CASE ANALYSIS: CONEXIA

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**Introduction**

Conexia is a software company based in Argentina. The company is associated with the Endeavor network with high impact countries registered with ISO 9001 and is CMMI certified. The company works for the Software as a Service (SaaS) and has sold Real Time Adjudication services in a subscription-based manner. It extends the software service to cater to the payment reconciliation between the provider and the payer. Conexia also serves the software industry by providing services including card readers for the magnetic cards readers of the patients to phone-based credit card systems. Conexia has been well received in Argentina and therefore the CEO Navas aspires to extend its reach transnationally. Therefore in order to become a multinational. The company needs to resolve and anticipate the issues before entering into a bigger market than the host country themselves.

**Case Questions**

1. **What made the company successful to a point?**

Conexia had been very successful since 2003 in Argentina by initiating the electronic billing and reconciliation services to the healthcare departments in Argentina. Conexia is a large information technology service provider, providing ease and lifting burdens of delay and costs from the healthcare sector. The company is motivated to provide such services on the basis of an IT solution i.e. Real Time Adjudication (RTA). RTA is a system whereby the healthcare payments for the anticipated medical services, between the provider and payers are pre-authorized (B Kennedy, 2007). RTA pre-informs the patient about their insurance coverage by the provider. The system has proven to be a success for the company as it has added a considerable increase in the revenues of the company. The firm's increase has been marked with a 36% growth per year. The firm served 20 insurance providers with the four billion beneficiaries with just 130 employees. The increase in revenues and the reach suggests that RTA has been a success.

1. **What is the current state of the claims process in the US?**

The United States has encouraged the incorporation and integration of the technological advancement in their healthcare industry through reforming acts like HITECH Act will a significant amount of 50 billion USD to support this initiative (HITECH Act Enforcement Interim Final Rule, 2019). The healthcare systems in the United States have lifted the burdens off the patients. Physicians and other healthcare staffs with the help of electronic health records and other facilities to diagnose patients, prescription and other health-related programs through coding and statistical data. These technological changes lift administrative burdens, save time and costs for the patients and the healthcare staff (D Beazley, 2003). The United States facilitates and encourages the Inflection of technology to reform their systems.

**3. What are the challenges of entering the US Marketplace with a technological product like Conexia?**

The United States of America is known for its revolution in integrating the healthcare systems with information technology. Conexia was more concerned about RTA as it was yet to gain traction since many payers used it on an offline basis and in batches. The company had its own internal concerns regarding the usage of RTA. The United States of America is already using online systems entering data creating ease for the physician in healthcare system however these systems did not incorporate any real-time systems for payments procedures and costs. The RTA, therefore, had considerably lower brand awareness amongst the Americans. Moreover, the adoption of RTA win USA would be difficult to comprehend in terms of regulatory claims as it would require the physicians for entering and coding processes. Advanced technology competitors who were experienced and pre-existent such as system integrators like HP-Eds and Dell Perot Systems, though did not have RTA's but provided more highly developed and customized solutions to these consumers. And lastly, ventures using RTA were already operating in the United States which concluded that Conexia's performance would promise its success in the new market.

**4. Do you think Conexia still has a chance in entering the US marketplace? why or why not?**

Despite the challenges Conexia still has a chance to enter into newer markets. By implying certain strategic ideals for their company. Conexia shall enter the US market with a planned RTA solution to their healthcare needs. They could initially target the niche such as the Medicaid programs, targeting existential programs and collaborating would them would increase the awareness about the company. Conexia can further establish credibility through the simpler product which is easily comprehensible by the consumers, such as payment estimation systems to reduce time and increase the cash flow. Since Conexia is an IT company, it can also establish credibility through efficient and effective strategies in the service industry, by offering software technologies to the healthcare organizations in American healthcare. And lastly, Conexia could partner with an already existing firm in the United State of America through turnkey projects, franchising/ licensing, joint ventures and contract manufacturing.

**5. What do u recommend to the CEO of Conexia, and why? Make sure you support this with information from the case.**

I would recommend the CEO of Conexia to evaluate the success ratio of entering the US market through different mediums such as exporting, franchising, contracts or joint ventures against the challenges such as expert staff and the resources. In my opinion, Joint ventures hold a lesser risk with higher pertaining benefits. The Joint ventures in the United States is a more rational strategy since it would bring two or more than two independent firms together to establish a firm of their own. It would consequently reduce the operational costs for Conexia and avert future risks. The venture would help Conexia to gain expertise and capacity. The host countries company would aid Conexia with resources and professionally sound staff and more effective local technology. This strategy would help the CEO formulate a better plan for Conexia’s extension abroad.

**Summary**

Conexia provides a software solution to the access and healthcare needs of payments through a software named RTA. The software is beneficial for the provider and the payer. The company’s management decided to extend its reach beyond Argentina in order to attain a multinational status. However, in order to achieve this status, the Global Entrepreneurship Lab identifies certain challenges which Conexia would face while entering the US market. Although Conexia provides a unique model of healthcare costs and payments which will reduce the administrative costs and time, the presence of competition and lack of brand awareness might halt RTA's success rate in the United States. Therefore the most suitable solution for Conexia is to initiate a partnership with an existent company of the same nature. This will significantly decrease the costs of establishing, provide resources for the operationalization and reduce risks of failure.

# Works Cited

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