MEDICAL TRANSCRIPTION

1. INTRODUCTION

Medical Transcription is one of the highly professional IT related services. It involves highly skilled data processing job for medical field. Doctors maintain the medical records for each patient's follow-up action and future reference. The medical records are also useful for better treatment i.e. health care, insurance claim and for medical research purposes. An accurate computerized medical record helps in avoiding chances of omission of some of the important findings in the records. As the manpower (computer operator-cum-typist) is very costly abroad, Medical Transcription (with the internet growing popular), has emerged into a viable commercial operation to utilize the manpower around the globe.

2. PRODUCT & ITS APPLICATION

In this process the doctor at overseas (say USA) dictates case history and recommendations etc. of a patient directly to a computer, where information is stored as voice files. These files are transmitted to the server from doctor's end. The server of medical transcription company at India is connected to overseas company through network. The voice files are downloaded and converted to readable MS-Word files and uploaded back to overseas server so that the overseas doctor can maintain them as record.

3. DESIRED QUALIFICATION FOR THE PROMOTER

Being an IT based operation, it is important that the promoter has certain basic qualifications in computers and information processing. Following qualifications are recommended, though even people without these qualifications, but with very good entrepreneurial qualities may also engage in these activities:-
a) Any graduate in computer science / engineering;
b) Diploma in electronics / electrical / computer science;
c) Any graduate with a certification in hardware technology / software applications.
Additionally, the entrepreneur can also obtain training and guidance from the National Institute of Electronics & Information Technology, and IIHT.

4. INDUSTRY OUTLOOK & TRENDS

The services sector is the fastest growing sector with an annual growth rate of 8-10% mostly aided by the information technology revolution. IT enabled services has become one of the most significant industries in the world and it has tremendous potential of growth since the information is the key to decision making. Similarly the IT industry which is already growing at a rapid pace is likely to employ around 120 lakh persons by 2020 with the projected industry revenues of $ 150 billion. As such, medical transcription skills are the key factor for new required manpower. Though voice compilers and translators are there, being health care based industry, it is important to incorporate appropriate translation quality checks and so increasingly becoming popular as new internet users are multiplying proportionately.

5. MARKET POTENTIAL & MARKETING ISSUES (IF ANY)

India has emerged as a leading global partner for the growth of Information Technology and IT related services. Already there are many companies engaged in medical transcription services. One of the factors for this growth is availability of highly skilled, computer literate, good English speaking professionals at a cheaper cost compared to those in developed countries. The time difference of 8-12 hrs is also an encouraging factor for medical transcription services.

Internet has reached in almost every corner of India. There are training institutes, which can cater to the training of medical transcription services. BSNL and Internet Service Providers can provide good internet connectivity. The speed for data transmission has increased a lot through broad band and OFC. The computer hardware and software is available locally.

Many State Governments have already announced separate IT policy to encourage IT and IT enabled services. The new entrepreneur has to explore overseas market before starting medical transcription services.

6. RAW MATERIAL REQUIREMENTS

Being a service there are no raw material requirements. However, consumables like stationery, etc., are listed under cost of project. The hardware consists of the monitor, central processing unit, modem, hub, mouse, speakers and other

networking components. The software required covers a wide range right from the essential MS office set up to page maker and photo shop programme which enable to store photographs and graphics. Other software include browser (Internet explorer, Netscape, Firefox, etc.), E-Mail (Outlook express, MSN messenger, Gmail, etc.), Voice compilers, Internet services, etc.

7. MANUFACTURING PROCESS

The doctor at overseas (say USA) dictates case history of a patient to a computer, where information is stored as voice files. Then they are stored in overseas server. The server of medical transcription company in India is connected to overseas company through communication network like leased lines, VSAT, etc. The voice files are down loaded and converted to readable MS-Word files and up loaded back to overseas server so that overseas doctor can maintain them as records. Generally for medical transcription services there will be overseas agents between doctor and the company. The service charges depend on the number of lines transcripted. The transcription will be done in shifts and will be at peak between 9 p.m. to 6 a.m.

The medical transcription service centre has good scope with all the above facilities. The centre will not only help in promotion of IT services but also provides employment to many people of the region. The centre may also take up the computer related DTP jobs and training activities in idle / off-peak time for additional revenue.

8. MANPOWER REQUIREMENTS

Sr. No.	Designation of Employees	Monthly Salary ₹	Nos.	Annual Salary in lakhs
1.	Assistant	5,000	2	1.20
2.	Watchman	8,000	2	1.92
3.	Manager	25,000	1	3.00
4.	Hardware Engineer	12,000	1	1.44
5.	Medical Transcriptionist	12,000	20	28.80
6.	Accountant	15,000	1	1.80
	Total		27	38.16

9. IMPLEMENTATION SCHEDULE

The major activities in the implementation of the project have been listed and the average time for implementation of the project is estimated at 8-9 months:

Sr. No	Particulars	Period in Months
1.	Preparation of project report	1
2.	Registration and other formalities	1
3.	Sanction of loan by financial institutions	3
4.	Plant and Machinery:	
	(a) Placement of orders	1
	(b) Procurement	2
	(c) Power connection/	2
	Electrification	2
	(d) Installation/Erection of machinery/Equipment	
9.	Procurement of raw materials	2
10.	Recruitment of Manpower, etc.	2
11.	Trial Production	1
12.	Commercial production	8-9 months(*)

(*)Notes

1. Many of the above activities shall be initiated concurrently
2. Procurement of raw materials commences from the 6th month onwards.
3. When imported plant and machinery are required, the implementation period of project may vary from 9-10 months.

