MEDANIT Solutions

Scaling Case Study

Empowering Healthcare Access: Woman-Led Digital Innovation Aiming to Shape Ethiopia's Medical Landscape

Introduction

This is the third scaling case study report in a series produced by GrowthAfrica and Systemic Innovation under a FCDO-funded Research and Innovation Systems for Africa (RISA Fund project to formalise and implement data strategies to support growth impact ventures and innovation ecosystem enablers in Kenya, Ethiopia, and Rwanda. This report is informed by the ScaleUp Scan, a diagnostics tool provided by our partners, ScaleUp Nation, a global scaling authority, which is on a mission to significantly increase the number of impact-oriented scale-ups, driving a meaningful change in the world.

This case study delves into the scaling journey of Medanit Solutions (Medanit), a pioneering healthcare technology company founded to revolutionise healthcare access. Medanit leverages its digital platforms to address the pressing challenges of healthcare accessibility through strategic partnerships with government bodies and healthcare providers, particularly in underserved areas. It highlights the company's innovative strategies, operational efficiency, and leadership decisions that have propelled its growth.

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MEDanit
Medical Directory

Company Overview

Founders: Beamlak Alemayehu

Headquarters: Addis Ababa, Ethiopia

Operations: Ethiopia

Primary Industry: Healthcare Technology (Telemedicine, medication delivery, mental health consultations, EMR systems, inventory management systems for pharmacies)

Ownership: Privately Held

Number of Employees (as of 2024): 18 full-time I 5 part-time

Financing Status: raised c$85,000 in grants

Website: https://www.medanit.com

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Methodology

This case study draws on a mix of quantitative and qualitative data, including internal company records, financial reports, and strategic documents. Insights from the Scaleup Scan, a tool provided by Scaleup Nation, offered a comprehensive diagnostic of Medanit's scale-readiness. Additionally, the study integrates secondary research on market trends and an in-depth interview with Beamlak Alemayehu, CEO of MEDANIT. Alemayehu's medical and entrepreneurial background provides invaluable insights into the company's operational strategies, leadership decisions, and vision for transforming healthcare access Ethiopia.

Scaling Analysis

Snapshot Summary

Founded in 2021, Medanit Solution set out with a clear mission: to revolutionise healthcare delivery in Ethiopia by creating an integrated digital platform that connects patients with healthcare providers, pharmacies, and laboratories. From the start, the company aimed to address critical gaps in healthcare accessibility, particularly in rural areas where healthcare services are scarce and existing systems inefficient.

CEO Beamlak Alemayehu, a seasoned medical professional with firsthand experience in Ethiopia's healthcare landscape, identified the urgent need for a centralised digital platform. Drawing from her background in healthcare, she envisioned a solution that would integrate telemedicine, medication delivery, and mental health consultations— all available through a single, user-friendly platform.

While the initial focus was on urban patients, Beamlak and her team quickly recognised the even greater need for healthcare access in rural areas. Medanit has forged a strategic partnership with the Ministry of Health to digitise referral systems to meet this demand, allowing patients to navigate healthcare services more efficiently. In addition, Medanit introduced an Electronic Medical Records (EMR) system, providing healthcare providers with more structured, organised care delivery.

What starts to set Medanit apart in a competitive market is its end-to-end healthcare solution, seamlessly connecting patients to top doctors, reputable hospitals, and trusted laboratories, while ensuring timely medication delivery. The company's use of artificial intelligence (AI) further enhances its ability to provide personalised healthcare solutions, positioning Medanit as a future potential leader in Ethiopia's emerging digital healthcare space. Although Medanit is in the early stages of its growth journey, the company is targeting critical gaps in Ethiopia's healthcare system.

Vision & Societal Impact

Medanit envisions a future where digital healthcare is not a luxury but a necessity. By providing accessible, efficient, and comprehensive healthcare solutions, Medanit aims to positively impact communities, bridge the gap in healthcare disparities, and contribute to the overall well-being of societies in Ethiopia and beyond. Its long-term goal is to create a healthcare system where every patient, regardless of location, receives the care they need when needed.

