

# NHS engagement in international commercial opportunities

A peer learning guide

June 2021



# About

This guide aims to support NHS organisations considering undertaking or expanding their international commercial work, now or in the future.

The NHS Confederation is the only membership organisation that brings together, supports and speaks for the whole healthcare system in England, Wales and Northern Ireland. We promote collaboration and partnership working as the key to improving population health, delivering high-quality care and reducing health inequalities.

Our International Special Interest Group (SIG) launched in 2018 and facilitates peer sharing and learning around opportunities, experience and expertise involving all forms of international engagement by NHS organisations – including the challenges, barriers and practicalities. It also offers opportunities to contribute to national policy relevant to all aspects of NHS international engagement.

Members of the SIG are those responsible for developing their organisation's international activity. All full members of the NHS Confederation are welcome to join. To get involved, please email [international@nhsconfed.org](mailto:international@nhsconfed.org)

To find out more, visit [www.nhsconfed.org](http://www.nhsconfed.org) and follow us on Twitter @NHSConfed

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# Key points

International commercial activity provides more than just financial benefits: it can support a number of strategic objectives, including opening up research opportunities and supporting recruitment, retention and professional development.

- Consistently ranked as one of the best healthcare systems in the world, and a leader in the development of solutions to the most pressing health challenges, the NHS is well placed to share its knowledge and expertise with those investing in the development of their own health systems.
- This guide has been developed to support NHS organisations that are considering undertaking or expanding their international commercial work, now or in the future. Drawing on learning from the NHS Confederation's International Special Interest Group, it explores what has motivated particular NHS organisations in England to get involved in international commercial activity, how they developed their international offer, and the successes and challenges they have faced so far.
- Developing and growing an NHS organisation's international strategy can be both complex and politically sensitive. However, international commercial work ultimately offers the opportunity to improve NHS services in many ways. Through careful planning, continuous evaluation and with the help of various support mechanisms, many NHS organisations will be able to

benefit from international involvement at a level of scale that fits with their capacity and ambitions. This guide provides hints and tips.

- Working collaboratively across your organisation to build an international strategy and committing to it long term will support development over time – but be prepared for adjustments and setbacks along the way.
- Engage a broad range of stakeholders to ensure groups including staff, patients, and the general public can ask questions, understand your objectives and recognise the benefits. This will help grow support for your international commercial strategy.
- Do your due diligence. International work involves various types of risk, so it pays to invest time assessing the potential ethical, legal, financial and reputation implications of each opportunity you take.
- Work collaboratively with other organisations (such as NHS organisations, universities, government and the private sector) where it makes sense to do so: good partnerships can reduce resource burden, share risk, expand the quantity and complexity of opportunities to which you might contribute, and facilitate sharing of expertise.
- Start small and build over time. The financial rewards presented by commercial work are small but have the potential to be significant. Building slowly reduces risk and the need for large investments upfront.
- To fully harness the benefits of international commercial opportunities, experience has shown that NHS organisations need to develop and commit to a long-term strategy that includes the investment of explicit staff time and resources.

# Introduction

As its name would suggest, the National Health Service focuses on a national remit. Yet ever since its inception, the NHS has engaged far beyond the British Isles: from overseas volunteering and supporting the development of lower-income countries' health systems, to collaborating on multinational research studies that deliver more effective treatments to patients on ever faster timescales.

The NHS has also engaged in strategic international commercial activity for decades. Consistently ranked as one of the best healthcare systems in the world, and a leader in the development of solutions to the most pressing health challenges, the NHS is well placed to share its knowledge and expertise with those investing in the development of their own health systems.

Some NHS organisations deliver education and training to support the development of international health professionals, either in the UK or overseas. Some offer consultancy based on their areas of expertise, improving existing health services and developing new services in other countries. And some run entire clinics and hospitals overseas. Delivering care to international patients in the UK on a private basis is not within the scope of this report, other than the international operations side of this work.

The benefits to the NHS, staff, patients and services have primarily been financial, but have also extended more widely across organisations. This often augments other NHS strategies designed to improve staff development, recruitment and retention, and increases the profile and reach of these organisations.

Some NHS organisations have already developed considerable capacity, expertise and experience needed to operate in international markets. Many others are still developing, while others currently do not seek to develop in this way. Several arm's-length bodies (such as Health Education England and the National Institute for Health and Care Excellence) have also recently developed global strategies that involve the NHS, including the use of UK development funds to provide aid for health service development in low-income countries.

While international commercial activity can be a significant element of an NHS organisation's strategy, organisations have until recently tended to independently develop their own capacity, plans and activities, and build their own collaborations. But more formal support is developing, from government (such as Healthcare UK, which is part-funded by NHS England and NHS Improvement the Department for Health and Social Care and the Department for International Trade); from external agencies (such as The United Kingdom International Healthcare Management Association); and collaborations between NHS and other organisations (such as the NHS Northumbria International Alliance).

The coronavirus pandemic upended many of the NHS's customary approaches to international engagement. During the pandemic, it was not possible, or appropriate, to travel or host international clients, and the delivery of services to clients became more challenging. The extent to which these changes will persist in the longer term remains to be seen.

The pandemic has also presented opportunities. The use of digital platforms has meant that services traditionally delivered in person, such as education and training, consultancy and assurance, can be delivered virtually. Members of the NHS Confederation's International Special Interest Group have noted several advantages of remote working extend to their international portfolio, and innovation that has been catalysed by the pandemic response may be developed into new international offers.

## International engagement and the NHS Long Term Plan

The NHS Long Term Plan has taken a further step in supporting NHS international engagement in England. Published in January 2019 by NHS England and NHS Improvement, the Long Term Plan reaffirms the importance of collaboration for sharing innovations and successfully winning and delivering projects internationally: ‘As UK-led innovations are proven as ‘ready for spread’ in England, we will support their global export through the work of Healthcare UK. We will also form an NHS Export Collaborative with Healthcare UK by 2021, working with selected trusts to export NHS innovations.’