10. COST OF PROJECT

Sr. No.	Particulars	₹ in Lacs
1	Land	4.00
2	Building	-
3	Plant & Machinery	14.20
4	Furniture, Electrical Installations	8.84
5	Other Assets including Preliminary / Pre-operative expenses	0.50
6	Margin for Working Capital	2.90
	Total	**30.44**

11. MEANS OF FINANCE

Sr. No.	Particulars	₹ in Lacs
1	Promoter's contribution	13.91
2	Bank Finance	16.53
	Total	**30.44**

12. WORKING CAPITAL CALCULATION

Sr. No.	Particulars	Gross Amt	Margin %	Margin Amt	Bank Finance
1	Inventories	0.08	25%	0.02	0.06
2	Receivables	0.56	25%	0.14	0.42
3	Overheads	11.10	25%	2.78	8.33
4	Creditors	-0.15	25%	-0.04	-0.11
	Total	**11.59**		**2.90**	**8.69**

13. LIST OF MACHINERY REQUIRED AND THEIR MANUFACTURERS

Sr. No	Particulars	Rs. In lakhs
1	Computer & N/w systems with voice compilers	14.20

All the machines and equipments are available from local manufacturers. The entrepreneur needs to ensure proper selection of machines and accessories to have modern and flexible designs. Some of the machinery/equipments and accessories /tools suppliers are listed below:

- HP India Ltd., IBM Global systems, DELL Systems, WIPRO Limited, etc., who have offices across the country
- Other sources for supplies are CROMA, Retail Malls, Stationery suppliers, etc. at the appropriate local outlets.
- For UPS, local electrical retail outlets may be contacted.

14. PROFITABILITY CALCULATIONS

(Rs. Lakh)

Sr. No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1	Sales	63	72	81	81	81
2	Raw Materials & Other direct inputs	9.081333	10.37867	11.676	11.676	11.676

3	Gross Margin	53.918 67	61.621 33	69.32 4	69.32 4	69.32 4
4	Overheads except interest	41.44	47.36	53.28	53.28	53.28
6	Depreciation	1.6426 67	1.8773 33	2.112	2.112	2.112
5	Interest	1.73	1.46	1.1	0.73	0.36
7	**Net Profit before tax**	9.106	10.924	12.83 2	13.20 2	13.57 2

ASSUMPTIONS:

i. The basis for calculation of production capacity has been taken on single shift basis on 75% efficiency.

ii. The maximum capacity utilization on single shift basis for 300 days a year. During first year and second year of operations the capacity utilization is 60% and 80% respectively. The unit is expected to achieve full capacity utilization from the third year onwards.

iii. The salaries and wages, cost of raw materials, utilities, rents, etc. are based on the assumed rates for calculation purposes. These cost factors are likely to vary with time and location.

iv. Interest on term loan and working capital loan has been taken at the rate of 16% on an average. This rate may vary depending upon the policy of the financial institutions/agencies from time to time.

v. The cost of machinery and equipments refer to generic make / model and are approximate.

vi. The break-even point percentage indicated is of full capacity utilization.

vii. The project preparation cost etc. whenever required could be considered under pre-operative expenses.

viii. The essential production machinery and test equipment required for the project have been indicated. The unit may also utilize common test facilities available at Electronics Test and Development Centres (ETDCs) and Electronic Regional Test Laboratories (ERTLs) set up by the State Governments and STQC Directorate of the Department of Information Technology, Ministry of Communication and Information Technology, to manufacture products conforming to Bureau of Indian Standards.

15. BREAKEVEN ANALYSIS

Sr. No.	Particulars	UOM	Value
1	Sales Realization	₹. In Lacs	67.50
2	Variable costs	₹. In Lacs	9.73
3	Fixed costs incl. interest	₹. In Lacs	47.35
4	BEP = FC/SR-VC x 100 =	% of sales	81.96%

16.   STATUTORY/ GOVERNMENT APPROVALS

There is no specific statutory requirement for making this product. However MSME & GST registration, IEC Code for Export of end products and local authority clearance may be required for Shops and Establishment, for Fire and Safety requirement and registration for ESI, PF and Labour laws may be required as applicable. Entrepreneur may contact State Pollution Control Board where ever it is applicable.

17. BACKWARD & FORWARD LINKAGES:

This is a stand-alone business. However, the entrepreneur may think of providing web publishing and content management, photo-copying and book binding services, starting training classes in computer aided design, etc.

18. TRAINING CENTERS / COURSES:

For computer hardware maintenance and network training, short term courses may be availed from National Institute of Electronics and Information Technology centres in the country. More over training and guidance are also provided by various centres of IIHT (Indian Institute for Hardware Training).

Udyamimitra Portal (link : www.udyamimitra.in) can also be accessed for handholding services viz. application filling / project report preparation, EDP, financial Training, Skill Development, mentoring etc.

Entrepreneurship development programs help to run businesses successfully and are available from Institutes like Entrepreneurship Development Institute of India (EDII) and its affiliates all over India.

Disclaimer:

Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.