Medanit aims to address pressing societal needs through a clear, ambitious, and innovative approach. From its inception, the company has pursued a focused mission: to solve one of Ethiopia's most critical healthcare challenges—access to quality care. This mission remains at the core of its operations today.

Vision left unknown   ○ ○ ○ ○ ● Vision articulated clearly

Scale-up score
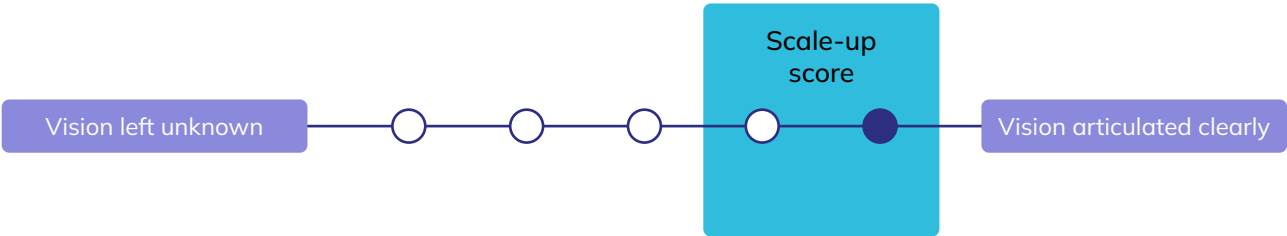
Source: ScaleUp Nation (2024)

Reflecting on the company's origin, Beamlak explains, *"The COVID-19 era played a big role... I saw the gaps in healthcare delivery and the dissemination of healthcare information during that time."* Medanit responds to these challenges by offering an all-in-one platform that allows patients to find top-rated doctors, access hospital facilities, connect with laboratories and imaging centres, and receive medications delivered to their doorsteps. By providing well-organised and reliable healthcare information, Medanit not only helps save lives but also reduces treatment costs and enhances the overall patient experience.

As Medanit has grown, so has its ambition. While initially focused on telemedicine and medication delivery, the company now aims to build a fully integrated healthcare ecosystem that empowers patients and healthcare providers. CEO Beamlak Alemayehu underscored this expanded vision: *"One trend we're focusing on is expanding healthcare coverage in rural areas. I wouldn't necessarily call it a trend; it's more of a necessity. Healthcare should be accessible to everyone, and platforms like ours can help those who don't have access, especially in rural areas."*

Generating positive impact makes it easier to attract top talent, provides goodwill with customers, suppliers and partners and allows for more favourable investment terms. Large social challenges present significant entrepreneurial opportunities for innovative solutions. Medanit is focused on solving today's healthcare challenges and is future-oriented, investing heavily in research and development to continue innovating within the healthcare sector.
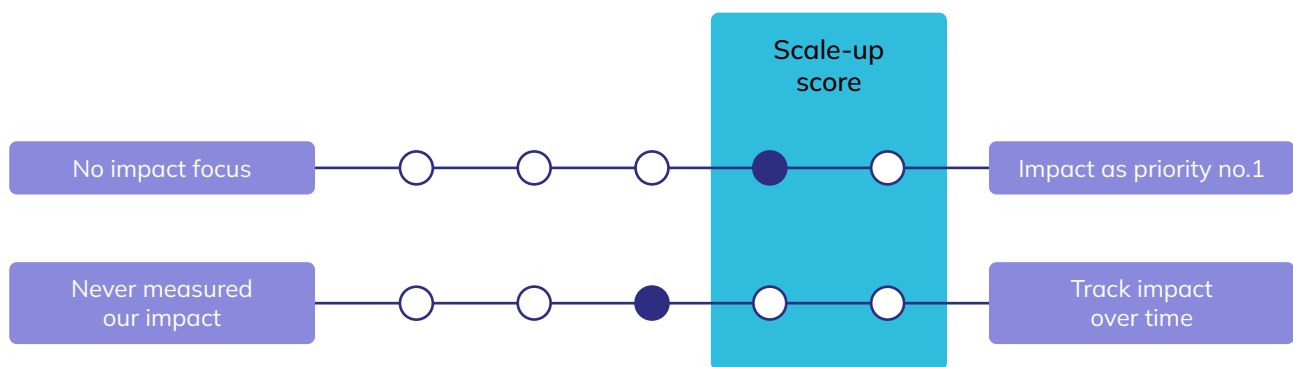
Source: ScaleUp Nation (2024)

Market & Industry

Scale-ups operate in a large market. with a high growth rate, that is sufficiently fragmented.

