

# EXECUTIVE VIEW



## **Rajit Mehta**

**Managing Director & Chief  
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**EXECUTIVE ACCESS**  
INDIA'S LEADING GLOBAL SEARCH FIRM

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Rajit Mehta is the Managing Director and Chief Executive Officer of Max Healthcare, a leading private healthcare company in India and is a member of the Board of Directors of the Company. He is also a Non-Executive Director at Max Life Insurance, Max Skills First and is a trustee of the Max India Foundation – the CSR arm for the Max Group of Companies.

As the Managing Director and Chief Executive Officer of Max Healthcare, Rajit provides strong leadership in helping Max Healthcare in achieving its vision of being the most admired healthcare company in India known for clinical and service excellence.



Rajit was a founder member of Max Life Insurance and has been instrumental in helping Max Life become an admired, profitable and well run Company. During his tenure at Max Life, he undertook additional responsibilities as the Chief Transformation Officer and provided oversight on execution of key initiatives; designing and implementing new work systems; aligning key stakeholders; rationalizing the cost structure to improve profitability; and laying down a comprehensive change management agenda. During this period, Max Life not only doubled its market share but also seamlessly transitioned to a new brand identity.

Rajit was also instrumental in building a strong cadre and ethos of Human Capital as the founder HR Director of Max Life by recruiting and retaining a strong management team, creating a positive work environment and culture and ushering the “best-in-class” HR practices.

Under his leadership, Max Life also progressed its Quality & Service Excellence journey. This included putting a Service Blueprint in place, implementing a comprehensive outsourcing strategy to impact customer experience and cost and embedding the MPEF framework in the business. Rajit has also mentored the setting up of the Learning & Development Centre of Excellence, now called Max Skills First.

Rajit has played a strategic role in helping Max Life expand its distribution footprint across India including facilitating a project to “Revamp Sales processes”. The project culminated in Rajit co-authoring a book titled “Growth Leadership Practices at Max Life”.

Prior to Max Life Insurance, he was the Director – Personnel at Bank of America and has also worked with HCL. His total experience spans 3 decades. Rajit is a graduate in Commerce, post graduate in Human Resources and has also attended an Advanced Management Program at INSEAD – France. He is the recipient of the Chairman’s Award for Excellence at Max Life Insurance.

## *Being one of the few MDs who started as HR professionals, how has your journey been so far?*

It has been an exceptional journey for me so far, although I must say that it was more by serendipity than design. I have always had great mentors, right from my HCL days and these were the people who helped me develop a strong orientation towards business. An important lesson which I picked up early was that the only way to build credibility with business leaders is to understand their language, their work and their challenges and offer solutions to those.

My real big opportunity came at Max Life where I had joined as Head of Human Resources in the year 2000. In August 2001, there was an opportunity to work on a project in distribution. Our model at that time was broken and needed to be re-worked. Having been part of a joint venture, we had inherited a model which needed to be adapted to suit the Indian market. I took up the challenge and over the next 2 years, worked closely with the Head of distribution and the CEO to roll out a revised model. It was here that my journey towards business started. Being a founder team member I had the privilege of doing a project in Operations as well and when the opportunity came I was appointed COO for Max Life Insurance. It was quite a challenging phase in my career despite the fact that I got the opportunity to shift to business in a company that I had helped build. As luck would have it, we went through the 2008 crisis and then came the sweeping regulatory changes in 2010. On hindsight, I believe that this tough phase brought out the best in all our leaders. I took on the additional responsibility of leading the transformation project and till date that remains the most exciting period of my career.

Destiny, however had others plans, as our Founder & Chairman Emeritus Analjit Singh often says, "life is what happens to you as you plan for it". While I had never worked in the healthcare space, I decided to take a shot at it. I have thoroughly enjoyed my stint so far because Healthcare, I have realised, is nothing but a people's business where you have the opportunity to impact other people's lives on a daily basis and my foundation in Human Resources is a tremendous advantage.



