HSA 6188:  
Strategic Management in Health Administration  
Fall 2013

Tuesdays (9:35am-11:30am) and Thursdays (1:55pm-2:45pm) - Room G307

Instructor: Ralph E. Horky MHS

Health Services Research, Management, & Policy  
University of Florida  
Email: (through Sakai at http://lss.at.ufl.edu)  
Phone: (352) 273-6073

Required Course Materials

3. Class materials available through Sakai at http://lss.at.ufl.edu/

Overview and Objectives Strategic Management:

The purpose of this course is to learn and selectively apply modern concepts of strategic management: to adapt the skills and techniques necessary to interpret strategic situations, to distinguish stakeholder needs and aspirations, to classify component internal and external influences, to envision (imagine) appropriate and a practicable strategic responses or interventions and to influence the successful implementation of strategy across a health care systems or within its major components. Upon completion of the course, students should be able to:

Show a Broad Understanding of Strategic Management and Complex Health Organizations  
Evaluate Organizational Culture and Structural Strengths and Weaknesses  
Assess the Influence of the External Environment (Markets, Regulators, and Competitors)  
Recognize Newly Evolving Trends in Strategic Theory from Academic and Popular Sources  
Interpret the Impact of Technology, Cultural Change and Evolving Practice on Organizational Strategy  
Elaborate a High Level Directional Plan for a Large Organization  
Demonstrate Basic Formal Business Planning Skills and Presentation Techniques
Key Competencies Supported:

- Combining analytical techniques with evaluative systems thinking principles.
- Appraising Common Organizational Pathologies and Planning Obstacles within a Complex Organization
- Demonstrating Visioning, Forecasting and Goal Setting Skills for Advancing Plans to Practice
- Facilitating and fostering shared vision among stakeholders to advance the mission, vision, values and other forward looking purposes of an organization
- Evaluating and advocating condition dependent strategies for alternative future scenarios
- Scanning and interpreting key attributes in the internal culture and in the external environment

Syllabus

The syllabus is a guide to help you relate the material in the text to the flow of the course. Some material and activities may span multiple lectures.

1: Class Introductions, Practical Information

General Discussion

Student career goals
Instructor background and general approach
The Text: Differentiating the Act of Painting from Learning the History of Art
Supplemental Text: HBR Essentials of Strategy: beyond the Textbook
Movie: Moneyball - Getting the "feel" of strategic management in practice

Course Requirements/Student Evaluation Methodology (approximate)

Short narratives and/or diagrams ("one pagers") (30%)
  Planning Call to Action (Stakeholder Enrollment)
  Scenario Narrative (Visioning and Adapting to Unsure Circumstances)
  Strategic Case Supporting Data Model (Fundamental Presentation Skill)
Mid Term Test (20%) (Base Knowledge)
  Strategic Management Theory
  Internal and External Environments
  Selected Readings in Current Strategic Theory
Major Project – assembling a business case (30%) (Integrative and Persuasive Skills)
Stickers, Attendance and Class Participation (20%) (Initiative, Leadership, Work Ethic)

Instructor's Expectations of Students

All materials will be reviewed prior to classroom discussion
Students will have graduate level competency with PowerPoint and Excel
Students will have graduate level narrative writing skills
Students will participate actively in on line and classroom activities
Students will attend all sessions and consistently demonstrate professional behavior.
Students will silence all cell phones.
Laptop computers and tablets will be used only for purposes directly related to class.
Texting is prohibited during class.

2: Developing a Broad Understanding of Strategic Management and Complex Health Organizations

Supporting Materials: Swayne Chapter 1, Moneyball (Movie)
HBR: Making Management as Simple as Frisbee_ (Denning: Resources)

Four Principles

Strategy cannot be disassociated from management
Execution cannot be divorced from planning
Organizational structure massively influences behavior
Tactics and business plans are situation dependent

The Strategic Basics: Tactics, Stakeholders and Strategic Momentum

The interaction of the internal culture and external environments
Complex organizations and often discontinuous change
The "Importance of Leadership"
Levels of Strategic Management: corporate, divisional, organizational and Unit levels
The critical importance of identifying and enrolling stakeholders
Maps and blueprints: metaphors for plans
Beyond financial and operational management to strategic management
Great athletes must both play the game and observe it as a whole

Organizational Complexity

Balancing Emergent and Analytical Styles
Having influence vs. exercising control
Metaphor: Producers and Directors
Desired States, Mental Models, Shared Vision
Levels of management vs. interactive subsystems
Keeping your head above “the mess”

