

New Millennium Strategies for Success

Usually when a doctor begins his or her practice there is a flat growth pattern, then the curve moves upward as the practice begins to grow. After a period of time, however, the curve does start to move downward as the practice's performance declines. This is where proactive doctors must develop and enact a success strategy.

The secret of stopping the negative growth and reenacting a positive growth pattern is to plan for the future before the current practice goes too far into decline. These doctors have to pursue two strategies at once: maintain the current practice, while beginning a new focus for the future.

This is one of the greatest challenges for practices at the end of the 20th century – the need to stabilize and build on the present business and the future of the practice *at the same time*. This is accomplished by reshaping current strategies to compete more effectively in the health care market today, while innovating to create a new practice that will effectively attract patients tomorrow.

In “Mega Marketing Makeovers”, I have provided a synthesis of some of the latest professional management theories designed to improve almost any practice. I've attempted to offer a perspective on change that is relevant to all professionals – not just doctors, but also the office management and the clinical staff in the exam rooms and operatories.

By uniting a number of important business ideas in a single program, I've tried to provide a powerful strategy for making your practice a success now, and into the first decade of the new millennium.

The dual objectives of needing to work on both the present and the future of the practice simultaneously has become evident to me as I have worked with doctors and their staff members over the last three decades.

In the practices that will flourish in the coming decades, there will be a need for two distinct strategies. One will be a “Now” strategy that will provide current patients with high-quality procedures and services. The other will be a “Future” success strategy.

- **“Now” strategies** will improve the **present** practice, so that it can be more responsive to patients today.
- **“Future” strategies** will help create success in the **future** by imagining what patients and your health care market will be like in the next decade.

Maximum success can be achieved by asking staff members to participate in one of the two strategy development teams, you can use *the power of choice* to build their commitment to the change process, as opposed to offering a plan they can accept or turn down. From my sales management experience, I've learned that the human mind tends to reject an innovative idea because it can't be connected to the current reality.

However, the mind reacts more favorably when it is asked to choose between two or more alternatives. Instead of choosing *yes* or *no*, its energy is concentrated on deciding which.

Once team members have been determined, at least once a month “Now” strategy team and “Future” strategy team meetings should take place at the practice. At the meetings, the members will pool the information they’ve gathered on specific parts of the change effort and generate ideas for improvements.

The doctor will oversee the “Now” and “Future” strategy teams. His or her main responsibility will be to keep a proper balance between improving the present and designing the future.

This is not an easy assignment. Doctors must:

- Keep the current practice growing long enough for the new focus to establish itself.
- Allow funds to be siphoned away from the current practice to the new one.
- Manage the confusion that arises when both practices are operating simultaneously.

It can be done if planned properly. Let me state it again. Doctors and their staffs have to design the future and improve the present practice simultaneously. Therefore, though I will first explore the process that “Now” strategy teams should follow, bear in mind that the “Now” and “Future” strategy teams will be working on their respective project at the same time.

“Now” Team Strategies

“Now” strategy team improvements to the current practice are focused on the next 12 - 18 months. They strive to make the practice as good as it possibly can be at servicing its present patients in the currently served health care markets. The “Now” Team’s agenda often revolves around making the practice faster and more flexible. Streamline processes, quicker decisions, stronger ties with patients and suppliers, and other initiatives are all attempts to keep the current practice from reaching a negative end.

As in the S.W.O.T. Analysis, “Now” strategy teams should study today’s competitors, patients, and technology, then ask how the practice can use the most recent changes to its advantage. This leads to a three-step process:

1. **Envision the practice you need to become** in order to better serve existing patients.
2. **Find the shortest path** between where the practice is now and where you want it to be in the future.
3. **Implement the changes** to match the practice vision or mission.

Let's explore each step in detail.

To **envision the kind of practice you need to become** in the present, begin by defining its purpose. This is not based on the procedures or services you offer but on the patient needs and wants they fulfill. Avoid defining your practice too narrowly. As you know, patient needs and wants are constantly shifting. Individual procedures may no longer be in demand, but patients will still have the same broad needs.

Next, think about how you will shape your practice to meet the customer needs you've identified. To do this, you will need to study a number of critical elements that combine to provide your procedure or service to the patient. Let's define each of the elements.

Core goals are broad ideas about what the practice wants to achieve. Core goals define the reason the practice exists; they are its mission or purpose.

Core values are what the practice considers important. They are the set of beliefs that determine what actions and behaviors are acceptable.