To take forward this commitment, NHS England and NHS Improvement, Healthcare UK and the Department of Health and Social Care have convened a team tasked with driving the initiative. This team has been engaging with healthcare leaders to develop a collaborative that builds on the strong foundations of existing partnerships and works for the NHS in practice. This aim is to facilitate innovation sharing and build a permissive environment to support commercial income opportunities, while protecting domestic NHS priorities.

For many NHS organisations, active participation in international commercial opportunities has taken a back seat during the coronavirus pandemic response. But some have continued to have capacity among their clinical and managerial staff, plus the experience, opportunity and means to continue delivering services. They have shown that depending on an organisation’s individual circumstances, benefits can still be reaped by the NHS, including to help fuel a ‘reset’, and that it will not always be necessary to await a complete ‘return to normal’ to resume international commercial activity.



## Sharing learning and insight

To support NHS organisations' international ambitions, the NHS Confederation hosts an International Special Interest Group (SIG) of NHS organisations that are already undertaking international commercial opportunities, and those that aspire to do so. This group, established in 2018, seeks to facilitate the sharing of best practice, identify areas for collaboration and tackle shared challenges.

The development of the Special Interest Group over this time, as well as interviews with several of its members, forms the basis of this report. There are several 'official' publications about how the NHS can engage commercially overseas. The value of the SIG is in the opportunity to share experiences and learning between people whose organisations have been involved in this activity. This report seeks to share this peer learning more widely. We focus on what has motivated particular NHS organisations in England to get involved in international commercial activity, how they developed their international offer, and the successes and challenges they have faced so far.

One point has been abundantly clear: international work cannot be treated as an additional extra, conveniently undertaken on the side of core domestic priorities to achieve a quick financial win. Effective international engagement is fraught with challenges that must be overcome to access the many potential benefits available to the NHS. This requires international engagement to be an explicit and well-considered part of an organisation's long-term strategy, with the complete understanding and backing of the trust's executive board.

The purpose of this report is to supplement the 'official' advice and support from government bodies and others with on-the-ground experience to support those considering undertaking or expanding their international commercial work, now or in the future.

Those with little to no experience of international opportunities may decide that given the ongoing stresses placed on the health system by COVID-19 it is not a good time to begin developing or delivering an international strategy; this does not mean that the initial thinking cannot be started.

This report was largely developed before the COVID-19 pandemic. However, we have adapted it accordingly and believe it should still be of relevance to those wishing to pursue international opportunities now and into the future.

# Why get involved in international commercial activity?

## Healthcare UK's five Rs of international commercial engagement

**Revenue:** Income generated from international sources can alleviate pressure on budgets and be reinvested in innovation and improvement within the UK to improve the quality of domestic services and ensure that the NHS continues to be a world leader in the future.

**Reputation:** International activity enhances the global reputation of your organisation and the NHS.

**Research and learning:** Experience in providing services for overseas patients and populations can improve the delivery of services to diverse patients within the UK. Staff can learn a lot from overseas work and more formal research partnerships can contribute to breakthroughs in healthcare delivery.

**Recruitment and retention:** Operating internationally will give your organisation a larger footprint in the global health labour market, increasing the availability of highly trained staff and bringing benefits to both the UK and partner institutions. Offering staff the potential for overseas experience also aids staff recruitment and retention within the UK's competitive labour market.

**Reach:** The NHS is one of the best health systems in the world. Sharing your expertise internationally ensures that a greater number of people benefit from access to world-class healthcare and means that the values and quality associated with the NHS have a global reach.

There are many financial and non-financial reasons why NHS organisations choose to seek international commercial opportunities. It is essential to be able to articulate a clear rationale for getting involved.

International SIG members acknowledge that financial revenue is an important motivator. However, they reflect that while the revenue generated can be significant and provide positive impact for service provision in the UK, in many cases profit tends to be modest, particularly in the short term, and is unlikely to play a large role in the financial fortunes of most trusts.

Most members consider that the non-financial gains from international commercial activity will be an important factor in the success of long-term engagements overseas. For example, the Christie NHS Foundation Trust uses the four Ps to conceptualise the benefits they seek:

- **profit**
- **profile**
- **philanthropy**
- **practice.**

These four Ps, which overlap with many of Healthcare UK's five Rs, demonstrate the priorities of many NHS organisations for this activity: financial profit is certainly an important incentive. But organisations also seek to gain an international reputation, which in turn will attract opportunities such as research collaborations and funding, and an international workforce.

Philanthropy has always been a motivator for overseas work in the NHS and the commercial aspect follows on from this. Many philanthropic and commercial activities overlap, and in some cases, commercial revenue sustains an NHS organisation's philanthropic work.

Many NHS organisations have vibrant overseas volunteer programmes for low-income countries; as these countries develop into middle-income countries, they often seek to invest in developing their health services and are able to pay for this. Pre-existing relationships, and expertise gained from long-term international partnerships, can help make NHS organisations preferred and high-quality partners for this work.

The fourth P, practice, is about how international work can contribute to enhancing NHS staff and services by learning from international experience, expertise and insights, and applying it at home.

International Special Interest Group members also identified the following additional benefits, which support the ambitions and wider objectives of NHS organisations, despite not directly contributing to their overall balance sheet include:

- **Recruitment and retention:** Provide a more attractive working and development environment, which will draw and retain the highest quality staff to the organisation.
- **Research collaborations:** Facilitate more numerous and high-quality research collaborations that can lead to better treatments reaching patients quicker.
- **System strengthening:** Can support system strengthening both in the UK and abroad through sharing our expertise with others and learning from the challenges and approaches faced by other systems.
- **Philanthropy:** Supports the philanthropic goals of NHS objectives as the revenue creates a financial sustainability that can support more consistent engagement across greater geographical regions.

