

INNOVATING ACCESS: IMPROVING NEONATAL CARE AND AFFORDABLE MEDICAL SOLUTIONS IN DEVELOPING REGIONS

NOVEMBER 2023



CURRENT CHALLENGES

Providing access to affordable neonatal care and solutions in developing regions

GLOBAL OUTLOOK

6,400 babies

6,400 babies die in the first month of life every day,

50 percent

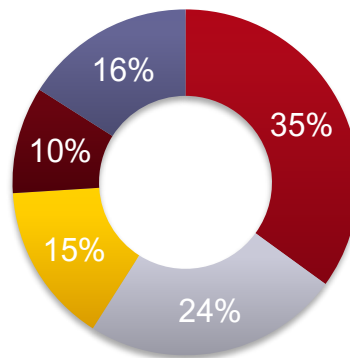
in 2022, nearly half of all deaths in children under 5 years of age occurred in the newborn period (the first 28 days of life)

13.4 million

13.4 million babies were estimated to be born preterm in 2020, with 2.3 million newborns dying in 2020 alone.

During these first 28 days of life, the child is at the highest risk of dying. The major causes of neonatal death are due to preterm birth, intrapartum-related complications (birth asphyxia or inability of breathing at birth), infections, and birth defects. The primary factors contributing to neonatal mortality include inadequate quality care during childbirth, delayed availability of essential medical equipment and facilities, and a shortage of skilled care and timely treatment immediately after birth.

Causes of Neonatal Mortality



- Preterm complications
- Interpartum complications
- Sepsis
- Congenital abnormalities
- Others

PROJECT PARTNER: MTTS ASIA ADDRESSING THE NEONATAL CRISIS IN THE DEVELOPING WORLD

MTTS has been actively improving neonatal healthcare in Vietnam but aims to extend its impact across Asia and Africa. Now in a strong financial position, the company is considering a strategic expansion to address urgent healthcare needs in other developing regions.

30 individuals

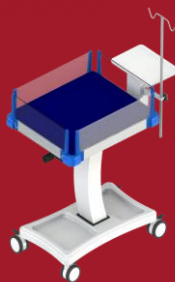
Founded in Hanoi, Vietnam in 2004, MTTS began as a biomedical engineering company and has since grown to a team of 30 employees as of July 2023.

65 markets

MTTS has a presence in 65 markets worldwide but its current sales operations outside of Vietnam lack a cohesive strategic direction, leading to unsustainable and unpredictable sales

US\$ 3 million

MTTS' total sales for FY2022 was US\$3,001,072



GOAL

To provide affordable, high-quality neonatal healthcare solutions to developing regions, effectively reducing neonatal mortalities in these high-risk areas

Social enterprises like MTTs are commendably addressing the critical challenge of neonatal mortality, yet their impact remains primarily confined to Vietnam, limiting global reach. Acknowledging this, the report proposes a strategic business expansion plan to empower MTTs in scaling operations beyond its domestic market, aiming to amplify their social impact footprint and contribute significantly to reducing global neonatal deaths.