The healthcare industry in Ethiopia is undergoing a period of rapid transformation, driven by the rising demand for accessible and affordable healthcare solutions. With a population exceeding 120 million, Ethiopia faces significant challenges in delivering healthcare services.

Traditionally, the country's healthcare system has been characterised by limited access to quality services, overburdened public healthcare facilities, and long wait times. Beamlak states *"When we launched our product, we noticed gaps in how healthcare providers, both in the public and private sectors, managed medical data."* Such market inefficiencies have created significant barriers for patients seeking timely care, making Ethiopia a suitable market for innovative, technology-driven healthcare solutions like those offered by Medanit Solutions.

As mobile health (mHealth) platforms and telemedicine services become more widespread, digital solutions are beginning to bridge the gap between patients and healthcare providers. The increasing use of smartphones and growing digital literacy, particularly among younger populations, have further enabled the adoption of these technologies. In this context, Medanit is starting to position itself as one of the pioneers in Ethiopia's healthcare technology space, offering an integrated platform that provides seamless, end-to-end healthcare services.

Competitive Landscape

Scale-ups have a product/service based on proprietary or hard-to-replicate technology, privileged partnerships or relationships, whose value can be monetised sustainably. They also develop a unique advantage that sets them apart from the competition. It can be a privileged relationship or a specific and exceptional capability.

Medanit operates in a highly competitive and fragmented healthcare market that is facing local and international competitors. While international platforms providing telemedicine and AI-powered healthcare services are entering the Ethiopian market, they often face challenges in adapting to the unique needs of Ethiopian consumers, particularly in regions with limited internet connectivity and inconsistent healthcare infrastructure. *"We have a few competitors in the market, but we offer several unique features. For example, we are the first and only all-in-one medical directory system in Ethiopia."*
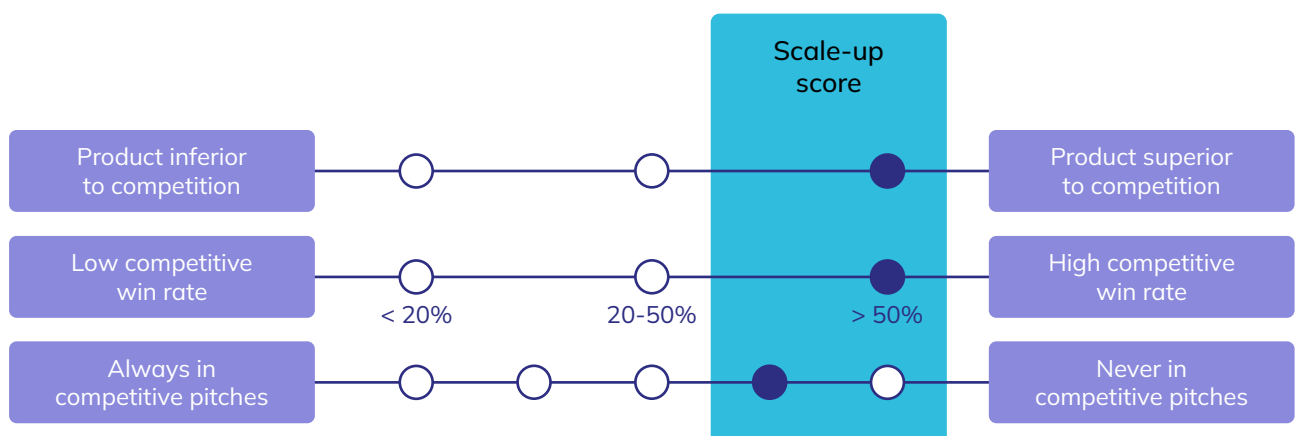
To win from competition, a scale-up needs to have a unique advantage that makes a product superior in meeting the customers' needs.

