

BAILOUT TO SCALE UP HEALTH BUSINESS

Proposed by



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BRIEF SUMMARY

We are small foundation who runs health education and healthcare business in early steps, the business risk is as small as it profit, because it give more social benefit. The business was started with very tiny capital and grows with significant, we hope to scale up the business as big as market demand, but we are not yet bankable.

PROFILE

- Name : Yayasan Talkis (*Talkis Foundation*)
- Address : Komplek RS Sitanala Blok Purnabhakti No.22 Neglasari, Kota Tangerang – Provinsi Banten 15121 Indonesia
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iwan@paramedis.org
- Legal : The organization established to provide health education and services. In February 2011 we are approved by ministry of law and human right as a foundation.
- Team : - Founder : Iwan Hari Rusawan
31 years old. More than 6 years experience as general secretary in *Nurman* foundation. During 2008-2011 he led web and mobile programmers in a pharmacy company, also become director in *PT. Lentera Terang Abadi*.
- Director : Eko Agus Susanto
29 years old. Graduate from Vocational Nursing School in 2000 and Nursing Academy in 2003. Specialize in wound and emergency nursing, he is working in army hospital as surgical team.
- Education : H Ahmad Sahuri
31 years old. Graduate from Vocational Nursing School in 2000, Nursing Academy in 2003, also from *University of Indonesia* in 2011



and post graduate at same university in 2012. He has experience as medical team abroad, now he is working in *Sitanala* hospital as surgical team.

- Services : Saripudin
30 years old. Graduate from Vocational Nursing School in 2000, Nursing Academy in 2003 and got bachelor of public health in 2010. He was working for CARE NGO in 2009. Now he is working as a staff in *Balaraja* Hospital.
- Secretary : Sucilia Indah
30 years old. Graduate from Vocational Nursing School in 2000 and Nursing Academy in 2003. She has more than 6 years experience in *Qadr* Hospital. Now she is working in *Sitanala* Hospital.
- Research : Alfento P Sinurat
39 years old. More than 12 years experience as branch manager and director in pharmacy industry.

OBJECTIVE

The main ideas are scale up the business and locate all activities in a single place, so we can reduce fix costs, easier to optimize market demand (scale up productions), make the products supporting each others, optimizing facility utilizations and others.

Example :

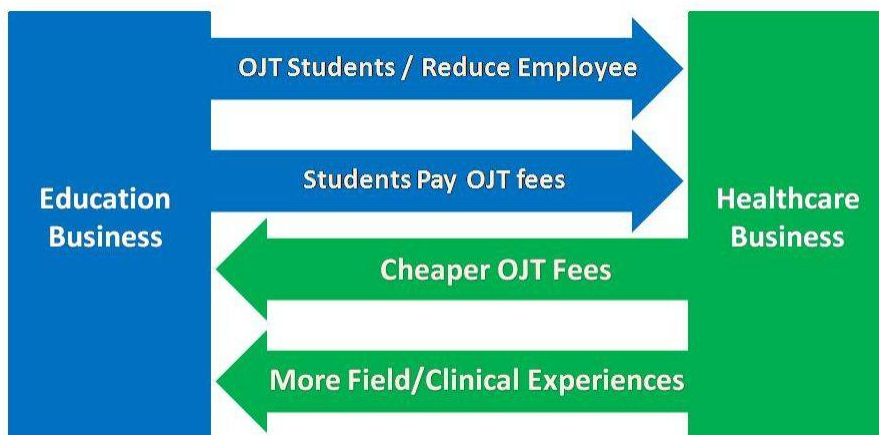
Benefit	Case Sample
Reduce Fix Costs	<p>If each products place in separate locations that's mean each product will cost basic abonnement fees such electric, phone and others.</p> <p>If we place all products in a single location, there will only one basic abonnement fees for all products.</p>



	<p>If each products place in separate locations that's mean each product will cost some employee such receptionist, technician, and others.</p> <p>If we place all products in a single location, we will reduce number of need for receptionist, technician, and others.</p>
Easier to optimize market demand (scale up productions)	<p>Last year demand of training is higher than demand of vocational school. Now demand of training is lower than vocational school.</p> <p>If we place training and vocational school in different location, there will be : last year we cannot optimize training products because limit of classes, and now we cannot optimize school product for same reason.</p>
Make the products supporting each others	<p>If we have school and training in single location, graduates of school will automatically now the training that we held.</p> <p>If we have school and training in different locations, we have to promote the training to school graduates.</p>
Optimizing facility utilization	<p>If the school locate separate from training and services, the school facility will not used in the night and in long holiday seasons.</p> <p>If we place it in single location, we can use the classes for night training, The office still open for any purpose and others.</p> <p>We can use the ambulance for education/training and services.</p>



Another Benefit from the Idea



PRODUCT

1. Education & Training Products :

- SMK (Vocational High School)

There are three kind of high school in Indonesia; SMU (General High School), SMK (Vocational High School) and MA (Religion High School).

SMK students are our medium term clients (3 years) who pay monthly fee, this product will not give us lot of profits, but it will ensure our monthly incomes and become the base for other products.