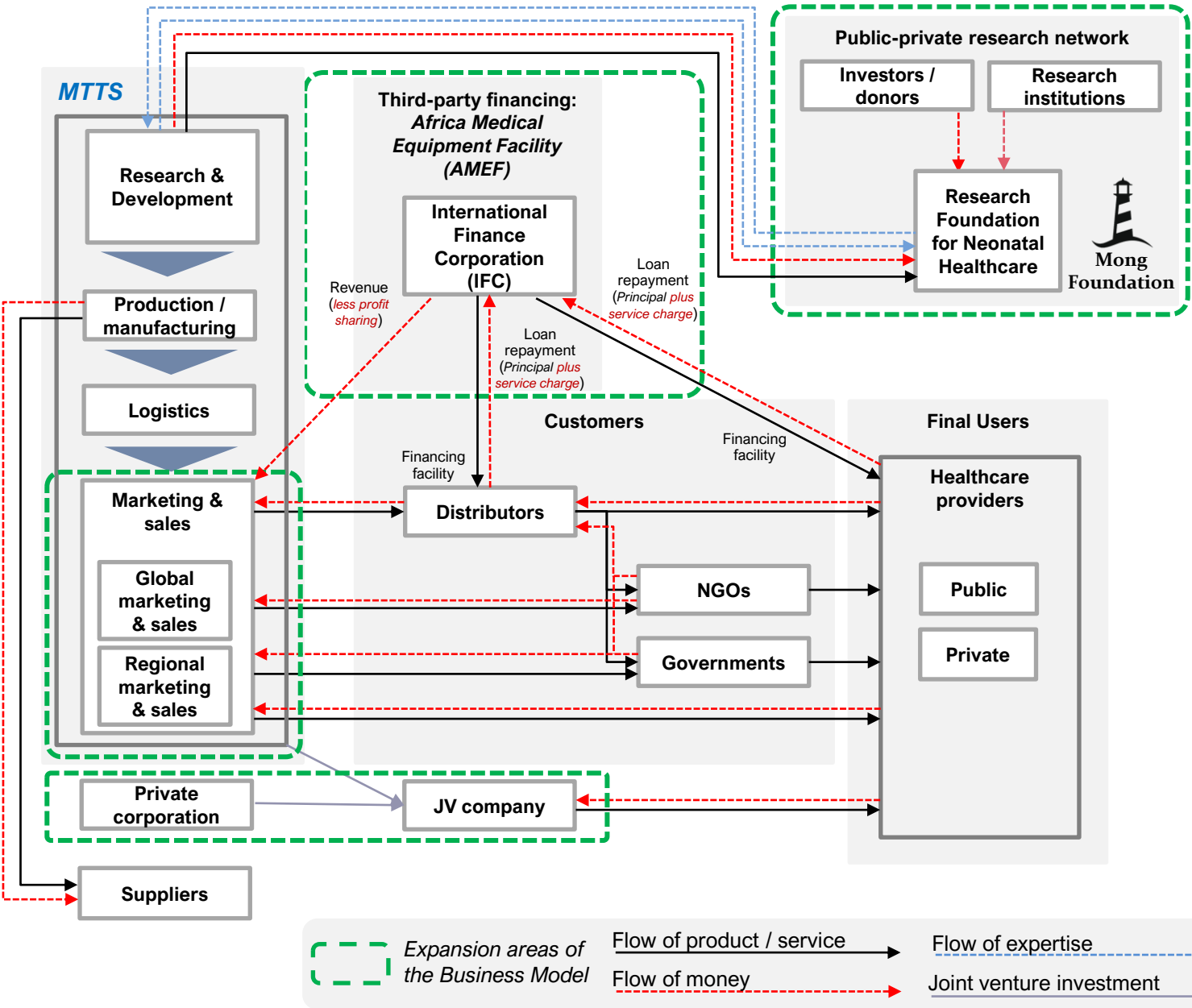
The business plan comprises four key components: leveraging the Mong Foundation, enhancing marketing and sales strategies, fostering strategic joint ventures, and implementing innovative financing mechanisms to aid buyers in acquiring MTTs products.

PROJECT PARTNER: MTTs

[Learn more](#)

BUSINESS MODEL

Strategic expansion for amplified social impact



KEY COMPONENTS OF THE BUSINESS MODEL

1

MONG FOUNDATION

The Mong Foundation will be crucial in fostering innovation and impact. Through the foundation, MTTS can leverage its existing assets, forge strategic partnerships, and capitalise on cutting-edge advancements in the neonatal space to build a powerful research backbone that will propel its long-term success.

2

STRATEGIC EXPANSION

Given that MTTS' sales are sporadic and rely on ad hoc arrangements, the priority is to enhance market presence and sales in high-potential markets, specifically in Africa and the ASEAN region. These regions offer significant opportunities for MTTS to improve its sales base and increase revenue.

3

STRATEGIC JOINT VENTURE

To boost brand awareness, product popularity, and customer base, MTTS should form partnerships with businesses, NGOs, and academia. Establishing joint ventures is crucial for market access and increased sales, fostering enduring connections and laying the foundation for long-term, sustainable growth.

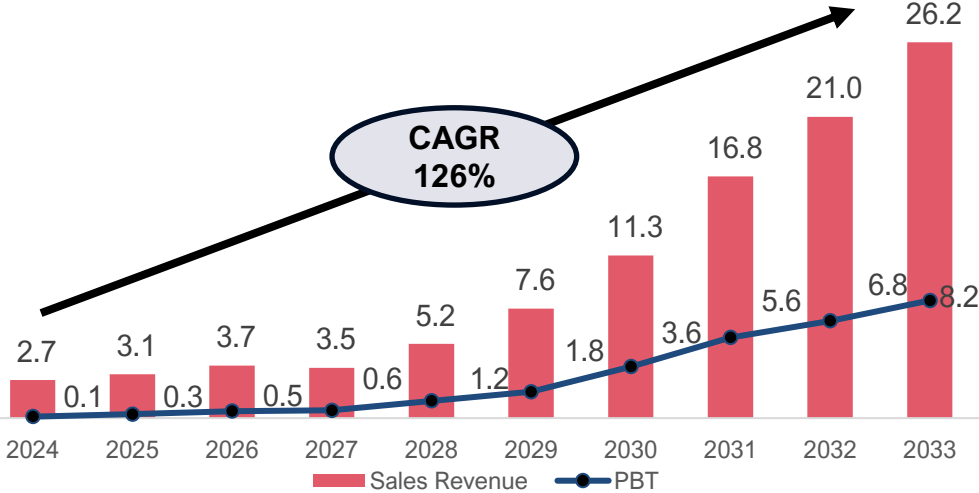
4

INNOVATIVE FINANCING

As MTTS enters new markets, a strategic shift is needed to ensure financial viability. This includes collaborating with multilateral financing organizations for funding support. The focus is on sustainable affordability for MTTS equipment and finding ways to procure necessary equipment without financial strain.