Medanit's potential competitive advantage lies in its localised content and deep understanding of Ethiopia's healthcare system, allowing it to tailor solutions that meet the cultural and logistical needs of patients. She further adds *"Additionally, we currently have the only medication delivery system in Ethiopia that can deliver all types of medication. Other competitors can only deliver over-the-counter medications, as they haven't obtained the necessary licences. We are the only ones licensed to deliver prescription medications."* Its end-to-end services—from doctor consultations to medication delivery—offer a holistic healthcare experience unmatched by other regional platforms.

The Ethiopian government's efforts to improve healthcare infrastructure and boost mobile phone and internet penetration is starting to foster a promising environment for digital health solutions like those provided by Medanit. However, challenges such as inconsistent internet connectivity, underdeveloped healthcare facilities, and regulatory barriers persist. These hurdles make Ethiopia a complex but high-potential market, where companies that can innovate and swiftly adapt, like Medanit, potentially hold a competitive advantage.

		Scale-up score	
Product inferior to competition	○ ○	●	Product superior to competition
Low competitive win rate	○ ○	●	High competitive win rate
	< 20% 20-50%	> 50%	
Always in competitive pitches	○ ○ ○	● ○	Never in competitive pitches

Source: ScaleUp Nation (2024)

Investment in Technology

Medanit's approach to healthcare innovation includes a strong focus on technology-driven solutions to address systemic inefficiencies. One of the key issues the company identified early on was the lack of organised or digitised systems for medical record-keeping. Beamlak explains, *"They lacked an organised or digitalised system for medical record-keeping. In response, we developed our own Electronic Medical Records (EMR) system and an inventory management system for pharmacies, which can be integrated with other platforms."* This system helps centralise patient healthcare data, solving the current challenge where most providers either operate manually or rely on basic web-based systems.

At this early stage, Medanit's technology is still being developed to fully meet the healthcare needs of its target markets. One of Medanit's flagship offerings is its telemedicine platform, which is accessible through a website, mobile application, and call centre. CEO Beamlak Alemayehu highlights, *"We currently offer our services through a website, mobile application, and call centre.*

Our most advanced platform is the mobile app, the first healthcare platform in Ethiopia to integrate with more than four banking systems." The integration with local banks and mobile money platforms ensures seamless payments, improving accessibility and user satisfaction. This technology has significantly expanded access to healthcare, particularly in underserved and remote areas, reducing the need for costly and time-consuming in-person visits and easing the burden on healthcare facilities.

Another critical component of Medanit's service is its medication delivery system, allowing patients to receive prescribed medications directly at their doorstep. This service is particularly valuable in regions where pharmacies are scarce or patients face mobility challenges. The platform also includes Ethiopia's first comprehensive medical directory, connecting patients with healthcare professionals, hospitals, and pharmacies. This directory simplifies the healthcare system navigation, providing up-to-date, localised information tailored to Ethiopia's healthcare needs.

As Medanit scales, data security remains a top priority. The company implements robust security protocols and complies with local and international data privacy regulations, safeguarding sensitive health data and maintaining user trust. Looking ahead, Medanit plans to expand its use of AI by incorporating predictive analytics, enabling proactive healthcare interventions based on patient data. Additionally, the company aims to introduce mobile-friendly solutions optimised for low-bandwidth environments, further extending healthcare access to underserved communities across Africa.

By continuously investing in technology, including Electronic Medical Records (EMR) and AI-driven diagnostic tools, Medanit is positioning itself as a leader in healthcare innovation in East Africa. These advancements not only improve patient care but also support the company's broader scaling strategy to meet growing healthcare demands across the region.

Scalable Model

As a technology-driven platform, Medanit can scale rapidly without the constraints of traditional brick-and-mortar healthcare systems. By leveraging economies of scale, expanding its user base, and continuously innovating, the company is well-positioned to achieve sustainable growth.