# How NHS organisations are developing international strategies

## **Healthcare UK's recommendations on developing an international model**

Healthcare UK recommends using six key strategic questions when developing an international strategy. These cover: the organisation's rationale, proposition, target markets, available resources, route to market and partner strategy.

Through these six questions, organisations should consider what it is they have to offer to the market, where they will be delivering this offer, the resources at their disposal to enable this, whether they will be able to deliver in a profitable and sustainable way, and the characteristics they are looking for in an international partner.

One underlying principle on which International Special Interest Group members agree is that a clear strategy is needed for this work: approaching international commercial activity piecemeal, or like an enthusiast's hobby on the side (as is often the case with international philanthropic work in the NHS), will make it harder to achieve real progress and sustain this work in the long term.

The initial questions NHS organisations have consistently tended to consider in developing their international strategies have been:

- What do we do well?
- What do we want to sell?
- Who do we want to sell it to?
- And what do they want to buy?

As well as conversely asking: what services will we *not* offer, and are there locations or settings in which we will *not* work? Some consider this alone, while some employ consultants or others to help them think it through.

Expanding on the key questions, the Special Interest Group identified three areas for detailed consideration:

**First**, spend time evaluating your service and establishing what it is that you are currently doing well domestically and what you would therefore be in a good position to offer internationally.

**Second**, identify what groups across your organisation are already doing internationally. From volunteering to fellowships, research collaborations to alumni networks, it is likely that there is already a significant amount of international engagement taking place within the organisation.

A core challenge here is coordinating international engagement across your organisation. Different groups of people with different objectives may take quite different approaches, even within the same organisation. Ideally, you would bring them together behind a collective strategy, while still endorsing the individual opportunities developed by staff that have been the foundation for this work.

Despite any differences in opinion that you may encounter during this process, it is an important step as it will offer the opportunity to gain the buy-in of staff and stakeholder groups that are key to the sustainability of international engagements. Failing to develop

in collaboration with these groups risks disenfranchising them and will have the potential to generate negative perceptions towards this work.

**Third**, of all the potential services that you could offer, and all the potential partners to whom you could offer them, what will you actually decide to offer, and to whom? For example, you may be an expert in a particular area, but bear in mind the complexity of this service, the resources required to deliver it effectively, and the appropriateness and appetite for the service by your target health system partners. All these variables have the potential to limit the efficacy and sustainability of delivery of your service, so be strategic and specific about what you want to offer.

This period of reflection has become even more pertinent following the emergency response to COVID-19 for the following reasons:

- Some services may no longer be appropriate to export as a result of current and ongoing pressures.
- Some staff who have been working at an unsustainable intensity may not currently have the capacity to pursue international opportunities.
- Some previously in-demand services may no longer be sought by international partners; some previously undervalued services may now be in higher demand, including COVID-19-catalysed innovations achieved within the NHS. Examples of this include surge medicine, digital/remote management and rapid service reconfiguration.



## Case study: Developing the right model for the Tavistock and Portman NHS Foundation Trust's first international commercial activity

The Tavistock and Portman NHS Foundation Trust has an international reputation as a leading provider of mental health training and education. It has been delivering a range of postgraduate provision to individuals, teams and organisations in health and mental health, social care, education and the criminal justice sector. As such, clinician-trainers have been contributing to the development of mental health in many countries since the Tavistock Clinic was established almost 100 years ago.

Brian Rock, director of education and training/dean of postgraduate studies, working with the trust's senior management team, was keen to build on their international reputation by expanding further into international markets. This would help to spread its influence and networks and create a sustainable revenue stream. The trust engaged external consultants to help explore and shape its transnational education offer. A brief piece of work helped establish a more focused and systematic approach to growth. It also identified the trust's strengths alongside potential international markets to focus efforts.

It was through this piece of work, and a subsequent trade mission offered by Healthcare UK, that the Tavistock and Portman NHS Foundation Trust decided to initially prioritise delivery of education services to a predominantly Chinese market.

# Partnering to deliver international commercial work

**Healthcare UK is working with NHS England and NHS Improvement and the Department of Health and Social Care (DHSC) towards an ‘NHS Export Collaborative’, as announced in the 2019 NHS Long Term Plan.**

The NHS Long Term Plan sets out an ambition to form an NHS Export Collaborative. The aim is to bring together NHS organisations, DHSC, arm’s-length bodies and wider UK healthcare organisations as appropriate, to help them to work together overseas. It is envisaged as a collection of organisations working together to deliver international projects, supported by a dedicated team providing commercial support to NHS organisations keen on collaborating (and may be already exporting) on an ongoing basis, with additional support for larger, ‘bundled’ opportunities.

By supporting the NHS family in sharing innovations, becoming better coordinated and delivering more complex projects, it is believed that any future NHS Export Collaborative could improve global health outcomes and feed resources back into UK care. A joint team from Healthcare UK, NHS England and NHS Improvement and the Department of Health and Social Care is working to develop the concept of the Export Collaborative in more detail, with a view to the initiative being fully functional by 2021.

## Domestic partnerships

Delivering commercial services overseas can be a significant challenge for NHS organisations that have not previously undertaken such work. The Special Interest Group noted that given the scale and complexity of some international opportunities, it is not possible, nor responsible, for individual NHS organisations to take on certain challenges alone. For example, a trust may be well placed to bid for a contract but lack the available capacity, resources or speciality to deliver certain parts of that contract.

However, they have noted that declining these opportunities has led to NHS organisations losing out on contracts to international competitors, particularly from North America and European countries, where competitors either have the financial resources to deliver these contracts alone, or a national strategy that supports shared delivery.

