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WHEN INNOVATION MEETS GROWTH



THE BUSINESS OF MEDTECH

Why Asian Hospitals Say They Want Innovation, Then Refuse to Adopt It

By Gary J. Sagiv

Synergen MedTech Consultants

International Business Development,
Commercialization & Strategic Advisory

synergenmedtech.com

gary@synergenmedtech.com

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Why Asian Hospitals Say They Want Innovation, Then Refuse to Adopt It

Over the past 30 years, I have sat across the table from hundreds of hospital executives, physicians and healthcare decision-makers throughout Asia.

One thing has always fascinated me.

Almost every hospital wants to be innovative. CEOs talk about digital transformation, AI, robotics and the latest medical technologies. Innovation appears in strategic plans, conference presentations and hospital websites.

But when someone actually arrives with a technology that could change how patients are treated, things suddenly become complicated.

The clinical team is interested. The department head is enthusiastic. Management agrees that the technology has potential.

And then comes the familiar sentence.

"We'll need to discuss this internally."

Sometimes that discussion takes months. Sometimes years. Sometimes it never happens.

So here is my question: If hospitals genuinely want innovation, why is introducing it so difficult?

Everyone wants innovation. Nobody wants the disruption.

I think part of the problem is that we confuse buying new technology with adopting innovation.

Buying a new MRI system, for example, may be a major financial decision. But the hospital already understands what an MRI does, who operates it, how patients are referred and, in many cases, how the service generates revenue.

Now introduce a technology that changes how a rehabilitation department treats patients.

Suddenly, the questions are different.

Who will operate it? Will the therapists need retraining? Does it change the number of patients treated each day? Who is responsible if something goes wrong? Will physicians refer patients? Does the hospital get paid for using it?

And perhaps the most important question, although it is rarely asked openly:

Who is going to take responsibility for making this change happen?

A technology can be clinically excellent and still create a management headache.

That is something many of us in the MedTech industry fail to appreciate.

The physician loves it. The hospital does not buy it.

I have experienced this situation more times than I care to remember.

You demonstrate a medical device to a physician. They immediately understand its clinical potential. They ask intelligent questions, discuss possible patients and sometimes even offer to help with a clinical evaluation.

You leave feeling you have made real progress.

Then you discover that the physician does not control the budget.

The department head may support the purchase but needs approval from management. Management wants financial justification. Procurement wants competitive quotations. Finance wants to know when the investment will pay for itself.

And nobody seems to own the decision.

This is not necessarily bureaucracy for the sake of bureaucracy. Hospitals have competing priorities, limited resources and responsibilities that go far beyond one department.

But from the perspective of the MedTech company, it can feel like running a marathon without knowing where the finish line is.

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I have learned that if you do not understand the hospital's decision-making structure, you are not really selling. You are just demonstrating.

Hospitals do not buy technology. They buy solutions to problems.

Let me give you a few examples.

Imagine a rehabilitation department where patients wait weeks to begin treatment. The therapists are overloaded, and management is struggling to increase capacity.

You arrive with an advanced rehabilitation system incorporating AI, biofeedback and sophisticated algorithms.

You explain the technology. You show the clinical studies. You demonstrate the software.

Everyone is impressed.

But have you answered the hospital's problem?

Can the department treat more patients? Can therapists supervise treatment more efficiently? Can some patients continue therapy at home? What additional costs will the hospital incur?

Now consider a sleep laboratory with patients waiting months for diagnostic studies.

The CEO may not be particularly interested in how sophisticated your sensors are. What matters is whether your solution can reduce waiting times, increase diagnostic capacity and fit within existing reimbursement arrangements.

Or take a hospital purchasing imported cardiovascular devices. The technology may be excellent, but if inventory costs are too high, management may be reluctant to keep products in stock.

These are not theoretical commercial considerations. They are the kinds of problems that determine whether medical technology is actually adopted.

The question is not whether your device is better. It is whether the hospital becomes better by using it.

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The hidden cost of change

MedTech companies spend enormous amounts of money on product development, clinical trials and regulatory approvals.