At the core of Medanit's scalability is its digital-first approach. The company's telemedicine platform, medication delivery system, and medical directory are all online services that can be expanded to accommodate increasing numbers of users without significant physical infrastructure. This allows Medanit to reach new markets and customers with minimal cost, making it highly scalable, particularly in emerging markets like Ethiopia, where healthcare infrastructure is underdeveloped.

As Medanit's user base grows, the company can optimise its platform to serve more customers at a lower cost per transaction. The healthcare technology sector, especially in telemedicine, benefits from economies of scale—costs remain relatively fixed while revenue increases with new users. With more patients and healthcare providers joining the platform, Medanit can achieve higher profit margins by distributing operational costs across a larger volume of transactions.

Medanit's lean operational structure enables the company to scale without incurring significant additional costs. The company's focus on automation and streamlined workforce management ensures that high-quality healthcare services are delivered with minimal waste.

By maintaining a lean approach, Medanit is able to remain agile and responsive to changing market conditions, scaling rapidly without sacrificing service quality or customer satisfaction.

In the future Medanit plans to pursue regional expansion into other East African markets. Rwanda has been identified as the next key market, as CEO Beamlak Alemayehu explains, *"This year and next, we plan to expand into Rwanda, where we've seen positive perspectives on supporting startups and the tech industry. We're also exploring expansion into other East African regions, but we had to delay our plans for Sudan due to the ongoing conflict there."*
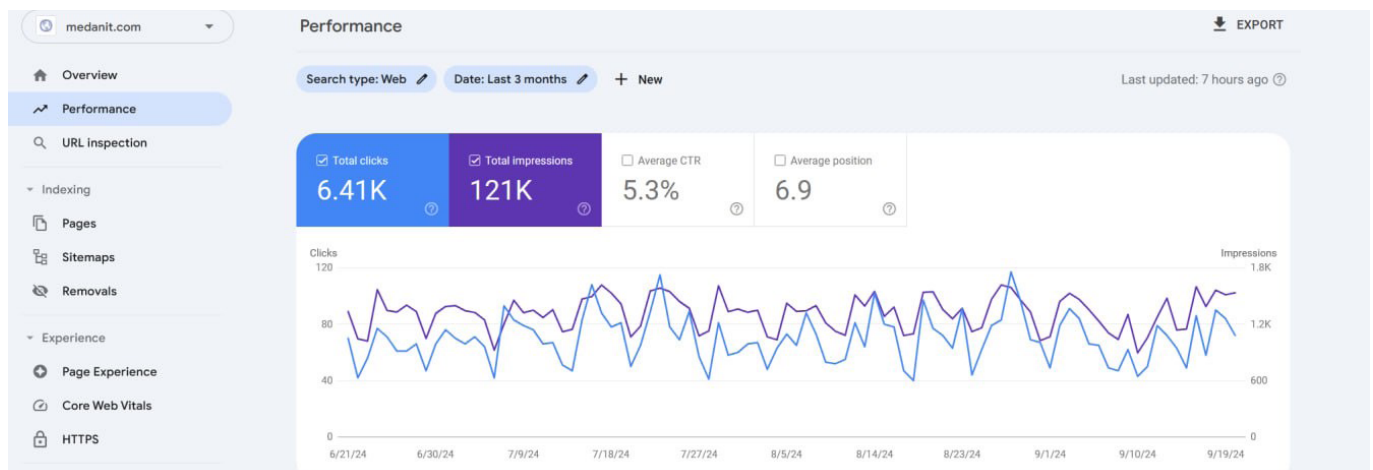
Workforce Dynamics

If the startup phase is about proving things out, the scale-up phase is about making things repeatable at scale. However as Medanit scales, the company has continued to operate with a lean team, which allows for agility and quick decision-making in the fast-evolving healthcare technology sector.