This is why the group would advise building effective domestic partnerships, such as via the NHS Export Collaborative, that enable NHS trusts, arm's-length bodies and others to come together, share opportunities, benefit from additional and diverse experience and expertise, pool business intelligence and spread risks. Partnering can help empower individual NHS organisations to get involved in delivering larger, more complex services that return greater revenue to health services in the UK.

Partnerships can be found across organisations, including:

- other trusts and healthcare organisations
- arm's-length bodies
- local government
- universities
- private sector.

The Special Interest Group drew attention to particular opportunities of collaborating with universities around education, training and research. This includes: the sharing of business intelligence, the networks they have developed in target countries and the resources that they are using to deliver their own international strategies.

NHS organisations that have participated in domestic partnerships for international commercial activity have shared the following advice:

- If trusts choose to partner to deliver services, discuss and agree the contribution of expertise and resources and their effect on the division of revenue ahead of time to avoid duplication and confusion.
- Be mindful that the timing required to deliver services at scale is such that contract partnerships are difficult to deliver unless there is an ongoing relationship between the organisations.
- Organisations are likely to have different overall strategies and priorities at any given time and so partnering on a case-by-case basis is challenging. Maintaining ongoing relationships and channels of communication will mean that when a commercial partnership does become possible, many of the prerequisite requirements for successful collaboration are already in place.

## Case study: Partnering to deliver international commercial services

Richard Stubbs, chief executive of Yorkshire and Humber AHSN and previously head of NHS Global, has had experience of using and delivering both regional and national support to those undertaking international opportunities.

The role that the academic health science networks (AHSNs) undertake, linking between industry and NHS organisations, has meant that they have a broad experience of the domestic partnerships that organisations can use to reach greater audiences and use a greater pool of expertise.

So far, during the development of the AHSNs' international offering, they have partnered with the Association of British HealthTech Industries (ABHI) to support innovators reach markets in America, as well as the Department for International Trade (DIT) to attend Arab Health, one of the largest health trade shows in the world.

## Private sector

Working with consultancy firms that can provide project management support, a permanent in-country presence, and/or an understanding of the local cultural and business practices has enabled some trusts to undertake contracts where the required investment of time and expertise would otherwise have been prohibitive. Consultancy firms can use their experience of working in international markets and dedicated project management staff to deliver the contract, reducing the resource investment required by the NHS and ensuring that organisations are only needed to deliver where their expertise lies.

Consultancy firms do, of course, affect the financial returns for NHS organisations. Those looking to make use of these services should also be aware that the values and methods of private sector partners may not be the same as those of the NHS – transparency and good communication are essential.

Efforts are currently underway within government to develop similar offerings by increasing the market intelligence and due diligence expertise offered to the NHS by the trade desks in British embassies and commissions around the globe, therefore offering an alternative to the traditionally used consultancy firms.

# Finding international business

## **Healthcare UK's recommended approaches to marketing NHS organisations overseas**

The esteem in which the NHS is held across the world can act as the basis of your organisation's global unique selling point, but an association with the NHS brand will not be enough in itself. Designing suitable marketing materials that can be shared with potential partners, interfacing with Healthcare UK market specialists and network of embassies globally, joining international trade missions and attending delegations to the UK are the best ways to engage and generate opportunities.

Not all overseas purchasers of UK healthcare services have a well-defined set of requirements. You may wish to frame your proposal as the solution to a specific health or healthcare issue and offer a long-term commitment, rather than a discrete product or service.

## Leveraging the NHS brand

The Special Interest Group agrees with the Healthcare UK assessment that the NHS brand is beneficial in marketing and business development and can attract many opportunities.

However, the NHS brand can also cause confusion overseas.

International partners may consider any one NHS organisation to be ‘the NHS’ and not understand the complexity of variation, and indeed competition, within the system. Members have found that international partners interacting with one trust may consider them not just to represent their own organisation, but also the entire NHS. They may also assume that previous interactions (positive or negative) with an NHS organisation were interactions with you. Trusts that have their own internationally renowned brands to augment the NHS brand are also subject to confusion.

Trusts should be alert to the intended use of NHS branding by international partners, ensuring there are formal agreements to do so. The NHS branding is otherwise at risk of being associated with organisations that do not necessarily share the values and practices of the NHS and may be used inappropriately as a marketing opportunity. Organisations should therefore be cautious when distributing shared branding documents.

## The NHS brand in the aftermath of COVID-19

International comparisons have not always covered the UK in glory during the COVID-19 pandemic, as the country has experienced higher levels of infection and excess death than some other high-income countries. And yet, at the level of NHS organisations, the story has been one of rapid and successful reconfiguration of services, tireless work of NHS staff and immense innovation that will prove valuable to potential international partners. Being able to reference this should resolve the question of NHS expertise and brand value during conversations with potential international partners.

Through the NHS Confederation’s NHS Reset campaign, the AHSN Network, Health Foundation and NHS Confederation have partnered to identify some of the innovations developed across the NHS during the pandemic that could be retained after the pandemic as a way to improve the efficacy and experience of



care. If shown to be effective, this could open channels for NHS professional and organisations to share their innovations with our international partners.

It is also important to note that the reputation of the UK as a centre of health is determined by many factors. The leading role British universities are playing in treatment and vaccine development will enhance the reputation of UK PLC, and the work Healthcare UK and others have undertaken with international partners to support their COVID-19 responses has meant that trusting relationships have been maintained.

## Leveraging existing international networks

Most NHS organisations have staff already engaged in international activity of some sort, for instance through volunteering, training or research. Pre-existing collaborations offer opportunities for developing commercial opportunities and many organisations have developed their initial commercial opportunities from these international networks.

Most NHS organisations' diverse international workforce spans several countries – both current staff and alumni. Working to maintain connections with these networks may enhance NHS organisations' reputation and credibility with professionals and leaders within the countries in which they partner.

