



**EXECUTIVE FORUM ON
NATIONAL EXPORT STRATEGIES**

**EXPORT OF SERVICES: HYPE OF HIGH POTENTIAL?
IMPLICATIONS FOR STRATEGY- MAKERS**

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**How to Export Medical Software:
Defining a Strategy**

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1 Background

As consequence of the slowdown of the World Economy many economy sectors invest only in such project that warranty actual turnover. Investment in IT is not an exception. Companies have dramatically reduced their IT budget. Only IT project that fulfill with the above condition could be submitted for the Board approvals.

This environment forces IT companies to focus their strategy in such a way that customers get what they need and specially what they expect. That is why costs saving and supplying easy integrated solutions instead of technology altogether with strategy alliance with others developers seems to be the more suitable business strategy to be followed by IT companies now a day.

In the last years, Cuba has proved the high qualification of his Human Resources in IT. Besides, the sustained developments in infrastructure altogether with its geographical location and common heritage culture with Latin America countries make Cuba an attractive partner for system development, software localization and supplier of maintenance and technical services.

On the other hand, Cuban Software Companies has a lack of expertise in accessing foreign markets and distribution channels. Avante (An Agency devoted to supply High Added Value Information Products and Services to Software developing companies) is working to overcome this gap.

At first glance, selling products seems to be the better way, due to it is a sort of profitable business, but the gap mentioned above pop up once more time. That is why our recommended strategy is at the beginning; establish alliance with remarkable companies in order to work together for third markets.

But, which companies should be selected. Cuban expertise in Health Care System and Education becomes these two sectors in key issues for software development, especially Health Care where Cuba could show all over the world its remarkable Health Systems.

This paper deals about which is the better way to single out the suitable partners for developing software in Health Care Systems sector.

2 Materials and Methods

In order to single out the better potential partner the 500 ranking of software developer companies was used. Besides, several key elements were defined in order to conduct the analysis and a benchmarking between Health Care and General Software developer companies was made. Finally a road map was designed

The key elements used in the analysis were:

- Geographical Location
- Business Sectors
- Companies Figures (Sales, Employees, Productivity)

Geographical Location

The Graph shown below, presents the geographical location of the first 500 Software Developer Companies (SDC)

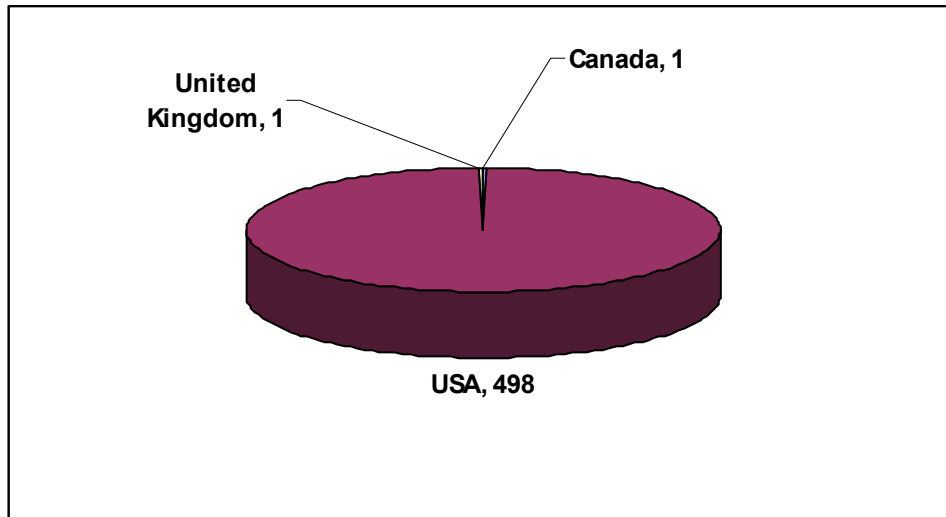


Figure 1 Geographical location of remarkable companies

Business Sectors

Main Business Sectors are Performance, Network Management and Infrastructure. It is interesting to note that only 8 companies are devoted to Healthcare. In **Append 1 is shown the different business sectors with the percent of the total.

Company Figures

Sales, Employees and Productivity

The range of sales is very wide. Minimum value is around 100 000 USD while the maximum is over 81 billions. The following table shows the some figure about sales

Table 1 Descriptive Statistics of Sales

Minimum	0.1
Maximum	81,186
Average	1,010
Mode	3.4

All figures in MMUSD

Please, note the huge difference between Average and mode figure.

The behaviour of employees is very similar to Sales from the dispersion point of view.

Table 2 Descriptive Statistic of Employees.

Minimum	12
Maximum	339,572
Average	4652
Mode	200

Table 3 Descriptive Statistic of Productivity

Minimum	0.25
Maximum	15,232
Average	227
Mode	150

Productivity was defined as the ratio of Sales per employees. Figure is presented in Million of USD per employees.

Medical Sector Companies

As mentioned above, only 8 companies are devoted to Medical/Healthcare sectors.

The information presented below shows the behaviour of these companies.

Rank	Company	Country	Sales Services (MM)	Total Sales (MM)	Employees	Productivity
55	Cerner Corporation	USA	617	751.9	4,800	0.16
78	Per-Se Technologies Inc. Pvt	USA	354.1	354.1	5,000	0.07
79	IDX Systems Corp.	USA	342.6	460.1	4,971	0.09
96	The Trizetto Group Inc.	USA	265.2	265.2	1,941	0.14
117	Eclipsys Corporation	USA	203.2	218.1	1,511	0.14
187	iSOFT Group plc	United Kindgom	87.7	87.7	430	0.20
357	Landacorp	USA	17.9	23.4	153	0.15
411	A.D.A.M. Inc. Pvt	USA	8.9	8.9	38	0.23

Only one company is not from USA. A benchmarking was made in order to compare its performance again the other set of companies.

Table 4 Comparison Health-All Companies

	Services Sales (MM)	Total Sales (MM)	Employees	Productivity
Health/All (%)	0.65%	0.43%	0.87%	50.05%

As could see in Table 4, Health Companies represent only the 0.65% of the total, but it is remarkable that its productivity is as high as the 50%. So, even though Health SDCs are too big, they use better their human resources.

Besides, the previous comments, other subjects were analysed, that is type of products, environment used, target markets, and services supplied.

Conclusions

1. Remarkable companies are concentrated mainly in USA
2. Medical or Health Care sector only represents 1.6% of total
3. Medical SDCs could be highlighted by its huge productivity
4. Integrated Services are offer by these companies
5. Their products cover all areas of Medical – Health Care sectors

Road Map

1. Conduct a detailed survey of the 8 Medical SDCs
2. Single out common points with these companies
3. Initiate contacts and business approach to Medical SDCs
4. Identified other information sources

Bibliography

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