Achieving lean operations is about taking out waste, meaning unnecessary product functionalities, imperfections, and rework. **Reducing operating costs is like sculpting: taking away all the waste until the statue remains. But unlike sculpting it is a continuous improvement process.**

Medanit's workforce structure is shaped by a blend of full-time and part-time employees, offering flexibility in managing operational costs while scaling its services. As of 2024, the company has 18 full-time employees and 5 part-time or freelance team members. Beamlak states that, *"We have a large, well-equipped technical team primarily focused on software development. Most of them are programmers and software developers with experience in health tech, software development, and data science."*

In addition to the core staff, Medanit collaborates with a dedicated team of doctors and psychiatrists who work within the call centre, handling patient consultations. This expanding aspect of operations not only increases healthcare accessibility but also creates valuable employment opportunities for medical professionals. Beamlak notes that, *"As our capacity grows, especially in the call centre, we are able to provide these doctors with flexible and meaningful work, further contributing to healthcare delivery and job creation in Ethiopia".*

Revenue Strategy

Medanit has developed a diversified revenue strategy centred around earned income from healthcare services and supplemental grant funding. As a healthcare technology company in the early stages of scaling, Medanit's revenue streams have experienced fluctuations, underscoring the need for a more robust approach to sustaining financial growth.

Medanit has experienced early revenue growth over the past two years, but has exceeded initial forecasts. Medanit grew its revenue from $8,000 in 2022 to $27,000 in 2023—a 46% increase driven largely by the successful launch of its medication delivery system. Whilst its turnover is small, its growth trajectory appears promising, with far more significant revenue increases forecast for the coming years.

The primary revenue for Medanit comes from its core healthcare services. Medanit operates a fee-per-consultation model for telemedicine where patients pay for each interaction with healthcare providers. This model has gained popularity in urban areas and is slowly gaining traction in rural regions, thanks to Medanit's call centre and mobile platform capabilities. Additionally, its medication delivery service generates another significant revenue stream by charging patients and partner pharmacies a service fee to facilitate the delivery of prescriptions and over-the-counter medications.

Medanit's EMR platform also operates on a subscription basis, with healthcare providers paying recurring fees to use the system to manage patient data more efficiently. This B2B (business-to-business) model provides a steady stream of revenue, positioning Medanit as an essential partner for healthcare providers who rely on its platform for daily operations. The EMR system also strengthens Medanit's long-term relationships with healthcare facilities, ensuring recurring income.

Fundraising

Medanit has implemented an approach to fundraising which combines both equity investment and grant funding to fuel its growth and technological innovation. Positioned within a high-potential healthcare market, Medanit has attracted the attention of local and international investors who are committed to healthcare transformation across Africa.

Since its inception, Medanit has successfully raised c$85,000 in grants from health-focused non-profit organisations and development partners. These funds have been instrumental in supporting the company's development. While the company has met its initial revenue projections, securing additional grants remains a vital financial pathway to help accelerate its early growth trajectory.

Medanit is also pursuing equity investment to scale its operations further. The company is aiming to raise $1.5 million in a seed round to support its next phase of expansion, which includes technological upgrades and market expansion into new regions across East Africa. CEO Beamlak Alemayehu notes, *"While we haven't secured new grants this year, we are actively working on several promising opportunities, including a grant from Total Energy and another from the Korean government's Cueca programme, where we've been selected as one of the top five finalists."*

By harnessing a combination of grant funding and equity investment, Medanit is positioning itself for growth, long-term sustainability, and scaling its impact in the healthcare sector.

Collaborative Growth Partnerships

For early scale-ups like Medanit, **navigating an uncertain future often involves learning through experimentation, building resilience, and seizing unexpected opportunities. The actions of competitors, customers, distributors, and suppliers all contribute to shaping success, which makes strategic partnerships a critical component of growth.**

As CEO Beamlak Alemayehu highlights, *"This year, we've expanded our partnerships significantly, particularly with healthcare providers and the government. We've also made partnerships in other areas, such as media. For example, we've partnered with a major digital marketing and mass media company to help with our promotional efforts."*

Strategic partnerships have been essential to Medanit's ability to scale and deliver impactful healthcare solutions across Ethiopia. By collaborating with key stakeholders in healthcare, technology, government, and international organisations, Medanit has strengthened its service offerings, expanded its reach, and enhanced its credibility in the marketplace.

