

BUSINESSMAN OF THE YEAR

Growing from strength to strength

Raffles Medical Group executive chairman Loo Choon Yong tells **FELDA CHAY** how he grew the company to what it is today

IT was 1976. Loo Choon Yong had just graduated from medical school, and was adamant that he would start his own practice. Never mind that he did not have the cash needed to start one. There was just no two ways about it. He would start his own practice.

The reason was simple: He had clear ideas about the sort of doctor he wanted to be, and feared that working under terms that were not his own would change that.

So he persuaded good friend and classmate Alfred Loh to take the risky step with him. The two heard that a practice made up of two clinics in the city was up for sale. It was called Teng Clinic, and as fate would have it, it was a practice that Dr Loo was familiar with. An asthmatic when he was a child, he was a patient of the doctor there.

Just as coincidentally, Dr Loh's father-in-law was good friends with the owner of Teng Clinic, who was moving away from Singapore.

The two decided that this was their chance, and agreed to plunk down \$80,000 for Teng Clinic. Each of them had to fork out \$20,000 upfront for their joint venture and pay the remaining \$40,000 later.

Dr Loh managed to borrow the \$20,000 from his father-in-law, but Dr Loo had no money. Neither could he ask for some from his parents, as his family was not well-off. His mother often took him to the pawn shop first to pawn jewellery like bangles before taking him to the clinic to treat his asthma.

So Dr Loo made a trip to the bank and got an overdraft, while his father, a bank officer, acted as guarantor.

"We were young and foolish," says Dr Loo now of his and Dr Loh's move.

Or maybe not. Today, the two clinics have grown into the Raffles Medical Group (RMG), which has 80 multi-disciplinary clinics in Singapore, Hong Kong and Shanghai, and a hospital providing primary, secondary and tertiary healthcare in Singapore. Dr Loo is now executive chairman of RMG, while Dr Loh serves as a senior consultant.

In 2012, the group reported a 12.8 per cent jump in net profit to \$56.8 million from a year ago. Revenue grew 14.2 per cent to \$311.6 million for the year.

It has plans to further grow in Singapore, as well as China, where Dr Loh sees a lot of potential.

Ask Dr Loo if the growth of RMG was what he and his partner envisioned at the start, and he answers immediately with a no. They did, however, put some thought into how they wanted to run the practice.

"We had a clear idea that we wanted to practise as a group. We wanted to develop a practice where doctors work together, leverage off each other's skills, competencies, and experience. We would cover for each other and have adequate sleep. We can also pursue other interests, and continue to train.

"At the same time, our patients can be looked after round the clock. And this was exactly what we did. We took turns to go on course after hours, on weekends, and so on. And we were happy doing it."

Early struggle

Each of them ran one of the two clinics that they took over. Dr Loo's clinic opened only during office hours, but the work went on even after the 6pm closing time.

A typical day then would see Dr Loo at Jurong by 8am, treating patients at Singapore Shipbuilding & Engineering, a subsidiary of Singapore Technologies Holdings – now known as ST Engineering. By 9am, he would have seen about 20 patients, and would be rushing back to his clinic in the CBD to attend to the long queue of patients that would have gathered by then.

"As I drove down Cecil Street, I must have beaten a few red lights," recalls Dr Loo.

Even before parking and getting out of his car, Dr Loo would see the crowd outside his clinic.

"I only had 11 chairs inside the clinic, so there would be groups of patients and seamen waiting outside to see me. And I would rush up to park the car at the multi-storey carpark, and then run down to my clinic."

During lunch time, he would fit in some minor surgical procedures, or house calls, and then continue to see patients at the clinic until 6pm.

Then it's surgery time again at his 332 square feet clinic – so small that the doctor had to move away the couch in the clinic to prepare for surgery.

That would be followed by night clinics at 7pm, or visits to patients who have been admitted to hospitals.

Some nights, he found himself climbing up a ship's ladder at 3am to immunise a patient.

"This was how we worked, really. That is called work-life balance in those days: A lot of work, a little bit of life," says Dr Loo. Even movie dates with girlfriends had to wait.

"But I always say, if you don't work hard when you are young, when are you going to work hard?"

Slowly, more patients started knocking on the two doctors' doors.

"Did we have a vision at the start to build what we are today? No. But I think everything evolved. Because we focused on looking after patients well, we attracted more and more patients, and our two clinics began to grow to three clinics, four clinics."

It did not take long for the two partners to realise that some of their patients needed specialist treatment, and even inpatient care. And that led them further down the road to what is to become RMG.

Expansion

One of the first things they did apart from setting up clinics was to start a laboratory.

"We were sending so many samples to private labs, so it made economic sense. But more importantly, we will have control over quality. We were actually suspicious about the quality of some of the labs at that time, so we said, if we have our own lab, at least we can make sure that every test that is done is quality-assured and accurate.

