

COLLABORATION HEALTH CARE

ALIGNING IDEAS WITH COLLABORATION TO IMPROVE HEALTH CARE TODAY



Collaboration Health Care, Inc., 601 Carlson Parkway, Suite 1050; Minnetonka, Minnesota 55305
www.collaborationhealthcare.com; info@collaborationhealthcare.com 952-475-6322

An “Opportunistic Perspective”

It's pretty easy to get sucked into all of the negativity surrounding the changes that have occurred in our economy over the past year. Jamie Dimon, CEO of J.P. Morgan Chase commented, “I am shocked at the number of people who are still worrying about their strategic plan for 2009. We canceled all that stuff- all of it.”

While canceling, cutting back, and re-trenching may be the only way some segments (financial services for one) will survive in the new reality, the business philosophers are also professing the opportunities that are available in this new reality for those that want to pursue them. We need to remember, a recession is just part of a business-cycle, it creates winners and losers just like a boom period. You just have to approach it different and manage it different.

Even with the economic challenges we face, there are opportunities available for the taking in the health care segment for those who maintain an “opportunistic perspective”. Your view of the world is going to determine the approaches you take.

Those who want to pursue this perspective will likely come out of this stronger when things turn around and will be ahead of their competitors- those who want to stick to the “retrenching mode” will have some catching up to do.

And, we don't have a lot of time to catch-up in health care.

Keeping Perspective When Markets Change

We're certainly relieved that we have finally confirmed that in December, 2007 our country entered a recession. Despite the fact that over 2 million individuals lost their jobs last year, the stock market decline has cut into the savings and investments of many, the housing crisis has significantly impacted the value of our homes, and the financial markets continue to be in a state of flux, we waited patiently for the final confirmation that our economy has changed. We received the official confirmation a few weeks ago.

Regardless of the reasons that may have created it, the brutal fact is that our economy changed last year and it's going to require a change of thinking for us all to navigate the waters ahead. And, it's going to require maintaining the right perspective as we adjust to the new reality.

In the movie Apollo 13, there is a scene at the NASA Space Center immediately after the explosion where two NASA officials are discussing their views of the possibilities of the outcome that may occur as a result of the dramatic event. One official stated, “This could be the worst disaster in NASA's history.” The other replies, “Excuse me sir, I believe this will be our greatest hour.”

Both individuals had the same brutal facts. And yet, both came away with entirely different perspectives.

(Continued on Page 2)

THIS NEWSLETTER

An Opportunistic Perspective	1
Managing With the Right Perspective	1
Keeping Perspective When Markets Change	1-2
Something To Think About	2

Managing With The Right Perspective

We've got some tough times ahead, there's no getting around it. But, we believe that with the challenges that we face, come many new opportunities that ultimately will create stronger market leaders in health care and ultimately a stronger health care system in general. In the January 19, 2009 edition of Fortune magazine, author Geoff Colvin provided some basic tips to help organizations “weather the storm”. Here are a few of them:

Reset your priorities to face the new reality- business strategy is an evolving process. The strategies you may have focused on in periods of growth may not work in a changed market.

Keep investing in the core- “Recessions end, and much of the art of recession management involves remembering that fact”. The most successful organizations will never stop funding their most critical competencies. It's not all about cutting costs of everything- it's doing what you do well even better.

Communicate like crazy, balancing realism and optimism- The first instinct is to hunker down in uncertain times, keeping quiet until you have all of the answers. The successful organizations increase their communication to address all of the nervousness and uncertainty that comes with challenging times.

Customers face new problems, so give them new solutions- This is a huge opportunity for health care. Whether it's an employer, a patient, or other customer type it's important to continually look for new ways to provide solutions to your customer base. You may have to modify what you were doing yesterday to meet the realities of today.

We'd love to hear from you. Let us know your thoughts, your feedback, and other ideas.

e-mail us at: info@collaborationhealthcare.com

Keeping Perspective (con't)

It's going to be important to maintain the right perspective as we confront the new challenges that are placed before us. While some organizations may accept the "worst disaster" perspective, the leaders will be looking at opportunities to create "the greatest hour".

Your perspective, quite simply, is the relative importance you place on things at any given time. In an organization, your perspective should be largely defined by your mission and your values. As we've discussed in past newsletters, these are the things that should remain constant no matter what challenges are thrown your way. Your mission, purpose, and values become even more important when your markets change. They should provide your grounding for the strategies and initiatives you pursue and the way you act in the new world.

But, maintaining the right perspective is not easy especially considering the dramatic and rapid changes we have just experienced. It's easy to retrench and move simply into "survival mode" and move the mission and values off to the side while you wait for things to get better.

When markets change this rapidly it's also easy to get so wrapped up in the "transactional details" you need to address that you lose sight of the bigger picture. We've seen this happen many times. You can get so engrossed in all of the activity you need to focus on to survive, you lose the perspective of why you're doing it all in the first place.

While retrenchment and transaction-focus may be part of a solution for some business segments, we believe this is also an opportunity for innovation and creativity- especially in the health care industry.

Focusing on innovation and creativity does not only mean creating new products and entering new market segments. It also includes taking a look at areas where you can improve efficiencies, improve collaborative partnerships and communication, maintain employee morale, and strengthen your relationships with your existing customers. These are important strategies that become even more important when operating in a challenging market. These activities require the same creativity and innovation as creating a new product idea- we just tend to focus on them less when things are going well. And, in a market downturn when resources may be limited, many times these types of innovation initiatives are less costly to execute.

But, don't get us wrong, there are growth opportunities you can pursue during these times as well. Proctor and Gamble's CEO A.G. Laffley stated that when things get tough, these are the times "to build market share". These are the times when you can capitalize on your market strengths in pricing, financial structure (balance sheet), new products, and innovation to move forward and grab market opportunities while the competition remains behind. History has shown that crisis breeds opportunity. Business leaders may have to cut costs to survive 2009, but the smart ones are also out there looking for prospects.

The direction you pursue depends on your perspective. The doom-and-gloom perspective will result in retrenchment and hoping to survive until things get better. The opportunistic perspective will look for strategic opportunities that are guided by your mission and values- and result in a stronger organization over the longer-term. (An interesting fact; both Carnegie Steel and Hewlett-Packard were born at a time when people thought the world was falling apart).

Our health care industry must not go into retrenchment mode. But, it is also going to need to think different than it has in the past.

Stakeholder collaboration will be critical. Improved communication and delivery efficiencies will be mandatory. New ideas to deliver quality health care access to individual consumers and employers will be required as they will simply not have the money to continue on the track we're on today.

Our new Administration will likely provide some ideas that may (or may not) improve the market environment we're operating in today. But, as we've said in our vision of a Collaborative Health Care System (you can review it at our web site www.collaborationhealthcare.com), we believe many of the pieces are already out there- we just need to start putting the pieces together more effectively.

Albert Einstein once said, "It takes a higher order of thinking to solve a problem than that which created it." We will all need to move to the higher order of thinking to reach and maintain the opportunistic perspective that is going to be the characteristic of the market leaders that will evolve as a result of the market adjustment we are experiencing.

And, with the right perspective (the opportunistic perspective), we can be assured that our health care system and the organizations and individuals that are part of it, can continue to move forward and, indeed, may ultimately result in "our greatest hour".

Something To Think About

"Fired by success- they could do it because they believed they could do it."

Virgil

"What you think, you become."

Mohandas K. Gandhi

"Never fear the space between your dreams and reality. If you can dream it, you can make it so."

Belva Davis