Moneyball (Movie): Columbia Features 2012

Tactics vs. Strategy
Trade-offs
Strategic momentum
Shareholder enrollment
Sustainability
Leadership
Replica-ility
Graded Assignment #1 (10%): A Planning Call to Action - This will assess the student’s approach to stakeholders and their ability to describe a planning need in concise written narrative

3. Evaluating Organizational Culture and Structural Strengths and Weaknesses

Accretion, Complexity and the Evolution of the Modern Health Care "Mess"

Supporting Material: Social Transformation of American Medicine (Starr)
Cultural Accretion and Complexity

Sticker Opportunity: Developmental Layers

The Medical Trade – 1700’s
Licensure - 1800’s
“Escape from the Corporation” - early 1900’s
Flexner, Medical Science and Professionalism -mid 1900’s
Hill-Burton Act - 1946
Employer Based Insurance and the Blues -1950s
Medicare, Medicaid-1960s
Cost Controls, HMOs and New Technologies -1970s
Runaway Costs and Failed Legislation – 1980s
Vertical and Horizontal Integration - 1990’s
Private Sector Rationalization – 2000’s
Affordable Care Act - 2000s

Fundamental Organizational Structures in Health Systems

Corporations; top down bureaucracies, hospitals
Partnerships; academic units and physician groups
Membership Organizations; franchises, insurance, research institutes
Cooperatives; mutual insurance, neighborhood association, Puget Sound
Agencies of Government and charitable organizations (fund accounting)

Blog Exercise: Culture and Structures Case Studies

Supporting Materials: Swayne - Case Studies # 5, 7, 8, 11

Identify Organizational Structure or Structures
Characterize the Organizational Culture
Identify Decision Maker or Decision Making Body

Evolving Organizations

Processes, Organizations, Networks, Markets, Cultures
Independence of goals and means
The cohesive role of lateral control systems
Information technology and telemedicine enablers
Organization around service products
Membership organizations - centers and Institutes
Keeping your head above “the mess”

**Inside of Organizations - Internal Analyses**

Supporting Materials: Swayne Chapter 4
HBR: "Using a Balanced Scorecard" (Red Book: Kaplan, Norton)

**Realms in large corporate type health related organizations**

Governance - mission and values
Corporate Management - goals and objectives
Clinical management - clinical quality
Operations
Staff Support
Muddled roles and shared responsibilities

**Roles in smaller organizations and sub-organizations**

Very small scale agencies, practices and businesses
The special case of the medium sized partnership
Local and global responsibilities in agencies and franchises

Capabilities, Competencies, Distinctiveness
Organizational Value Chain

**The Value Chain (Swayne)**

Support (Operational) Delivery: Pre-service, Point of Service, After-Service
Support (Staff) Activities: Culture, Structure, Resources

**The Balanced Scorecard (Redbook)**

Financial
Customer
Internal Business Processes
Learning and Feedback

**The modern convergence of the clinical and managerial realms**

The realms of nursing, physicians, support and administration
Interdisciplinary and multi disciplinary teams
The importance of integration in the post EMR world
The group practice model (Mayo, Lahey, Geisinger)
Bench to Bedside Research Institutes and Centers
Accountable health organizations
4: Broadly Assessing Influences of the External Environment (Markets, Regulators, and Competitors)

Supporting Materials: Swayne Chapter 2
HBR: "The five Competitive Forces that Shape Strategy" (Redbook; Porter)

External Influences - General Environmental Analyses

Legislative / Political/Regulatory
Economic
Competition for Patients
Competition for Talent
Social / Demographic
Technological
Scenario analyses as a tool

Graded Assignment #2 (10%): Scenario Planning Narrative - This will assess the visioning skills and appreciation of the evolving nature of strategic situations

Service Area Analyses

Service area definition – local, regional and national
Relationship of service area and service type
Natural and cultural communities and communities of interest
More Complex Market definitions (Resources: MIT: Pindyke)

"The five Competitive Forces that Shape Strategy" (Porter)

Rivalry among existing competitors
Bargaining Power of Suppliers
Bargaining Power of Purchasers
Threat of New Entrants
Threat of Substitute Products and Services

Multiple Choice Exam (20%): This will assess the student’s comprehension of textbook and reading materials to date and concepts discussed in the classroom to date

This is approximately the halfway point in the course and is a pivot point from more theoretical to more practical material.