One of Medanit's most significant partnerships is with the Ethiopian Ministry of Health, which has enabled the company to digitise healthcare processes and integrate its platform with national healthcare initiatives. This collaboration has been instrumental in digitising the referral system across healthcare facilities, improving patient flow and ensuring timely access to care.

The partnership validated Medanit's role as a trusted healthcare technology provider and positioned the company as a valued support actor in the modernisation of Ethiopia's healthcare infrastructure.

In addition to government collaboration, Medanit has formed partnerships with local healthcare providers, including hospitals, clinics, and pharmacies. By integrating its platform with these healthcare facilities, Medanit ensures that patients have access to high-quality care, while healthcare providers benefit from streamlined operations and improved patient management using Medanit's digital tools. The company has also established relationships with local fintech firms and banks to create a seamless payment system within its platform, making healthcare services more accessible and affordable.

Overcoming Challenges

The top challenges of scaling a startup include managing rapid growth, staying agile, identifying new markets, making difficult decisions, developing a culture of innovation, increasing operational efficiency, and maintaining financial stability. Medanit is not immune to this, despite its strong growth potential and innovative business model, It faces several key challenges that could impact its scalability and long-term success.

A significant challenge Medanit faced was the absence of a clear public policy framework in Ethiopia for many of its innovative services. As Beamlak explains, *"At the beginning, there were no established policies for some of the services we provide, and even obtaining legal licences took time."* This lack of regulatory frameworks delayed the company's ability to obtain legal licences, slowing down its go-to-market strategy. However, with increased government support for startups and technology-driven initiatives, Medanit was eventually able to move forward and offer its services more effectively.

Additionally, while infrastructure in Ethiopia has improved, Medanit continues to face issues in certain areas where network connectivity is unreliable. These limitations restrict access to Medanit's digital platform in rural and underserved regions. Reacting to these challenges Medanit launched a call centre that mirrors the services provided through its app and website, ensuring that patients can access telemedicine, medication delivery, and consultations even without internet access.

An ongoing challenge remains with Ethiopia's political instability and economic fluctuations which present difficult external challenges that could threaten to disrupt Medanit's operations. Safety concerns and infrastructure disruptions have forced the company to delay plans to expand its services. Despite the setbacks, Medanit remains committed to achieving its goals.

Future Plans & Priorities

Medanit is poised for growth, with ambitious plans to expand its footprint within Ethiopia and neighbouring African countries. With a robust platform now in place, Medanit is actively exploring expansion with Uganda, Rwanda, and Kenya all emerging as promising opportunities. Whilst any expansion strategy can open new revenue streams - as aligned with Medanit's broader vision to unify digital healthcare solutions across multiple countries. Early expansion also comes with added complexity and increased costs, which typically is associated with high-risk and increased potential for failure.

Medanit appears well-positioned for future growth, with CEO Beamlak Alemayehu expressing optimism about the company's trajectory: *"I believe the future holds bright opportunities for Medanit. We've recently finalised most of our platform developments, although we are continually upgrading and improving features to stay user-friendly. This puts us in a strong position to penetrate the market. The increase in digital literacy, especially due to social media and internet access, has also helped solve one of the challenges we initially faced—introducing our platform to the community."*

In addition to expanding its geographic reach, Medanit is focusing on technological innovation. The company plans to integrate Artificial Intelligence (AI) into its platform to offer predictive healthcare solutions, improve diagnostic accuracy, and personalise patient care. Beamlak explains, *"We've taken steps to integrate AI into our system and have hired a team member with experience in AI development".* These AI capabilities are expected to transform Medanit's healthcare delivery model, making it more proactive and tailored to individual needs.

The company also plans to enhance its Electronic Medical Records (EMR) system, ensuring that healthcare providers can manage patient data more efficiently and seamlessly across medical facilities. Another challenge is financial in nature. While the company is committed to expanding its team, enhancing technical capabilities, and boosting marketing efforts, financial constraints can limit the pace of this progress. In addition, the broader issue of peace and stability within Ethiopia continues to be a concern, affecting Medanit's ability to extend its services to new regions. Nevertheless, Medanit is committed to creating long-term, scalable solutions that improve healthcare access and contribute to developing healthcare infrastructure across the country.

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