## Getting the best from study tours and visits

Hosting study tours, visits and other interactions with international partners seems like a potentially helpful route to identify and secure commercial opportunity. However, International Special Interest Group members recommend approaching this opportunity strategically – and with caution – to get most value. Study visits are an opportunity to develop relationships with institutions and

decision makers, but organisations must remain aware that the priorities of international partners will not always reflect their own. In many cases, members have found these visits do not bring sufficient rewards to justify the investment.

Members stress the need to ensure that the NHS and visiting organisations' objectives and interests are aligned. Despite being inundated with requests for visits, members have found that they rarely lead to a commercially feasible or profitable outcome. In some instances, visits are used by international partners for various types of learning, including to compare approaches, or assess NHS organisations against international competition without serious business intent. If this is the shared expectation, hosting such visits is the organisation's prerogative. But it can be frustrating if different expectations mean the NHS organisation's investment in logistics and hosting the visit feels wasted.

Given the cost associated with developing and delivering the visit, some International Special Interest Group members reject visit requests unless associated with business negotiations. Others have started charging, either on a cost-recovery or profit basis, to help identify visitors genuinely committed to a business motive, and justify their investment.

## Direct marketing approaches to the target audience

Due to the variations in the way that media is consumed across different groups and places, an in-depth understanding of the most effective delivery of marketing and modes of consumption are vital. Examples given by the Special Interest Group include targeted online advertising used across the UK, which is less likely to be effective when seeking to attract private patients from the United Arab Emirates. Rather, the Emirati public are more likely to be reached through radio and theatre advertising. And in China, online advertising may be effective but laws surrounding access to

the internet mean that marketing materials have to be tailored to meet these requirements.

## Case study: Identifying appropriate international private patients

A significant number of the Royal Marsden NHS Foundation Trust's international private patients come from China, Russia and the Middle East. The use of in-country marketing management allows the trust to have suitable patients identified on their behalf in-country before being referred for review and referral on to a consultant as appropriate. This screening ensures an additional level of assurance that patients are in a position to pay for their treatment.

## Government-supported identification of partners

The Department for International Trade hosts Healthcare UK, which provides 'matchmaking' opportunities for the NHS with international potential opportunities through their trade missions, international delegations and trade specialists, located in the UK and overseas embassies. They may identify opportunities suitable for further exploration.

When looking to explore a new market, some Special Interest Group members have also participated in trade missions organised by Healthcare UK. This is a way to meet the decision makers and prospective clients in a country, while also testing any pre-existing reputation in-country and the appetite and suitability for services you intend to offer. They can also raise the profile of the NHS more generally. However, these large, multi-organisation events can cost significant amounts of money to attend and cannot be expected to result in immediate business opportunities. They can raise expectations that potential clients are not then able to deliver.

Member experience suggests that trade missions should be viewed as an opportunity to generally build the reputation and knowledge of their services, and to learn more about a target country, and not usually as a direct route to generating contracts.

## Nurturing international commercial relationships

Appropriate in-country marketing is certainly important for developing an organisation's reputation, and trade missions and meeting foreign delegations are a useful means for developing initial contacts and testing the brand and market offer. However, Special Interest Group members emphasise that for many contractual commercial opportunities, these will not result in immediate commercial opportunities.

Rather, a necessary and core part of successful partnerships is dedicating time and resources to develop and sustain relationships with the healthcare leaders and decision makers in the target country, including in person. This investment should be factored into the organisation's strategy. It may involve direct links between institutions; many Special Interest Group members have found it helpful to partner with universities that often have longstanding relationships with international organisations.

In order to limit the need for travel, some trusts have a long-term ambition to establish a permanent in-country presence in target markets to facilitate the maintenance of these relationships, promote the organisation and generate new business. For those that operate across several countries, members suggest that having a central manager to coordinate engagements may be a more effective way of managing these relationships. This is also a potential advantage of private sector partnerships, as other partners' in-country presence can limit the need for NHS staff to undertake extensive travel.

Cultural differences between different countries need to be considered before and during engagement. NHS organisations should familiarise themselves with potentially different approaches to conducting business, for example the expectations of speed at which decisions are made and the need to meet partners in-person before concluding an agreement. The latter has been emphasised throughout the pandemic with several SIG members sharing experiences of being unable to finalise agreements as virtual engagement is unable to achieve the same level of trust from international partners.

## Case study: Investing in long-term partnerships

Jenny Scott, former head of Christie International, outlined that The Christie NHS Foundation Trust has been undertaking international work for a number of years and places a clear emphasis on the development of high-quality long-term partnerships.

One such partnership has been with a large teaching hospital in Ireland, where there has been an agreement in place for several years. The Christie has worked alongside this partner in providing clinical and technical advice, which has enabled them to achieve their organisational aim for oncology services. This has been seen as a partnership of equals and the relationships that have developed have supported opportunities for The Christie team to learn from the experience of another health system.

Providing a flexible approach to what they offer has allowed their offer to develop over time to meet the ongoing and evolving needs of their partners. This allows them to develop a broader relationships and collaborations that include and extend beyond commercial engagement.

# Building your team

## **Healthcare UK is developing resources to support you to build your team**

The Export Catalyst has a range of resources in development to support you, to ensure you have the right capability and capacity in place to sustainably engage internationally. These range from templates and documents in the Export Library, which will be available through the Export Catalyst website free of charge, to bespoke workshops and additional specialist resource, delivered on a cost-recovery basis.

One of the most common questions from NHS organisations starting out in international commercial work is how others organise their staff and capacity. In many cases, international philanthropic work is undertaken on a voluntary basis by enthusiastic staff alongside their day jobs.

SIG members report that developing an international commercial strategy, on the other hand, usually involves formal staff time, although how this is organised varies from place to place. Some organisations have found it helpful to employ their staff involved in international work on zero-hour contracts alongside their substantive post contracts. This has helped these organisations achieve the flexibility needed to manage the peaks and troughs in activity often associated with international work.