FINANCIAL PROJECTIONS

10 Years Income Projection (USD mil)



US\$10.1 million

Projected revenue

US\$2.9 million

Earnings before interests and taxes (EBIT)

US\$2.3 million

Profit after tax (PAT)

1

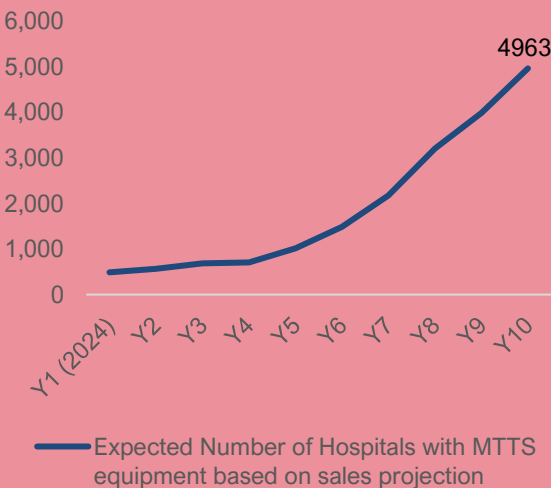
Sales Projections

To achieve a 10x increase in equipment sales by 2033, MTTS should expand its distributor network in Thailand and Indonesia by 2025, set up a regional office in Africa by 2027, and shift from Dolphin CPAP to a balanced mix of new respiratory equipment and Firefly. Leveraging product innovation to reduce costs while maintaining a stable gross profit margin is also recommended.

2

Operational Cost Projections

To drive sales growth and expansion, it is recommended that MTTS increase its team from 31 in 2024 to 194 by 2033. Manage staff costs carefully, reducing them from 30% to 20% of expenses. Moderate distribution cost increases through a Regional Office in Africa. Expect raw material costs to rise 5% annually while maintaining profit margins.



RISK MITIGATION

Based on the identified expansion methods, it is crucial to consider and mitigate financial, operational, and regulatory risks within the expansion strategy.

1 Regulatory risks

Engage regulatory authorities and local consultants, secure IP rights, and collaborate with local partners and distributors in target markets

2 Organisational risks

Ensure operations are lean and inclusive while strengthening company culture to effectively integrate the additional staff required for expansion.

3 Financial risks

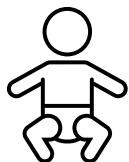
Shift to credit terms to increase orders, but only extend them to buyers with a strong track record or those with access to IFC Africa Medical Equipment Facilities or IFC Global Trade Supplier Financing.

4 Logistical risks

Explore alternative transportation methods suited to local conditions and maintain strategic stockpiles of critical supplies to mitigate disruptions and reduce reliance on single suppliers or locations.

PROJECTED IMPACT

Within the first 10 years...



5 million babies treated, averaging with more than **1.5 million babies** annually



40,000 devices delivered to countries in Africa and Southeast Asia



40,000 healthcare professionals trained in the use of medical devices

Saving babies' lives & bringing hope to families with a sustainable business model





The Global Institute For Tomorrow (GIFT)

is an independent pan-Asian think tank committed to purposeful leadership learning and partnering with clients to help them unlearn conventional wisdom and unleash organisational potential to redesign society.

The Asia Young Leaders Programme (AYLP) is an experiential leadership designed for future leaders of Asia from government and leading companies, helping them navigate complexities and seize opportunities in this diverse and dynamic region. AYLP uses live projects at the intersection of business, policy and sustainability to help promote mindset shifts and nurture effective, purpose-driven professional leaders.

During this AYLP, participants from business and government from around the world convened in Kuala Lumpur and Vietnam over the course of two weeks (20 Nov –1 Dec 2023) to undertake classroom discussions, stakeholder meetings, site visits, and business plan development sessions. The highlights of this proposal were presented at GIFT's Public Forum on 19 May 2023 in Hanoi.

GIFT would like to thank everyone involved who put in their valuable time and efforts to make this possible.

You can download the full report [here](#).



Tomorrow Matters.

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