

COLLABORATION HEALTH CARE

ALIGNING IDEAS WITH EXECUTION TO IMPROVE HEALTH CARE TODAY



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Hope Is Not A Strategy

We've used this title from a book by Rick Page frequently over the years to emphasize the importance of the need for having a defined strategy to help guide organizations in making decisions and determining their direction. We've always felt that if you don't have a map to help get you where you're going- how do you know when you've arrived?

And, we've been somewhat surprised with the number of organizations that don't have a specific strategy to follow and simply react to the whims of the marketplace to determine their fate. These organizations seem to always be on the defensive, reactionary, and stagnant in their innovation.

Last month, we discussed the importance of having an active mission to guide the overall vision of your organization. Your mission defines your purpose.

This month, we want to discuss the importance of strategy. The strategy outlines the steps you intend to take to achieve your mission. It sets the direction you intend to go.

Establishing a strategy can be simple- or it can be a lengthy and detailed exercise. The way you get there isn't as important as making sure you have one. And, remember, "Hope is not a strategy"- even though some organizations seem to think it is.

Setting Your Own Game Plan

Our health care marketplace continues to go through some pretty dramatic changes. New technologies are constantly being introduced, the methods for payment and reimbursement continue to change, the individual consumers continue to be told to "take more responsibility" (with little direction), and the way care is delivered through the existing structure is continuously scrutinized. The landscape continues to change and competitors are popping up where none existed before.

Now, more than ever, its important for those of us participating in this complex and ever-changing system to make sure we have a basic game plan from which we operate. The game plan will guide our direction and help us to survive and compete in the times ahead. The game plan is our strategy.

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Connecting Mission and Strategy

Whether you are a solo practitioner or a global health care organization it is important to establish a solid foundation of your business direction through your mission, values, and strategies. All of these items need to be relate to one another and need to be reviewed regularly (remaining active) to move you in the direction you want to go in a changing marketplace. We've seen organizations lose their overall direction when their strategy is not aligned with their mission. It's even worse when they don't know what their strategy is at all. All are important, all are related, and all must remain an active part of your business at all times to compete like we're going to need to compete in the health care marketplace today.

Beginning with your mission, ending with your strategy, and connecting through measurement and assessment, these simple concepts can provide you with the direction you need to remain aligned, remain competitive, and keep your innovation alive as your competitive landscape continues to change in a dynamic marketplace.

The Statement Hierarchy	
Mission	Why We Exist
Values	What We Believe and How We Behave
Vision	What Do We Want To Be
Strategy	What Is Our Game Plan
	Objective
	Scope
	Advantage
Measurement	Holding Ourselves Accountable

Setting Your Game Plan (con't)

Quite simply, a strategy is *the plan of action designed to achieve a particular goal*. Strategic planning is *your process of defining your strategic direction and making the decisions you need to make on allocating your resources to pursue this strategy including money, other material resources, and people*. Every day we are forced to make decisions concerning where we want to direct our efforts and our resources. The strategic plan will be the guide to help make those decisions.

As with most other aspects of business, developing and implementing a good strategy is a combination of art and discipline. Former GE Chairman Jack Welch (an exceptional visionary who managed strategy well) stated, "In real life, strategy is actually very straight forward. You pick a general direction and implement like hell." With the way health care is changing today, we feel a little more discipline is required. The general direction is changing too fast. But, we like his emphasis on implementation and execution.

In the April, 2008 edition of the Harvard Business Review, authors David Collis and Michael Rukstad challenged organizations to ask their employees and associates to summarize their strategy in 35 words or less. They found most employees couldn't do it, because they didn't know what the strategy was (or even if they had one at all).

In the same article (*Can You Say What Your Strategy Is?*) the authors presented the idea of developing a simple, clear, and succinct "strategy statement" that everyone in an organization can internalize and use as a guiding light for making difficult choices in a competitive marketplace. The basic elements of the strategy statement include:

1. **Objective:** What are the results?
2. **Scope:** What are your boundaries for what you will and won't do?
3. **Advantage:** How do you intend to maximize your competitive advantage and achieve your results?

No matter what process you decide to use, it's important that the strategy you develop is specific, measurable, and time-bound. An organization's best strategy is where your competitive advantage and your capabilities overlap with the current and future needs of the customer. You simply must be an expert in understanding the competitive environment in which you operate.

As with an organization's mission, we believe your strategy needs to remain in an "active" status in order to be effective at all. This means you review it regularly, you evaluate your progress, you adjust when necessary, and you hold yourself accountable for the results.

We remember sitting through the annual "strategic planning ritual" with several health care organizations over the years discussing and establishing the strategies and creating the notebooks of market information, graphs, charts and all of the information necessary to present to the leadership and

boards. We would be invigorated with the creative process that was involved in the exercise but would become disillusioned when the notebooks would be shelved soon after they were presented. The strategy became inactive very quickly. It was the exercise itself that was important to these organizations, not the execution.

It doesn't matter if your strategic plan is written on a napkin, or included in multiple notebooks that were completed after going through a formalized process, the rules are pretty simple:

1. Make sure you have a strategy in place to reflect the realities of your current market
2. Make sure you keep it active, and execute

Legendary management guru Peter Drucker wrote, "Strategies are not something you hope for, strategies are something you work for."

We couldn't agree more. It's not easy, but it's worth it.

Source: Can You Say What Your Strategy Is? David Collis and Michael Rukstad; Harvard Business Review; April, 2008

Think About It:

"The future will not just happen if one wishes hard enough"

Peter Drucker

"Any plan that doesn't account for the opponent's point of view leaves the chance of success to luck alone."

Capt. Brian Donion, USMC

"Clarity of direction, which includes describing what we are going after as well as describing what we will not be going after is exceedingly important at the late stage of strategic transformation."

Andy Grove