**Assignment**

**Conexia : Entering US Market**

**Tyler Templeton**

**Group Case Analysis :- Conexia Argentina.**

**What Happened?**

Luis Naval, CEO of Conexia has a presentation from MIT Sloan’s Global Entrepreneurship Lab ( G-Lab) in entering in the US Market.

He questions himself after the presentations – “So, where do we go from here?”

He was more confused than before the meeting

Conexia is an IT service provider in Argentina and has a solution that works very well in local market but the market is saturated. Their product is RTA Real Time Adjudication which tells the service provider how much the cost will be covered by the insurance provider and how much to charge the patient.

**When**

Mid-January 2010

**Where**

Buenos office of Conexia in Argentina

**Who are the key players?**

Luis Navas – CEO of Conexia

Sebastian Letemendia COO of Conexia

Alfredo Semeniuk Director of Sales of Conexia

Students from MIT Sloan’s Global Entrepreneurship Lab ( G-Lab)

**Analysis**

There are benefits to RTA to the health Value Chain.

To Payers, they can know Real-Time expenses that have incurred. They would know any abnormalities that occurred when they claim and also leading to lower claims. There is a potential savings to them due to decreased number of claims. There is also Patient satisfaction as there is more trust built.

To Providers, there is certainty that the will be paid faster which leads to more cash flow and there will be reduced administrative costs.

To Patients there will be certainty about cost of medical services. They will know right away in Real-Time what is covered for them and what is not so there won’t be any misunderstandings.

**Alternate Solutions**

Conexia’s team is provided with 5 different options how he could enter the US market

1. Enter Market with full RTA solution

* Pros:-
  + Target small government payers, small & medium size private payers
  + Limit geographic concentrated market to Northeast
  + Allows to offer complete product and highest price
  + Reduce theft on claims (Koster, 2009)
  + Reduce wait times (Taylor III, 2002)
  + Reduce cost on patients and the doctors
* CONS :-
  + Need to spend substantial time & resources
  + More than $500,000 needed in educating the market
  + Drain the resources for future growth

1. Establish credibility through simpler products

* Pros :-
  + Can sell real time patient eligibility system or reat time estimated system
  + No need to educate the market
  + Focus purely on sales
  + No requirement in any significant product development
* Cons:-
  + Lower prices and lower profits
  + Same value based pricing based in Argentina
  + Slower growth

1. Establish credibility through services

* Pros :-
  + Migrate their system to ICD-10
  + Build relationship
  + Gain deeper understanding
* Cons :-
  + Crowded IT service market
  + Price, good reputation being the winning deal ( no reputation in US as yet)
  + Not a high margin business
  + Conexia not familiar to this market

1. Partner with another US IT services company

* Pros :-
  + Jointly pursue sales leads
  + Bids projects larger than Conexia can handle
* Cons:-
  + Lower profits
  + Difficult to build own customer base
  + Difficult to establish the brand

1. Focus on other Latin countries while US waiting for US market to mature

* Pros :-
  + Easier time selling in these countries
  + Leverage its experience
  + Leverage its reputation
  + Grow in the short term period
* Cons :-
  + Small markets
  + Not an early mover to US market
  + End up arriving too late

How many?

There are 5 alternative solutions for Conexia.

What are they?

1. Enter Market with full RTA solution
2. Establish credibility through simpler products
3. Establish credibility through services
4. Partner with another US IT services company
5. Focus on other Latin countries while US waiting for US market to mature

**Recommended solution and why**

What are the key measuring criteria to evaluate these alternatives?

We have looked into the Pros and Cons with all the alternatives to see which better suit the situation. We chose alternative #2 establishing credibility through simpler products in the United States. The risks of this is that it’s a longer process to get truly into the market The probabilities of succeeding are still good for through its service it can gain a foothold in the market to which will surpass the ICD-10 in its services and convenience to the consumer and provider.

**Lesson learned**

We have learned from this case it takes a lot of resources to penetrate a new market especially when that market already has a similar product. Similar products such as ADR in the U.K which is highly effective in their construction industry. (Mchugh, 2007)

# Works Cited

Koster, K. (2009). Claims technology aims to make heath care 'retail-ish'. *Employee Benefit News* , 14.

Mchugh, M. E. (2007). U.S. Project Disputes. *Dispute resolution jounal* , 50-55.

Taylor III, L. J. (2002). Goldratt's Thinking Process Applied to Medical Claims Processing. *Hospital Topics* , 13.