"As doctors, we rely on those tests



PHOTO: ARTHUR LEE

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– Dr Loo

to decide whether to treat or not to treat, so the test must be reliable. And honestly in the 1970s a lot of labs were set up by people who were not so qualified and certainly there was no quality assurance."

Soon after, the practice started its own X-ray unit to make it more convenient for patients.

"In business this is called vertical integration, but of course I didn't know the term years ago," says Dr Loo.

Their practice began to see an influx of patients who required specialist help, and soon Dr Loo and Dr Loh started seeking help from other consultants, who would visit their premises to see the patients.

In 1993, the two doctors set up Raffles SurgiCentre at Clemenceau Avenue. Then a granite-clad building, it is regarded by Dr Loo as a high point in the group's history. By that time, he had already corporatised the practice by forming RMG.

"It took us a while to build the building. We rented it, we renovated it. We had to get people together and so SurgiCentre was really the intermediate step to the hospital we have today... Many of the specialists came together, and the early specialists... are still leaders here."

SurgiCentre became South-east Asia's first stand-alone day surgery centre, offering a range of diagnostic and laboratory services, health

screening space facilities, physiotherapy, children's clinic, and four operating theatres specialising in minimally invasive surgery.

Strong ethos

In 1997, RMG became the first full-fledged healthcare service provider here to go public with a listing on Sesdaq, then the secondary board of the Singapore Exchange. It was a controversial move that received flak from some quarters.

Many questioned whether the group could balance the need to provide quality patient care and at the same time, meet shareholders' need for profits.

By then, RMG had already grown

with 100 doctors and 300 nursing and support staff, serving 500,000 patients in its outpatient clinics and surgery centre. It also had about 3,000 corporate clients in Singapore and the region.

Dr Loo has no regrets making the move to list. RMG's performance over the last 16 years also speaks for itself. The group now sees over 1.5 million patients annually, and has 6,500 corporate clients.

"Today, I still say that there was no conflict of interest when we decided to go list the group. It depends on you and your people. To make sure we are sustainable as a practice and do the good we want to do, we must have financial discipline. We must understand business so that we can do the right things and manage our resources intelligently."

Listed companies, he says, have external discipline on how to do things. "Whereas very often private companies, even those that are corporatised, are not as strong in governance."

Putting corporate governance in place has in fact helped RMG, says Dr Loo. It enables doctors to be free to do what they believe is in the interest of the patients.

"For instance, we don't want to make money by making patients take extra medicine and extra tests. We audit to make sure our doctors do the right things. We are not interested in making money from unnecessary treatment. That is not our model."

That is why the length of a typical stay at RMG is just less than three days. "If you don't need to stay here, we won't let you. It's wrong. That is our ethos and that is our philosophy and we tell our investors and potential investors that this is how we do our business."

"We don't practise our medicine according to the wishes of businessmen."

Hospital on his mind day and night

By FELDA CHAY

HERE is a tidbit about Loo Choon Yong that only family and those who work with him would know: The 64-year-old executive chairman of Raffles Medical Group (RMG) dreams about the hospital in his sleep.

He cannot help it. Used to working all the time and sleeping just five to six hours a day, it is hard to shake off what goes through his mind in his waking hours.

Becoming a doctor was not his first dream. He wanted to be a physicist because he loved mathematics and physics, but his father intervened and got him – the eldest of seven children – to pursue medicine instead.

"My late father said to me, you look like you can get into medical school. Why don't you go and do medicine? Usually doctors can do quite well, and I have never seen a starving doctor. So why don't you go into medicine, and help me to provide for and raise your other siblings and make sure they have a chance to go to universi-

ty?" This request from his father pushed the young man into medical school.

He says frankly: "I studied medicine out of duty, not out of love. I passed the exams, and made sure I graduated."

But as he began to tend to patients, a passion for the work surfaced, and he grew to realise the tremendous responsibility that lay in the hands of a doctor.

"When I was a houseman on duty, I realised that people lived or died depending on whether I did the right thing. And I said to myself: 'Hey, this is not like going for exams. This is very serious. The guy lying there is depending on you and if you don't do your job well, he may not live, or he may be maimed and he may never recover."

"And it dawned on me how serious the undertaking was."

Being a doctor, he says, is a "very, very human act". "You really want to serve your patients, you want to look after them well. It is a very, very human endeavour, and that was

Sweet dreams are made of this: Dr Loo cannot help dreaming about the hospital in his sleep. FILE PHOTO

what really appealed to me. That's why the passion developed."

Today, he has helped so many people that when he bumps into them or their close family members outside, they will sometimes walk up to him excitedly, asking if he remembers them. Sometimes he doesn't. But he cherishes these chance encounters.