- Paramedics Training

It is a long term project which will ensure our future incomes and competitiveness. Today we are probably the pioneer, in next 5-7 years when this training become famous – we already become the leading player. It also became important supporting product for SMK.

- Training for health professional

It's short term product that makes lot of profits. According to the new regulations, health professionals have to refresh their license every 5 years, during those 5 years they have to collect credits for license refresh, the credits earned from trainings, research or seminars. Some famous training for professionals are; BCLS-BTLS (Basic cardiac life support-Basic trauma life support), ACLS, PALS, ITLS, BMLS, ECG and many more. The training usually held 2 – 8 days with 60-80 persons each batch.

2. Service Products :

- EMS

This product increase trust of training clients, both paramedical training and professional training.

- Homecare



MARKETING

A survey that recently we did to our client shows

1, How do you know us?	
Some one (friends, parent, etc)	: 71 %
Promotion events	: 15 %
Media	: 12 %
Others	: 2 %
2. What is the reason that makes you decide to choose us?	
Curriculum (lessons, practice, etc)	: 87 %
Costs (Cheaper, payment term, etc)	: 4 %
Others	: 9 %
3. After being our students/clients, is your reason truly happened?	
Yes, my reason fits with the reality	: 92 %
Others	: 8 %
4. What is the advantage of us?	
Curriculum (lessons, practice, etc)	: 53 %
Costs (Cheaper, payment term, etc)	: 47 %
5. What is the weakness of us ?	
Facility (class room, toilet, others)	: 95 %
Management (scheduling, staffing, etc)	: 4 %
Others	: 1 %

Marketing action we planned:

1. We are sure, if we start build building before May, the number of students and clients will increase three until five times in august.
2. Continue the traditional way; sponsorship from personal to personal.
3. Facilitate junior high school students and their teachers to visit us and take free simple medical test; Blood pressure, ideal weight and glucose.

THINGS THAT WE ALREADY DONE

The business was started in September 2010 by opening a SMK. One and half year later we start services business by opening home care. In our master strategy, the education business and the services business have to hold so they can support each other.



Our starting capital was less than \$ 4,300, compare to other similar who start with \$ 500,000 minimum. In 2012 when the trend is decrease, our consumer grows more than 10 times. And this year when the trend is increase, we are following to grow.

Track Record for number of students/clients					
Year	Certification	Training	Reg	Others	Total
2011	0	6	10	0	16
2012	0	11	64	101	176
2013	-	21	90	150	261

However, we have some limitation which will make us stop growing, for example is class capacity. That's why we need to scale up the business and take efficiency action.

NEEDS

1. Land

Land certificate needed to process permits and licensure for the business. Option 1 (1200m²) estimated \$ 895,000, Option 2 (432m²) estimated \$ 137,140. Option 2 will be sold to other buyer if we don't buy it this month.

2. Building

Build certificate needed to process permits and licensure. Building (classroom, office, etc) also needed by all product of the business. Estimated \$ 380,000

3. Facility

Facility needed to run the business. Estimated \$ 55,000

4. Ambulance

Needed to hold paramedic trainings, EMS services and some health professional trainings. Estimated \$ 50,000

5. Vehicle

Needed for marketing purpose, to bring continues goods, and others. Estimated \$ 25,000

6. Sustainability support.

Based on our experience, it's hard to take profit in first year. Estimated \$ 55,000



OPERATION AND FINANCIAL

We use traditional term for operation and financial:

1. The foundation takes responsible for fix cost.
2. The operation units manage their production and share the incomes to foundation. For example:
 - The foundation is managing and paying fix cost of the school; basic salary, fixed abonnement and others.
 - The school is managing and paying production cost; teaching hours, school events, and others.
 - The school must share to foundation any incomes that they earn; Tuition fee, registration fee, and others.
3. Income Sharing for foundation

Item	%
SPP (Monthly fee)	20%
Examination	20%
Books	20%
New registrations	100%
Student Uniforms, etc	20%
Practicum	20%
Ambulance	50%
Homecare	25%
Drugs, etc	15%
Paramedic Tuition	25%
Paramedic Examination	25%
Paramedic Uniforms, etc	25%
Paramedic Registration	100%
Professional Training	25%

INVESTMENT RETURN

The business risk is as small as it profit, the real return will spend a long time. We are offering an option to cut the return time to your institution:

After 18 months, we will borrow money from conventional bank by pawning the land and building certificate. In other words we transfer the loan from your institution to conventional bank after we are bankable.

We are welcome to better idea or option from you, we would to hear it.



SOCIAL IMPACT

Fairness against poverty

1. There is a problem with nurses who graduate from SMK (vocational high school). Since August 2011, the Ministry of Health does not give a working permit to health workers who do not have a higher education diploma.

As the result for every year, there are thousands of graduates who may not legally work or become self-employed.

That is an irony, because mostly SMK students come from low-income families who wish to get work immediately after graduation. Also, because the government promotes SMK more than general high school.

Paramedic training that we hold will be a prior alternative to solve their problems. It will give them an opportunity to immediately legally work, after finishing the training they will get a certificate of competency and credits or diploma from a reputable university.

