

**University of Florida**  
**College of Public Health & Health Professions**  
**Department of Health Services Research, Management, and Policy**

**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  
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**Required Course Materials**

1. Swayne, L.E., Duncan, W.J., and Ginter, P.M. (2008). *Strategic Management of Health Care Organizations*. Sixth Edition. Jossey-Bass: San Francisco, CA.
2. HBR'S 10 Must Reads: The Essentials by Clayton M. Christensen, Michael Overdorf, Thomas H. Davenport, Peter F. Drucker, Daniel Goleman, Robert S. Kaplan, David P. Norton, Rosabeth Moss Kanter, John P. Kotter, Theodore Levitt, Michael E. Porter, C.K. Prahalad, Gary Hamel. Harvard Business Press Books 288 pages. 2010.
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: What is Strategy? (Porter: Red Book)  
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  
Replicability

**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**

University Counseling Services Student  
<http://www.counsel.ufl.edu/services.asp>  
P301 Peabody Hall – 392-1575

Mental Health Services  
<http://www.health.ufl.edu/shcc>  
Room 245, Infirmary Bldg.- 392-1171

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