commercial challenges.

Hospital CEOs want better outcomes, greater efficiency and financial sustainability. Physicians want clinical value without unnecessary complexity. And at the same time we are talking about AI, robotics and algorithms.

Perhaps hospitals are not rejecting innovation. Perhaps they are rejecting the additional problems that come with it.

The successful approach starts with understanding the hospital's problem, not demonstrating the product.

Asia doesn't need another MedTech sales pitch

Appointing a distributor, translating a presentation and adjusting prices is not a market-entry strategy. Nor does a hospital's enthusiasm for innovation mean it is prepared to adopt it.

Success in Asian MedTech is not necessarily about having the most advanced technology. It is about understanding the culture, the people and the problems well enough to make that technology work.

After more than 30 years, I am still learning. And perhaps that is Asia's most valuable lesson:

The moment you believe you understand Asia is probably the moment you are about to make your next expensive mistake.

And if you think understanding the market is difficult, wait until you try to understand why hospitals that desperately need innovation are so reluctant to adopt it. That is a story for my next article.

LET'S TALK

If you are trying to work out how to take your device into Asian markets, I would be glad to talk it through. Write to me at **gary@synergenmedtech.com** and tell me about your commercialization or international business development challenges. In the next article, I look at why hospitals that desperately need innovation can be so reluctant to adopt it.

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