2. In our share, we always account for only 32 students each class, although the real capacity is 36 students. The 4 seats per class are free quota for poor students. In other words, we give a scholarship for poor students, and the number of scholarships will increase by business growth.

Emergency / Disaster Response

1. Last December 2012, 02.00 AM. Logistics and team are ready to go to flood areas in *pagelaran* district. But some logistics and team are canceled due to transportation limits. The first day in 2013, we take all logistics and team and bring them to *balaraja* which is also flooded. We only have one car which runs almost 24 hours a day and is still not enough to support our activities. If we have enough cars, it will be easier for us to arrange the transportation, and the business will guarantee car maintenance.
2. There are about 21 persons from us who were involved to help victims of a wind disaster in *Pasar kemis*. There are also 30 persons from us who were involved to help flood victims in *Kresek* area, they are split into some posts and 24 hours standby by shifting.



The number of skilled volunteer may increase by business growth, and there will be more resources to response medical and disaster emergency.

3. Since establish we were fund our self, include medicine for disaster victims. In January 2013, after 2 weeks helping peoples in *Kresek* flood area, we have to stop the help because the drugs and logistic are collapsed, meanwhile it's so hard to ask immediate donation/support. It would not happen if we have funding resources that support our social activities.

Facilitating

There are 2 families who live in the school, we give them free place to live and free place in canteen. We also give them small capital so they can start their business in canteen. That much better for them because they get captive market, no worries for living cost and opportunity to saving their incomes.

PLAN OF FOUNDATION FIX COSTS							
Item	Frequency			Frequency			total
	qty	unit	amt	qty	unit	amt	
General							Rp 175,200,000
Cleaning service	2	person	Rp 500,000	12	month		Rp 12,000,000
Security	2	person	Rp 1,000,000	12	month		Rp 24,000,000
Driver	1	person	Rp 1,000,000	12	month		Rp 12,000,000
Technicians	1	person	Rp 1,000,000	12	month		Rp 12,000,000
Administration	2	person	Rp 1,000,000	12	month		Rp 24,000,000
Laboratorian	2	person	Rp 1,000,000	12	month		Rp 24,000,000
Electric	1	package	Rp 900,000	12	month		Rp 10,800,000
Phone	1	package	Rp 600,000	12	month		Rp 7,200,000
Internet	1	package	Rp 600,000	12	month		Rp 7,200,000
Stationary	1	package	Rp 500,000	12	month		Rp 6,000,000
Transport, meetings, etc	1	package	Rp 3,000,000	12	month		Rp 36,000,000
SMK							Rp 135,600,000
Principals	1	person	3000000	12	month		Rp 36,000,000
Vice 1	1	person	1200000	12	month		Rp 14,400,000
Vice 2	1	person	1200000	12	month		Rp 14,400,000
Vice 3	1	person	1200000	12	month		Rp 14,400,000
Administration	1	person	1200000	12	month		Rp 14,400,000
Major	2	person	1000000	12	month		Rp 24,000,000
Coaches	3	person	500000	12	month		Rp 18,000,000
EMS Clinic and Training							Rp 146,400,000
Director	1	person	Rp 3,000,000	12	month		Rp 36,000,000
Coordinators	2	person	Rp 300,000	12	month		Rp 7,200,000
doctors	1	person	Rp 3,500,000	12	month		Rp 42,000,000
Basic EMD / EMT	6	person	Rp 600,000	12	month		Rp 43,200,000
Administration	1	person	Rp 1,500,000	12	month		Rp 18,000,000
GRAND TOTAL							Rp 457,200,000

PLAN OF FOUNDATION INCOMES							
Item	Frequency			Frequency			Total
	Qty	Unit	Amt	Qty	Unit	Amt	
SMK							Rp 828,800,000
SPP (Monthly fee)	480	students	Rp 350,000	12	month	20%	Rp 403,200,000
Examination	480	students	Rp 300,000	2	semester	20%	Rp 57,600,000
Books	480	students	Rp 100,000	2	semester	20%	Rp 19,200,000
New registrations	160	students	Rp 1,200,000	1	year	100%	Rp 192,000,000
Uniforms, etc	160	students	Rp 1,300,000	1	year	20%	Rp 41,600,000
Practicum	480	students	Rp 600,000	2	semester	20%	Rp 115,200,000
EMS Clinic							Rp 700,800,000
Ambulance	60	trips	Rp 300,000	12	month	50%	Rp 108,000,000
Homecare	120	trips	Rp 100,000	12	month	25%	Rp 36,000,000
Drugs, etc	120	Unit	Rp 100,000	1	year	15%	Rp 1,800,000
Paramedic Tuition	60	students	Rp 5,000,000	2	semester	25%	Rp 150,000,000
Paramedic Examination	60	students	Rp 1,000,000	2	semester	25%	Rp 30,000,000
Paramedic Uniforms, etc	60	students	Rp 1,000,000	2	semester	25%	Rp 30,000,000
Paramedic Registration	60	students	Rp 1,000,000	2	semester	100%	Rp 120,000,000
Professional Training	300	clients	Rp 3,000,000	1	package	25%	Rp 225,000,000
GRAND TOTAL							Rp 1,529,600,000