## ***Why do you think there are not many HR professionals who are leading businesses?***

There are a number of reasons why many HR professionals do not end up in the corner office. There are only a handful of HR professionals who go deep enough to understand the business to be able to add value. Secondly, their commercial orientation is not the best and things like trade-offs, cost benefit analysis etc, don't come that easily. To add to that, not many HR professionals have had the courage to step out of their comfort zone and do something truly innovative. They are guided by old paradigms and are happy working in silos. The critical ability of managing change and navigating transformation is also something that many HR professionals lack. To be fair on the other hand, not many organizations take the risk either to give business opportunities to support functions.

I personally think that it is a combination of passion, aspiration, mentorship, ability to really step out and strive to do things differently that defines a person and once someone has the right combination of all these, the road to the corner office is easier.

## ***What is the kind of organization you are trying to build with Max Healthcare? Has your background in HR impacted your perspective towards business?***

The Healthcare sector in India is very fragmented and apart from a few large players, most are standalone units because of which, there has not been enough investment in systems and processes, human resources, technology etc. During the first part of my tenure, my focus was to stabilize the operations of the company and to invest in areas that are critical to the growth of the organization; to build a machinery that is capable of sustainable performance. We are aiming to build an organization that is known for service excellence, medical excellence, research and education.

Our mission is embedded in the phrase, "eager to get you home". We will be able to deliver on this promise if we focus on clinical expertise, speed, transparency and integrated care. This would entail hiring and retaining the best clinicians, exploring technology disruptions to facilitate patient experience and operational efficiencies, being gold class on patient safety and truly embracing our value of "Seva Bhav" to create a trusted brand.

My background in HR has surely impacted my approach towards the business and the way I work. This is a people's business which requires loads of listening ability and lots of empathy and compassion. You can see the impact of what you do on the patient instantly. From a people management perspective, one needs to build strong relationships with clinicians and on the other hand motivate nurses and caregivers to give their best to patients. Navigating between these different people is a unique experience and I think my experience in HR has come extremely handy.

### *What have been some of your major challenges till date and how did you deal with them?*

The first critical challenge was to stabilize the operations at Max Healthcare when I joined. This company has seen many CEOs in the past 15 years and this resulted in varied practices, fluid business models and some ambiguity on strategic direction. The first task was to ensure that BAU runs seamlessly, long term direction is clarified and we pursue select growth opportunities. We couldn't have done this without building a strong team and impacting execution significantly. We now have a strong team comprising of people from consulting, IT, healthcare and insurance with diverse skill sets and perspectives which will help us explore different paradigms and build a truly world class organization. In parallel, we have not hesitated to invest in the health of the organization in areas like patient experience, medical quality, cutting edge equipment, IT, training/skilling and building the culture of the organization. What has also helped is a set of demanding but understanding shareholders and a strong governance ethic.

### *How do you see the healthcare industry evolving in the next 3-5 years?*

Broadly speaking, the healthcare industry has a lot of different aspects to it and comprises of healthcare providers, pharmaceutical companies, medical devices companies etc. The industry from a macro perspective is in a real sweet spot currently; similar to how the insurance industry was in the 2000s. There is a huge demand, but it is largely under consumed and undersupplied. Due to this unique stage of the industry, there are innumerable options to innovate.

It is currently very difficult to predict which way the sector will evolve. There are opportunities in tertiary/quarternary care , single specialty models in mother & child, ophthalmology, dental etc, and on the other side, there are scalable models for tier II/tier III cities evolving and market place models are also emerging on the back of technology. There are regulatory head winds and some consolidation in the industry has already started.



We made two acquisitions last year, Rockland hospital has just been bought over by a Dubai based group and there is a lot of activity that is visible. Another interesting development is the Government's changing stance and willingness to explore alternate PPP models for collaboration with the private sector. Earlier, we used to see USD 500 Million investment in the sector till few years back which has now gone up to USD 1.6 billion clearly indicating that there is an increased interest in India as a market.

