

Preheal: Forming a Start-up Team Post-COVID-19

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Abstract. The Indian government had been making efforts to foster an innovative business culture by incorporating design thinking and innovation in b-school curricula. Substantial investments had also helped aspiring entrepreneurs pursue their ambitions. One such beneficiary of these initiatives was Preheal Innovations Private Limited, which aimed to build an online platform catering to the healthcare, beauty, and wellness needs of customers throughout India. Mr. Vikrant, founder and CEO of Preheal, had built a robust network of contacts in the healthcare sector after 20 years of experience and this, combined with the company's unique business model catering to customers in both urban (tier-2 and tier-3 cities) and rural areas in India, played a key role in attracting the initial start-up team. However, efforts were interrupted due to COVID-19, which led to the departure of team members. Post lockdown, Mr. Vikrant had to decide how to relaunch the new venture with either full or partial staffing, in a changed business environment.

Keywords: staffing, team work, funding, online healthcare, India.

1. Introduction

In May 2020, CEO Mr. Kumar Vikrant held a virtual meeting with the newly assembled Preheal team to discuss the development of an online platform for healthcare, beauty, and wellness services and products. The meeting was held online due to the COVID-19 pandemic, which forced team members to work from home. Mr. Vikrant outlined the mission and vision for the start-up and discussed the future plans. He emphasized each team member's role for launching the business, and the team left the meeting motivated and committed to working together despite the challenges posed by remote work.

Soon after this Vikrant contracted COVID-19 and was hospitalized for 15 days, causing severe health problems due to a previous lung disease. After six months of recovery, he returned to work with only two remaining team members — they had been working with Mr. Vikrant for several years in another company while all the others had left for other job opportunities.

Despite this, Mr. Vikrant was determined to continue to develop Preheal despite the challenges. He had to decide whether to rebuild the team and start with

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full operations, or to launch with limited services and gradually expand the team over time.

2. Healthcare and HealthTech Startups in India

India's healthcare sector has become one of the country's largest in terms of both revenue and employment. It includes hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance, and medical equipment. There are over 7,740 HealthTech startups in India, as per Tracxn, that aim to revolutionize the healthcare landscape with advancements in areas such as genetics, robotics, diagnostics, new medicine and vaccine development, low-cost medical equipment, affordable medication, electronic health records management, insurance, preventive care, and teleconsultation, leading to accessible and high-quality healthcare services. Due to such efforts, the Indian government was able to carry out the world's largest COVID-19 vaccination drive. (see Appendix A for more details of India's start-up culture and government policies)

3. Birth of the Idea

Mr. Vikrant had extensive experience working with various medical professionals and had observed that patients often needed a combination of different healthcare services. However, these services were often provided by separate agencies and it was difficult for patients to navigate the services. To solve this problem, he had the idea of bringing all these services together under one platform, called Preheal which would offer a wide variety of online healthcare, beauty, and wellness services (see Appendix B for a list of the intended services and a comparison with existing competitors). Mr. Vikrant discussed this idea with others in the healthcare field and received positive feedback. He made it clear to his subsequent team that the goal of Preheal was to provide high-quality services to all of its customers.

4. Team Building

In early 2020, Mr. Vikrant assembled the team for the start-up (see Appendix C for the original organogram). Leveraging his experience of working with various medical professionals, Mr. Vikrant was able to identify the best service providers in any given region. His team began diligently preparing internal databases of healthcare providers, beauty service providers, and wellness centres and began communicating with them in order to initiate collaboration. The aim was to

launch services simultaneously in approximately 100 tier-2 and tier-3 cities across India. The success of the start-up was contingent on a large number of people using their services, as the company's financial stability hinged on the relatively small commissions earned from each transaction. The team worked hard every day to bring service providers on board and develop the online platform.

5. Preheal Business Model

Mr. Vikrant aimed to serve both urban and rural populations in India. While urban residents had access to technology and were familiar with using websites and various apps, those in semi-urban and rural areas were not as comfortable with these tools and typically preferred not to use online services. Given these differences, Mr. Vikrant realized that it would be challenging to provide services to rural communities. As a result, he stressed the importance to his team of creating separate business models tailored to meet the unique needs of both urban and rural consumers.

Mr. Vikrant aimed to serve the urban population through a combination of an online platform and a call center (see Appendix D). If a service was not available in a certain area (like ambulatory care), the call center would assist customers in finding a suitable provider (see Appendix E). Despite the ease of use and online payment options available to urban customers, the semi-urban and rural populations faced unique challenges when it came to accessing similar products and services. These challenges included a lack of available service providers and difficulty in using laptops, phones and apps, making online payments, and other operational issues. Despite these difficulties, Mr. Vikrant was determined to overcome these challenges and provide equal access to all of customers.

Mr. Vikrant noticed that people who had worked as monitors and invigilators in World Bank projects, government vaccination programs, etc., had access to information about everyone in the areas they worked. They had a sense of responsibility to serve the people and were trusted by them. To cater to semi-urban and rural areas, Mr. Vikrant established a plan where Preheal would hire experienced monitors and invigilators who had prior experience in government healthcare projects and were familiar with the area. These monitors and invigilators would act as a link between Preheal and its customers, earning a commission for their services. This would be beneficial for all parties involved - the customers, monitors and invigilators and Preheal. Rural customers would contact the monitors who would then schedule appointments for them and communicate any additional information the customer's requested to the Preheal customer service team (see Appendix F).

6. COVID-19 Pandemic

The start-up team's work was going according to plan, until the COVID-19 outbreak arrived in India in early 2020 which led to a government-imposed lockdown. Mr. Vikrant encouraged the team to work remotely, but he personally fell ill with COVID-19 in May 2020 and took six months to fully recover. During this time, most of the team left for other opportunities and the full launch of Preheal was delayed.

Hiring Dilemma

Once the COVID pandemic slowed down and the lockdown was lifted, Mr. Vikrant faced a choice between either reassembling a new full team and continuing operations as per the original plan, or launching with a limited team and limited offerings and gradually expanding services and providers over time (see Appendix G for a initial comparison of functions under full staffing vs limited staffing and Appendix H outlines predicted income statements under the two regimes).

Assignment

Students should prepare to advise Mr. Vikrant on the best way forward. Students will discuss the case in full and the options. At the end of the discussions they will formulate a revised table comparing the two staffing options. They will then present and argue for their preference, along with a revised cash flow forecast in order for Mr. Vikrant to convince potential funders that the enterprise is viable.

References/Relevant Weblinks

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