In order to most effectively manage these complex international partnerships and the cultural and professional differences that organisations may experience, it has been important for members when undertaking international work to employ staff with sufficient knowledge to identify and mitigate challenges. Special Interest Group members shared some of what has worked for them:

## Staff considerations

**Staff skills:** The type of skills needed by organisations tends to grow along with the size and complexity of their international commercial engagement. Staff involved need to understand the processes that govern the management and provision of the home and relevant international healthcare systems.

Staff with commercial skills are important. This may include professionals with marketing experience, who can work with in-country third parties; finance staff, who understand the insurance and bonds markets; and staff with specialist understanding of specific activities, for example the clinical structures that deliver treatment to patients, or international student recruitment.

### Case study: Hiring staff who understand the culture of the markets in which you want to work

The Tavistock and Portman NHS Foundation Trust hired a Chinese clinical psychologist who had previously trained in the trust and subsequently worked in China. He was able to provide insights into the cultural aspect of the Chinese market, while also having knowledge of the clinical process. This enabled the trust to develop an effective strategy.

**Staff size:** Undertaking international contracts and potentially running facilities outside of the UK can give the impression that additional staff provide additional assurances, but this is not always the case. The special interest group emphasises that the key is to secure the appropriate skill mix rather than needing a specific number of people.

## Case study: Streamlining teams working on international commercial activity

Moorfields Eye Hospital NHS Foundation Trust found that having a larger team working on international commercial activity led to reduced accountability, as more staff complicated the routes of communication. They found that having a smaller, more specialist team in place continued to provide the services required, but enabled them to maintain easier lines of communication, while reducing costs.

**Staff opportunities:** Investing in the necessary staff to deliver international commercial opportunity is one of the main challenges NHS organisations have to contend with when evaluating whether they are able to undertake commercial activity. But this presents staff with opportunity and contributes an additional and potentially attractive route to support personal development.

## Case study: Recruitment, retention and personal development

The Royal Free NHS Foundation Trust found the ability to provide staff with the opportunity to undertake short periods of international work alongside their NHS employment was of great appeal to mid-level clinical staff. They are offered the ability to add additional variety to their roles, while also contributing to their professional development. This variety is contributing to improved recruitment and retention.



# Making the case for international commercial activity

## **Healthcare UK advises that bringing stakeholders on board is key**

Don't underestimate the necessity of engaging with your stakeholders or the time it will take to achieve their support. Developing and communicating a clear, agreed rationale for engaging in international commercial activity across your key stakeholders is crucial.

The role of the NHS in international (or other) commercial opportunities will always be a source of potential contention for some. Special Interest Group members note that international commercial activity is specifically designed to benefit NHS staff and patients in the UK. Gaining that understanding and support depends on open, honest communication that allows for the broadest range of stakeholders to stay well informed about the organisation's strategy, understand the objectives and share feedback. When this communication is done well, it has been possible to bring diverse stakeholders on board with their organisation's international strategy.

This is particularly pertinent in a coronavirus world where the physical risks posed to staff and patients may be heightened and organisations are required to operate with far greater levels of uncertainty and increased strain on budgets. The risk appetite of boards will (likely) be lower than normal.

Developing risk assessments and mitigations, conducting engagement virtually, seeking detailed advice from government and presenting the ongoing benefits of engagement will help mitigate the rightly heightened causation of leaders and staff alike.

Some of the challenges in gaining stakeholder support that have been encountered by Special Interest Group members include concerns about:

- **Diverting resources away from NHS services:** Diverting staff away from the delivery of care to NHS patients is both a challenge for perception and practical need. NHS organisations can find themselves in the position where they have to turn down opportunities to engage in commercial opportunities because staff do not feel that they have the capacity to support this work. Appropriate planning can mitigate these concerns while offering staff development and a wealth of other potential benefits for NHS services as a result of additional funds and a greater profile.
- **Engaging internationally when there are domestic challenges:** A key concern for many stakeholders is why at a time when many trusts are struggling to deliver quality services to NHS patients in the UK, they would additionally try to deliver commercial services internationally. This is indeed a concern shared by most stakeholders, and of course pursuing this work is not right for everyone. But when NHS organisations are in a good place domestically and consider the benefits to outweigh the risks, this work can be done in a responsible and sustainable way.

It is important to keep the balance between domestic priorities and international opportunities under review. Even if the international operations of a trust are performing successfully, if there is a change in the performance of the trust domestically, the international element may be seen (however inaccurately) as a driver or even a direct cause of this negative change.

Therefore, alongside the work to communicate benefits and engage stakeholders, international opportunities and objectives should be continuously evaluated in the context of domestic priorities.

- **Return on investment:** The cost of developing international services in the first instance can require financial investment. However, by starting engagements slowly, or participating in government schemes, initial investments can be contained. If a percentage of profits from each engagement are held back and reinvested to allow for successively larger ventures, then no resources will have to be diverted away from domestic services. It can take some years for NHS organisations to fully realise the financial returns on international commercial engagement, which some members have found has led to boards questioning the wisdom of pursuing that route. This strategy should be framed as a long-term initiative that can deliver consistent returns and expectations should be managed accordingly. When the financial returns can be demonstrated to be consistent over a longer period of time, special interest group members have been able to more effectively achieve support from members of the board.
- **Ethical challenges:** A significant number of commercial opportunities available to trusts come from countries whose economic growth has led to significant investment in their health systems but have other challenges such as poor records on human rights. For Special Interest Group members, this has resulted in uncertainty for boards and the public who fear compromise of ethical standards in the pursuit of profit. This can be managed by having a clear policy about how to decide what projects to pursue and what countries to partner with. It is currently the role of NHS organisations, working with the healthcare community and partners in government, to ensure that they agree to work with partners that share the same values and standards of the NHS and are committed to developing the health system in their country in order to better

support the population. In addition to contributing to improving healthcare for citizens of a country, the soft diplomacy power of NHS values and standards is increasingly being recognised as an important national benefit of NHS engagement. This is not an easy decision and it will be always be the ultimate decision of each institution to decide where and with whom it chooses to work.