***Considering the huge gap between demand and supply of quality healthcare services in India, what are your growth plans? Are you planning to expand your presence in tier-2 and tier-3 cities as well?***

We are a North India centric player currently and there are several reasons for that. Our brand is strong in the North and Healthcare being a local model, it is easier for us to expand in the North. Clinicians also tend to get patients from the areas where they operate, and we are also able to share assets and clinicians if required.

We currently have enough land bank in north India to double capacity from the current 2400 beds to 5000 beds in the next 5-7 years. The 2 acquisitions that we have done have also added to our capacity. In fact, we are one of the largest players in the NCR now by number of beds and will become the largest as we build out more. The Saket complex in New Delhi with about 1800 beds capacity when it is fully built will perhaps be the largest in Asia in a single location.

For us, growth is hinged on four pillars: Grow capacity in terms of beds, grow specialities in terms of increased focus on tertiary or quaternary care like oncology, transplant, neurosciences, cardiac sciences, musculoskeletal sciences and Bariatrics/diabetes. For example, we are moving towards disease management groups in Oncology to focus on organ specific cancers. So we decided to create 13 different organ based disease management groups and hired specialists so that the patient gets the best care from a super specialist. Similarly cardiac sciences and neurosciences can also be segmented into key specialties like stroke programs, heart failure program, movement disorders, epilepsy clinics, LVADs etc.

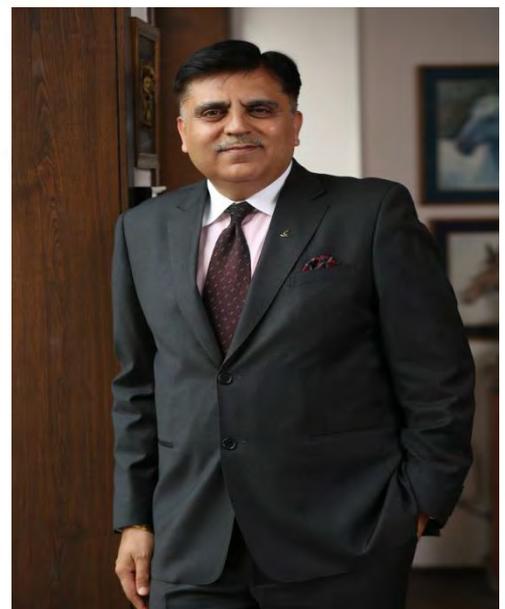
The third pillar for us is to focus on different business models; for example, pathology is a market growing at more than 26% CAGR. We are uniquely placed in NCR because we have 10 units and if we see the geographical mapping, no person in NCR is at a distance of more than 7-10 kilometers from a Max facility. We have labs in each facility and all we need to do is develop the capability of collection of samples from home. We also want to focus on “Day-care” where people can come regularly for treatments like chemotherapy etc in a comfortable and conducive environment which facilitates healing. We have launched a first of its kind day-care facility in India where therapies and treatment would be given in a nice café like ambience.

Our fourth area of focus is Technology; which includes patient facing technologies to enable seamless patient experience, appropriate investments in cutting edge equipment and promoting life sciences innovations like personalized molecular medicine etc. To fully embrace the tech disruption, we are setting up a different business vertical called “Digicare” to ride on the back of technology and provide healthcare to patients at home through the use of technology.

***There has been a significant interest by PE funds in the healthcare space in recent times. What kind of policy revamp is required from the government that can create better investment opportunities and help bring down the cost of service delivery?***

There needs to be more clarity on the role of the government. Does the government want to be a provider or a payer? Should its focus be on primary, preventive, or promotive care or on areas like sanitation, education and water which are closely linked to healthcare? There are also questions regarding where and how do they want the private players to come in?

We talk about providing healthcare in smaller cities but there are still some questions around feasibility, talent availability, incentives etc. that need to be addressed. At a macro level, we still need to address several issues related to costs of healthcare, funding of government supported schemes, monitoring quality, adequate talent creation, ease of medical value travel etc.