5) Interpret the Impact of Technology, Cultural Change and Evolving Practice on Organizational Strategy

Blue Oceans Strategy

Supporting Materials: HBR Blue Ocean Strategy (Redbook: Kim)
New Style of Health Care Emerges to Fill Hospital’s Void (NYT: Resources)
Evolving Issues in the Competitive Environment

“Supporting Material: Building a Bridge from Fragmentation to Accountability — The Prometheus Payment Model” (NEJM: Resources)
“Continuous Innovation In Health Care: Implications of the Geisinger Experience” (Paulus: Resources)

The integration of Insurance and Delivery
The post EMR world
Levels of Integration
  Populations
  Panels
  Episodes
  Procedures

Evolving Issues in the Regulatory Environment

Supporting Material: How to Solve the Healthcare Crisis (Kaplan: Resources)
Bitter Pill: Why Medical Bills Are Killing Us (Time Magazine: Brill)

Implications of the Affordable Care Act

5) Model a High Level Directional Plan for a Large Organization

Supporting Materials: Swayne Chapter 6, Swayne Chapter 10
“Building a Share Vision: How to begin” (Smith: Resources)
“How Hospital Can Learn” (Berwick: Resources)
HBR: “Building Your Company’s Vision” (Collins: Red Book)
Acheivit Software Product

Types of Strategic Plans

Directional
Adaptive
Market Entry
Competitive
Implementation

The Directional Plan (mostly) for Large institutions

Vision, Values, Goals, Objectives’ Strategies, Tactics
Roles in the Directional Planning Process

Board, Executive Management, Divisional Management, Departmental Management, Unit Management
Retreats, Workshops
Consultants, Facilitators

Who owns the plan?

Mental models to shared vision to plurality to consensus
The Executives personal vision
Stakeholder Buy-in and enrollment
Planning and crisis management
Shared vision and team learning (Smith Shared Vision: Resources)
Telling, selling, testing, consulting, co-creating
Communication, Communication, Communication
Strategic momentum as a political movement

Commence Major Project – assembling a strategic Case (30%). This can be based on an adaptive, market entry, competitive or implementation strategy. Topics will be approved in one on one meeting with the Instructor. This assignment will assess the student’s integrative and persuasive skills

This is approximately the 80% point in the course and begins an iterative process around individual projects. Class time will be coupled with individual meeting between students and the instructor.

6) Demonstrate Basic Formal Business Planning Skills and Presentation Techniques

Evaluation of Strategy (Swayne Chapter 7)

Evaluation of Alternatives

SWOT Analyses
Product Life Cycle Analyses
Portfolio Analyses
Strategic Position and Action Evaluation (SPACE)
Program Evaluation (Agencies)
Needs/Capacity Analyses

Evaluation of Market Entry Strategies

Acquisition
Licensing
Venture Capital
Merger
Alliance
Joint Venture
Internal Development
Building a personal toolbox: Thing 1, Thing 2 and Thing 3

Thing 1 - Business narrative: developing a “storytelling” style
Thing 2 - Conceptual diagramming e.g. PowerPoint
Thing 3 - Dynamic models e.g. Excel

Functions, formulas and referencing
Statistical Methods
Data Standardization
Forecasting (simple regression)
Cost accounting
Fixed and variable costs
Capacity Management (Resources: Capacity Module)
Capacity of fixed assets

Graded Assignment #3 (10%): Supporting Data Model. This will assess the student’s facility for developing basic data models with techniques to support forward looking projects.

The completed major project – assembling a strategic case (30%) – will be due on date of final class session.

Statement of University’s Honesty Policy (cheating and use of copyrighted materials)

Students are expected to act in accordance with the University of Florida policy on academic integrity (see Graduate Student Handbook for details). Cheating or plagiarism in any form is unacceptable and inexcusable behavior.

We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honesty and integrity.

Policy Related to Class Attendance or Other Work

You are expected to attend all classes and actively participate in class discussions. Personal issues with respect to class attendance or fulfillment of course requirements will be handled on an individual basis. Students who come late to classes are considered absent, no exceptions!

Statement Related to Accommodations for Students with Disabilities
Students requesting classroom accommodation must first register with the Dean of Students Office, which will provide documentation to the student. The student should then provide this documentation to me.

**Phone Numbers and Contact Sites for University Counseling Services and Mental Health Services**

<table>
<thead>
<tr>
<th>University Counseling Services Student</th>
<th>Mental Health Services</th>
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<tbody>
<tr>
<td><a href="http://www.counsel.ufl.edu/services.asp">http://www.counsel.ufl.edu/services.asp</a></td>
<td><a href="http://www.health.ufl.edu/shcc">http://www.health.ufl.edu/shcc</a></td>
</tr>
<tr>
<td>P301 Peabody Hall – 392-1575</td>
<td>Room 245, Infirmary Bldg.- 392-1171</td>
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