Too often, doctors and staff members promote the values and act in an entirely different way. Staff members become cynical and the values never become embedded in the practice culture. For this reason, "Now" strategy teams should follow three steps:

- First, **identify the core values**, and rank them in the order in which they should be followed. (This is one of your S.W.O.T. exercises.)
- The second step is to **communicate the core values** to patients, staff members, suppliers and owners.
- Third, **align the values and systems of the practice**. Identify gaps between values and behavior, and then close the gaps.

Once you have aligned the values and systems of the practice, define the strategy you will use to achieve your core goals. **Strategy** is sometimes defined as the way a company plans to create unique value.

In addition to the strategy developed, systems are another critical element of the practice. They are the procedures that support the structure. At least four systems must be in place if a practice is to perform at a high level.

- First, **accountability**. Every staff member needs to know what he or she will be held responsible for accomplishing. Clear objectives are needed to spell out exactly what must be done, by whom, as well as when and how success will be measured.
- Second, **information systems**. Staff members need information in such areas as finances and patient satisfaction in order to make good decisions.

- Third, *feedback*. Staff members who are expected to monitor their own performance have to receive relevant feedback from the doctor in order to identify weaknesses and reinforce strengths.
- Fourth, *training*. Every change in a practice's structure or systems will require the staff to learn the new ways of working. A practice's people and skills are its most basic element. A practice has to identify its core competencies – the skills and technologies it will need to implement its strategy and reach its goals. They are a source of competitive advantage because they make a unique contribution to patients perceived value.

The “Now” strategy team should compile a list of your practice's own core competencies.

Each core competence should be unique to the practice; not easily imitated by competitors; capable of making a sizable contribution to patient-perceived value; essential to the practice's short-term and long-term survival; and able to serve as a gateway to new health care target markets.

This review of core competencies is designed to improve your current operation. Once you have envisioned the practice you need to find **the shortest path between where the practice is now and where you want it to be in the future**. This is the second step in the process.

One of the best ways to do this is to understand what successful practices are doing. There are five accepted characteristics of effective practices:

1. **Missionary patients**
2. **Committed and empowered staff members**
3. **Financial success**
4. **Integrity**
5. **Continuous improvement**

To keep your current patients you have to turn them into missionaries. They are so excited about the way you treat them that they want to tell everyone about your practice. They are created by practices that far exceed the service levels of their competitors, and surpass their patient's expectations.

To reach this level of service, you need ***committed and empowered staff members*** who can respond immediately to patient needs and problems. They can't be required to wait for the doctor to make a decision. If staff members are empowered and committed, they will work as a team and help each other where the need arises.

Staff members become eager to help their co-workers when they understand the factors that underlie the practice's ***financial success***. Doctors should share financial information with staff so they can understand how their efforts make an impact on the profit-and-loss statement.

The most effective practices also have ***integrity***. Their decisions and actions are driven by their values.

Just as staff members improve their performance when they learn new skills, practices need to be better each day than they were the day before. To achieve ***continuous improvement***, a practice has to encourage lifelong learning, celebrate mistakes as learning opportunities, and put the new knowledge to work immediately.

As soon as the “Now” strategy team understands what a successful practice looks like, it should conduct a “gap analysis” to locate the discrepancies between the practice’s vision and its present activities. As part of their assignment, “Now” strategy teams should collect data about the current reality. The doctor will use this information to decide on the major changes to be made. The place to begin making changes is wherever the “gap” is the widest.

This leads directly to the third and final step in improving the current business: Implement the **changes to match the practice’s vision or mission**.

To avoid trouble, you should be aware of three critical issues that you may encounter in any practice transition:

- **First**, *the change process should involve as many staff members as possible*, with differing perspectives and interests to construct a complete picture of the practice’s realities and opportunities.
- **Second**, *everyone in the practice should be involved in deciding which changes need to be made and how they will be made in order to build a sense of ownership and commitment*.
- **Third**, *there must be a careful balance of direction and participation*. While staff members need to take responsibility for the change process, they can’t contribute unless the doctor gives them support, information, and a sense of where the change will take them.

“Future” Team Strategies

“Now” strategy teams may help to keep the practice afloat today, but they do little to prepare it for the demands of tomorrow’s patients. For this reason, the “Future” strategy teams have to start building for the new millennium. They begin with this question: “If our practice didn’t exist, how would we design it today”?

They should also consider these specific questions:

- Will we serve the same patients in the future that we are serving today? If not, how will the needs and wants of tomorrow’s patients be different?
- What will our practice’s competition look like?
- What strategic capabilities must we build?
- What alliances will we need to develop?

In answering these questions, the “Future” strategy teams should take three steps to create success in the new millennium:

1. **Articulate a clear vision** about where you want your practice to evolve.
2. **Seek the shortest path** between where your practice is now and where you want it to go.
3. **Determine on what basis your practice will compete** once it is structured for the decades to come.