We calculate manufacturing costs, distributor margins, selling prices and expected revenue.

But how often do we calculate the cost of change for the hospital?

A new technology may require training 20 therapists, modifying treatment protocols, integrating software, educating referring physicians and reorganising patient schedules.

Somebody has to manage all of that.

And while the MedTech company sees an exciting new opportunity, the hospital administrator sees another project competing for already limited staff time.

I sometimes think we underestimate how difficult it is to change established clinical habits.

Physicians and therapists have developed methods they trust. They understand their limitations, but they also know what to expect.

Introducing something new means asking them to move away from familiar routines.

That takes more than a demonstration and a few published clinical studies.

It takes leadership, training, trust and a clear reason to change.

The CEO says yes. The department says no.

Here is another uncomfortable reality.

Even when senior management supports innovation, the people expected to use it may not.

A hospital CEO might decide that introducing a new rehabilitation technology is strategically important.

But if the therapists believe it will increase their workload, complicate treatment or reduce their professional autonomy, implementation can become very difficult.

The opposite happens too.

A department may desperately want new equipment, but management sees no convincing financial justification.

Both sides may have perfectly reasonable arguments.

The problem is that MedTech companies often approach one group and assume the others will follow.

They will not necessarily.

Successful adoption requires clinical, operational and financial agreement. Getting one out of three is not enough.

MedTech companies are part of the problem

I do not think we can blame hospitals for everything.

Our industry has developed a habit of falling in love with its own technology.

We talk about patents, algorithms, technical specifications, clinical superiority and regulatory milestones.

All important, of course.

But sometimes I wonder whether we are actually listening to the people we are trying to sell to.

When a hospital tells us that implementation is difficult, we explain why our technology is worth the effort.

When management says the price is too high, we show more clinical data.

When therapists say they do not have time, we offer another demonstration.

Perhaps we should stop talking for a moment and ask what would make adoption easier.

Could we introduce the technology gradually? Could we train a smaller clinical team first? Could we demonstrate its effect on workflow and treatment capacity? Could we offer a commercial model that reduces the hospital's initial financial exposure?

And, most importantly, could we work with hospital management to establish clear measures of success before the technology is introduced?

Innovation should not require a hospital to solve all the problems created by the company selling it.

A message to hospital CEOs

I also believe hospital leadership needs to take greater responsibility.

If innovation is genuinely a strategic priority, it cannot remain a slogan.

Someone must be responsible for evaluating new technologies, bringing together clinical and financial stakeholders and making decisions within a reasonable timeframe.

Not every technology deserves to be adopted. Many do not.

But a hospital should be able to distinguish between a product that lacks clinical or economic value and one that offers genuine benefits but requires organisational change.

Rejecting a technology because it does not work is one thing.

Rejecting it because nobody wants to change the way things have always been done is quite another.

And this matters particularly in Asian healthcare systems facing growing patient demand, workforce pressures and uneven access to specialised services.

Hospitals cannot solve every capacity problem simply by buying more equipment or hiring more people.

Sometimes the way care is delivered has to change.

Innovation is a management decision

After three decades in MedTech, I have become convinced that developing innovative technology is often easier than getting healthcare organisations to adopt it.

That does not mean hospitals are wrong or MedTech companies are right.

It means both sides need to understand that innovation is not simply a product.

It is a change in how people work, how patients are treated and how resources are managed.

For MedTech companies, the lesson is to stop selling features and start solving the hospital's problems.

For hospital CEOs, the challenge is to create an organisation capable of evaluating and implementing worthwhile change, rather than simply celebrating innovation in its annual report.

Because a hospital that talks about innovation but cannot implement it is not necessarily innovative. It is just very good at talking about it.

And in my next article, I am going to leave the hospital boardroom for a while and talk about something equally important when doing business in Asia: food, dress codes and the cultural mistakes that can damage a relationship before you have even opened your presentation.

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 food, dress codes and the cultural mistakes that can damage a relationship before you have even opened your presentation.

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