***You recently acquired Saket City Hospital which is next to one of your larger hospitals in Delhi. What value are you looking to add through such acquisitions?***

We have acquired the rights to operate that hospital and add capacity over a period of time. Eventually this will become perhaps the largest medical complex in Asia. Our strategy is to increase capacity through a mix of brownfield and green field projects.

We had a fully operational hospital in Patparganj in New Delhi which was running at an 80% plus occupancy. Instead of going green field we found this lovely asset a short distance away. It was in the midst of a densely populated residential area and by considering both the units as one complex we have been able to drive several synergies. We have now become the largest tertiary care provider from East Delhi till western parts of Uttar Pradesh right up to Nanital.

The Saket City hospital deal, now called Max Smart, was even more strategic. It is indeed a rare and unique opportunity to create Asia's largest medical complex with approximately 1800 plus beds and marquee institutes like Oncology, Neuro Sciences, Transplant medicine etc along with dedicated infrastructure for related research & education. When completed, it would employ over 1000 clinicians, 3000 nurses and an equal number of paramedics and other staff.

***Globally, there is a lot of focus on path breaking research and new technologies in healthcare. How different is our healthcare system in our focus on such initiatives? How much do you invest in research?***

Research and education are a critical part of any marquee healthcare provider. It is essential to attract clinicians and give the best to patients. On the technology front we keep abreast with the latest in equipment and we have the latest Robotics, navigation systems, IGRT Linacs etc. Another aspect of research is data analytics to facilitate clinical decision making and quality monitoring. We have a tie-up with Deakin's University in Australia to look at predictive patterns of diseases like Stroke and MI. We are also doing studies on diabetes with the Imperial College in London. We are exploring tie-ups for personalized molecular medicine especially in Oncology and collaborating with others for advanced research in our chosen areas of focus.

***India is a big market for medical tourism, with a lot of patients coming in especially from the neighbouring countries. What do you think needs to be done to globally project India as a healthcare hub with cost not being the only USP?***

Medical tourism is already a USD 2 billion market. There is an inter-ministerial committee that has been set up by the government of India to promote India as a medical hub. The costs are obviously a fraction of what it costs in the west, but what we need is easy VISA formalities and improved service ethics. The market currently is run by facilitators whose only job is to see which hospital is paying more commission and then send the patients there. There is a need for a quality regulator to come in much like we have in the UK. If the Indian government can tie-up with different governments directly to ensure both predictable patient inflows and payments, that would help. But more importantly, there is a need for an efficient service ethic as International patients need a different level of service. They need interpreters, concierge services from the airports, help with accommodation etc and those investments need to be made. We then need to project ourselves as a destination much like Bumrungrad Healthcare has done in Thailand where there is convenience, safety and value for money.

***With start-ups like doctorinsta.com that provide video consultations with doctors and promise to ease the entire healthcare delivery process, are we moving towards a parallel virtual healthcare delivery framework?***

It is a noticeable trend and it is really too early to say. However, we are evolving with time and are embracing such initiatives. Some of our very senior doctors who cannot travel also do some consulting through this mode with the help of junior doctors who are physically present on the locations.

## *As one of the largest Healthcare chains in the Country, how do you take care of your talent requirements?*

Talent for us can be broadly grouped in 3 buckets. The first is Clinicians where we have Junior Residents, Senior Residents and Senior Consultants. We have a stream of undergraduates who come to us every year as Residents and we have Senior Residents who come after their post-graduation.

We also run post-graduation programmes in-house (the DNB Course) which are certified by the regulatory authority in India. During these courses, the students work with us for 3 years and on completion of the course, get a certificate which is equivalent to a post graduate qualification. We have teaching faculty and currently have 200 plus students across all specializations. This helps us build our base level requirements for clinicians.