In the first step, the “Future” strategy teams must articulate a clear vision of the future. For our purposes, I will define the future as the period between 18 months and five years from now. This vision will be unique to your specific practice.

Because of rapid improvements in service and technology, tomorrow’s target markets will bear little resemblance to those of today. This leads to an inescapable conclusion: *If you are not involved today in creating tomorrow’s markets, you are unlikely to compete in them.* This is a premise proposed by Ken Blanchard in his book “Mission Possible.”

“Future” strategy teams can explore the future through the technique of scenario planning. Blanchard defines **scenario planning** as a disciplined method for imagining and studying a practice’s possible futures. Scenarios are hypothetical sketches of what the practice’s future *could* look like. Scenario planning simplifies extensive data into a limited number of possible “what if” situations. In doing so, it opens the team’s minds to opportunities and threats they may have ignored.

The scenario planning process, as Blanchard reviews it, consists of eight steps:

First, ***develop a common understanding.*** All of the “Future” strategy team members should understand what scenario planning is, and why it is useful.

Second, ***define the scope.*** Decide which target markets, patients, technologies, and types of competitors will be included, as well as the time frame to be explored.

Third, ***identify major trends.*** Begin by developing a list of trends that are already at work in the profession and have the potential to upset the status quo. These may be political, economical, clinical, societal, technological, or legal.

Fourth, ***identify key uncertainties.*** Some events and outcomes cannot be predicted. A new, unexpected technology may appear; a natural disaster can occur. List the uncertainties, and the possible outcomes.

Fifth, ***create the first round of scenarios.*** A scenario is a story that describes, in detail, one way in which the future may unfold. The primary purpose of this first round of scenarios is not to produce scenarios that will accurately predict the future, but rather to gain a deeper understanding of the forces at work in your profession.

Sixth, ***initiate institutional learning***. Show the first-round scenarios to as many people as possible, including members of “Now” strategy teams. Ask them how they would respond to each of the possible worlds. By considering these scenarios, the staff team members will be forced to question their own model of reality, and to change it if necessary.

Seventh, ***construct final scenarios***. After listening to the views of others, the “Future” strategy teams should create the final set of scenarios that can be used by the doctor in making decisions. The teams must consider the strategic challenges presented by each scenario, and identify the core competencies that will be needed to succeed in that world.

Eighth, ***make a decision***. After the “Future” strategy team presents the final scenarios to the doctor, he or she must decide on a course of action. The practice can either gamble the future on one scenario, or stay flexible enough to exploit multiple scenarios.

As your picture of the future comes into focus, you will need to figure out how your practice can fit into it. Ask: What value can we offer tomorrow’s patients that they will be unable to get from anyone else?

Use this answer to develop a new *strategic ambition* – a succinct and compelling idea of what you want your practice to become. The best strategic ambitions are based upon an intense commitment to make a difference in patient’s lives.

The next challenge is to begin moving toward your own strategic ambition. This brings us to the second step in creating your practice’s future: **Seek the shortest path between where you are and where you want to go.**

To do this, you have to close the gaps between your current strengths and the ones you will need tomorrow. You can either develop the right skills and technologies on your own, or collaborate with other doctors, associations, or companies.

Because most doctors find they can’t create the future single-handedly, they use *both* strategies. They build core competencies internally, and they build networks to build alliances.

Core competencies, as discussed earlier, are the skills and technologies that are unique to a practice. Building new ones can take years of effort and commitment.

It is much easier to forge strategic alliances than to go it alone. Joining forces with other doctors in study clubs or associations and groups that offer complementary resources allows you to share substantial costs and risks; increase speed by saving the time it would take to build all of the competencies needed to launch a new procedure, service, or enter a target market.

With the right core competencies to dominate in the future, you will need to take on the third challenge: to **determine how you will compete**. “Future” strategy teams must rely on *expeditionary marketing* to position procedure and services that patients have never seen before.

Expeditionary marketing provides answers to such questions as:

- How will we position our new procedure or service?
- What benefits and features will patients be interested in?
- What fees will they find acceptable?
- What promotional tactics should be used?

The only source for the answers are the patients themselves. Through a series of carefully controlled, low-cost research efforts of the market, a practice can gain a sense of the scope of patient demand.

The easiest way to learn what patients will want is to invite them into the development cycle; through dialogue, practices learn what procedure features, fees and, promotions appeal to their market.

If you and your staff review and inculcate the concept described in this marketing update into your practice planning system you will find that you will achieve success today and in the new millenium.