## Case study: Ensuring commercial work does not divert essential staff from the NHS

To avoid any concerns about diverting resources away from NHS services, the Royal Free includes the costs required to cover staff involved in commercial work in their pricing matrix, to ensure that commercial work never leads to understaffing in their hospitals, nor incurs extra costs that would be passed on to the taxpayer. The revenues are returned to the departments involved and these funds can be used by the department as they wish.

# Protecting staff, organisations and the NHS brand

## **Healthcare UK's advice on reducing risk**

At each of the stages throughout your international journey, you will need to develop a deeper understanding of the risks involved and potential controls and mitigation strategies for reducing risk. This should include, clinical governance, financial, regulatory and legal, reputational and ethical risks.

Special Interest Group members have found that assessing and managing risk to staff, organisation and the NHS is a key consideration when engaging overseas. They highlight particular areas worth thinking about, below.

## Due diligence

The leaders responsible for international activity are accountable to the board for all aspects of international operations, from staff welfare to keeping anti-corruption and bribery laws front and centre whenever meeting with prospective partners. Thorough due diligence helps ensure that prospective partners are suitable for their organisation to engage with. Several Special Interest Group members noted they had sought the support of the UK government and their in-country partners to do this.

During this due diligence process NHS organisations, and their government partners, will need to ensure that international partners are in a financial position to pay for their services, and so the financial robustness of the client must be part of the assessment.

## Legal

There are many legal aspects to international commercial engagement. One question is whether to use UK law or the law of the partner country. It is important to consult lawyers with a presence and expertise in both countries who are able to advise on the contractual agreements that will be most protective of the NHS. Members have found that each partner usually wants to use their own country's law, but some stated that they will only accept contracts with a basis in UK law. Key legal considerations include developing appropriate Memoranda of Understanding (MoU) and exit clauses and abiding by commercial and contractual law.

Legal is an area where members advocate for a more collaborative approach between participating trusts. The legal expertise required for each contract is expensive and leads to much duplication between organisations. Closer organisational working can limit duplication and establish more routine legal processes for UK organisations. This can reduce the discrepancies and variation across NHS offers that have currently been noted to confuse prospective partners.

## Financial

A number of methods are used across trusts to determine the pricing and payment structure that they use for delivering their services; there is not an NHS-wide guide or structure. Organisations use various pricing matrices to determine their fees for particular services, but consistently recommend that fees need to cover the costs associated with using temporary staff to

back fill roles, logistical costs, the salaries of staff involved, legal and insurance costs. They should also factor in the potential for unexpected costs associated with delivery. Some organisations will also set different profit margins based on the partner, the economic status of the country in question, or other factors.

When bidding for contracts, NHS organisations have found themselves to sometimes be more expensive and less flexible in price compared to competitors and have experienced losing out to international competition who were able to cut their prices significantly in order to generate business; for instance, because their competitors were large private firms with more flexibility. As this is something that the NHS often does not have, members have found it helpful to frame their higher price as an indicator of the additional assurances offered by NHS expertise, quality and standards.

Financial arrangements should also consider the currency used for payment, the manner by which payments will be received (will this all be upfront, instalments throughout the delivery of service, or part upfront and part upon completion) and the tax requirements of each country. SIG members have experienced late and non-payment for services in the past, as well as incurring large tax bills on their fees.

It is also important to consider the charges associated with service delivery over the long term. Members of the special interest group have found it difficult to adjust their charges once they have been established, and so strategic pricing is needed from the start. Fees that are not priced sustainably in the first instance will not support trusts long-term ambitions and strategies.

Throughout these considerations it is important for organisations to reflect on the desired return on investment and adequate level of profit to justify the associated risk of undertaking these opportunities, and therefore to decide whether this is the most effective investment of funds. Other than initial public funds often

used to establish international operations, NHS organisations often use their commercially secured income to invest in the costs associated with future commercial opportunities, as well as to provide additional resources to domestic services. This means if profits are low, the ability to pursue future opportunities may be limited.

## Case study: Upholding standards and safeguarding reputation

Moorfields Eye Hospital NHS Foundation Trust currently acts as minority operator in a hospital in Abu Dhabi. The trust decided to operate in this way because the legal requirements of the country require the majority shareholder to be an Abu Dhabi-based company.

However, due to differences in regulation and clinical governance in Abu Dhabi, Moorfields Eye Hospital ensured that it maintains full control of staff recruitment and management in the partnership. This helps ensure staff in the Abu Dhabi-based hospital meet the same standards and fitness to practice as they would in the UK. It also means that if a complaint is made or investigation required, staff benefit from the same processes in Abu Dhabi that they would have in the UK.

The trust has found that this requirement can sometimes create tension between the two partners, as it can be associated with temporary falls in efficiency. However, Moorfields Eye Hospital considers this approach essential to ensure that the reputation of both Moorfields and the wider NHS are not brought into disrepute.



# Scaling up overseas engagement over time

## **Healthcare UK**

Having an awareness of the potential to increase the scale of delivery in the future, and the processes and practices that you will use to do so, can enable you to reduce additional operational costs required as you grow internationally. As your organisations and teams become more expert in international provision and are able to scale up, the reduced time and costs involved in winning and delivering business can increase overall returns.

As an NHS organisation's international commercial activity, relationships, capacity and experience grow, so does your opportunity. Members of the Special Interest Group believe that understanding your ambition and factoring in the need for evolving resources and altering priorities to manage any increase in the scale of commercial activities should be a core consideration in the development of an international strategy.