We also hire clinicians at various levels basis a robust process which ensures quality. We also recruit regularly from the Indian School of Business in Hyderabad and our founder and Chairman emeritus has also set up a health care focused Center at ISB Mohali. We have designed a formal Induction process spanning 6 months to groom these people for future leadership roles. In the last 2 years, we have also started investing into skilling and training and are fortunate to have 2 sister companies "MSF" (Max Skills First) which is into sales and service skilling and another company called "MIHER" which does training for paramedics, nurses and technicians.

However, like most healthcare institutions, the attrition levels of our nursing staff are very high and although we have started investing heavily into them in terms of training, hostels, amenities, facilities etc., it is still a concern. We are also piloting an exchange program with our JV partner in South Africa called Life Healthcare. Life Healthcare recruits 100-150 nurses every year from India and on an experimental basis, every nurse who has worked with us for 1 year and is upto a certain level of performance, is given an opportunity to interview with Life healthcare. After the visa formalities are completed 18 months later, the nurse can work in South Africa for 4 years. This way, we are holding on to our resources for a longer period and they can always come back and join us.

Broadly speaking, the talent available in the healthcare space is very shallow and we are investing substantially in training and skilling to be able to support our business needs.

## *What are the few things you look for in an individual when hiring for key positions?*

I generally look at 4-5 major traits when I am interviewing people for key positions, but the most important amongst them is cultural fitment. Healthcare as an industry requires a lot of inter personal maturity, empathy and patience and a person who wants to be a part of this industry must have a passion for the sector and a bhav of Seva! At a senior level, technical expertise is a given, so I focus more on cultural fitment, the desire to excel, authenticity, followership and a strong value system. I personally hired all the candidates from ISB in the first year we went there to ensure that we got the right leaders into the system.

## *How do you feel does the Search landscape need to evolve to suit the changing needs of clients?*

I have worked with multiple search partners and honestly only a few have left a positive impact. Most of the times I feel that the firms are trying to sell a particular candidate. There are also a few standard excuses that always come up in conversations about how the market is shallow and it is difficult to attract talent. With a lot of tools now available, I hope that the old world practices of meeting people and assessing them over a cup of coffee still happens. Also, the search firms need to invest a lot of time in assessing the cultural fitment and in doing very deep references. We need to work out a model where all our interests are aligned to the same objective.

## *On an informal note, how does your average day look like? What keeps you occupied when you are not at work?*

Healthcare is a very operational business and I start very early with a morning call at 9 am every day. We have 13 units and I have a call with 2 units every day to understand the business in general and if there are any issues that need to be addressed. A lot of my time goes in clinician engagement; dialoguing with people at senior level and ensuring that they are comfortable. I spend about 2 hrs of my time monitoring execution of key projects and initiatives that we are driving. In the

last few months I have also started investing time in advocacy at various fora and talking to government officials, understanding the way the industry needs to be developed and also talking to investors. The sector is still evolving so I continue to invest time in building a team. It is a 12 hour day for me generally and the fact that we are in the healthcare space, we do have some emergencies as well.

There are usually some events on weekends because most doctors prefer to do their CMEs on Sundays as they don't get the time during the weekdays.

Since I am new to this industry, a portion of my weekends also goes in meeting people, experts or attending seminars which helps me to better understand this space. I have also just started working on my long standing desire to learn music and am practicing keyboard these days.



# ABOUT EXECUTIVE ACCESS

Executive Access India was setup in 1995 and is today one of the most prominent global executive search firms in India. We cover 9 industry practices and have till date executed more than 2050 search mandates at leadership levels. Our client list is a healthy mix of Fortune 500 companies as well as most respected Indian corporates. Although a firm with global capability and coverage we are still boutique at heart because we understand the need to be nimble and innovative.

Our core strength is undoubtedly our knowledge base and a team of efficient and experienced consultants with in-depth understanding of their chosen sectors. We are the pioneers of the “Accountability Clause” in the Indian retained search and have always striven to align our business model.

## Our services include the following

- Executive Search
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