The perspective of trusts on how to manage scaling up tends to vary depending upon their size and speciality, and therefore their ability to balance the requirements of domestic and international priorities and objectives over varying scales. For those who do aspire to undertake opportunities at a greater scale, various special interest group members recommend:

- **Market selection:** Strategic decisions in terms of markets in which you choose to operate. Some trusts recommend undertaking a broad range of shorter-term contracts in a number of countries to avoid the risk of opportunities being lost as the result of changes in a particular market. Others, particularly those who operate on a specialty basis and with longer-term contracts, recommend investing into a narrower geographical area so the necessary resources can be invested into these contracts and developed overtime that enable the required footprint.
- **Meeting the demand:** Be aware that your reputation and demand for your expertise may increase faster than your ability to undertake this work. Members suggest that focusing in on a region or speciality of service can help capitalise on your growing reputation while not overstressing the capacity of the organisation.
- **Speed of expansion:** Evaluate the speed at which you wish to expand. Operating internationally on a commercial basis can carry significant risk to the organisation and members unanimously recommend slow development of international engagements with the benefits of these commercial opportunities emerging over a time. This approach reduces risk and has been found more likely to foster greater support from the board and other stakeholders.

# NHS Confederation viewpoint

To fully harness the benefits of international commercial opportunities, experience has shown that NHS organisations need to develop and commit to a long-term strategy that includes the investment of explicit staff time and resources. This strategy should include consideration of the services that any particular organisation is in an operational position to provide, including delivery methods, and an understanding of the appetite from the international market for the services offered. It should also tackle the tricky question of countries and partners with whom they will or will not choose to work.

The development of this strategy and the commitment to it means securing the buy-in of various stakeholder groups, both inside and outside of the organisation at every level. The strategy should be developed in collaboration with these groups. Due to the potentially emotive nature of delivering services that both have a commercial angle, and that involve the use of NHS capacity at a time when the health service is facing significant challenges, good engagement with stakeholders throughout the process will strengthen the sustainability and support of any strategy.

The experience of the NHS Confederation's International Special Interest Group has found that an organisation's strategy should also consider the possibility of increasing scale of opportunities over time, and the associated increased complexity of delivery. They will need to consider the legal, financial and due diligence processes they have in place to protect against professional and institutional risk. However, complexity also affords the ability to form

partnerships through pooling of resources and expertise, which can reduce the burden of this risk.

Developing and growing an NHS organisation's international strategy can be both complex and politically sensitive. However, international commercial work ultimately offers the opportunity to improve NHS services in many ways. The journey to reaping these benefits is by no means linear and does not conform to a one-size-fits-all approach. Through careful planning, continuous evaluation and with the aid of the various support mechanisms available, from both government and non-governmental sources, many NHS organisations will be able to benefit from international involvement at a level of scale that fits with their capacity and ambitions.

This continues to be true despite the challenges brought about by operating in a COVID-19 world. The application of the principles laid out in this guide, services offered and approaches to delivery may evolve with the context, but the considerations presented remain relevant.

# Key recommendations: developing your international commercial strategy

Seven key recommendations from the NHS Confederation's International Special Interest Group:

1. Be clear about your organisation's motivations, expected outcomes and future aspirations as you develop your international commercial strategy, and ensure these are realistic, with support from relevant stakeholders.
2. Look beyond the financial benefits that engaging internationally can offer your organisation when making the case for engagement.
3. Develop a clear offer based on factors, including: what you are currently doing well domestically, what you would be in a good position to offer, market demand and existing international engagement within your organisation.
4. Start small, build slowly. There is no pot of gold, but returns can be significant despite being small.
5. Make use of pre-existing international networks and support services, including those offered by the UK government to identify and grow opportunities

6. Consider partnering with other UK organisations to provide services overseas, including NHS organisations, local government, and private sector companies to grow your experience, focus on delivering what your organisation specifically wants to offer, and engage with larger contracts.
7. Develop a team with access to capacity to manage your international commercial plans, including vetting, legal and financial matters.

# Appendix 1: definitions

**Healthcare UK:** Established in 2013, Healthcare UK is a joint initiative of the Department of Health and Social Care, NHS England and NHS Improvement and the Department for International Trade. It promotes the British healthcare sector internationally and drives export opportunities to win more business overseas. The initiative also works with the NHS to strengthen its capacity to operate and succeed internationally.

**NHS Export Catalyst:** The Export Catalyst is run by Healthcare UK and offers a collection of resources to support NHS organisations to develop their capability and capacity to undertake international commercial opportunities. Some resources are provided free of charge, such as guidance documents, toolkits and market insights, whilst others, such as bespoke workshops and consultancy, are provided on a cost recovery basis.

**NHS Export Collaborative:** The NHS Export Collaborative is an initiative announced in the 2019 NHS Long Term Plan. Its aim is to bring together NHS organisations, DHSC, arm's-length bodies and, as appropriate, other UK healthcare organisations and help them work together overseas. By supporting the NHS family in sharing innovations, becoming better coordinated, and delivering more complex projects, the initiative hopes to improve global health outcomes and feed resources back into UK care. A joint team from Healthcare UK, NHS England and Improvement, and the Department of Health and Social Care is working to develop the concept of the Export Collaborative in more detail.

**Trade mission:** Typically arranged by the Department for International Trade, trade missions are an opportunity for NHS organisations to join a delegation of other public and private sector organisations with the intention of meeting decision makers and exporting into foreign markets.

**Study visit:** Either arranged individually by a single trust, collaboratively by a group of trusts, or facilitated by Healthcare UK, a study visit is the attendance by a delegation to view NHS facilities and explore potential commercial partnerships.

**Memorandum of Understanding (MoU):** Is a non-legally binding agreement between two parties that sets terms of agreement between both parties for the delivery of specific objectives.



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