

Strategic Thinking in a Hospital Setting

Springer Briefs in Public Health



A. L. Hamdan is currently a Professor of Otolaryngology—Head and Neck Surgery, Head of Division of Laryngology and Director of “Hamdan Voice Unit” at the American University of Beirut Medical Center (AUBMC). He holds an Executive Master’s in Business Administration from The American University of Beirut, a Master’s degree in Health Science and a Master’s degree in Hospital Administration from l’École Supérieure Des Affaires, in addition to a Diploma in Strategy and Innovation from Oxford University.

He is the founder and director of the “Hamdan Voice Unit” at AUBMC, founder and president of the “Lebanese Voice Association” and the “Voice Foundation Lebanon

Chapter”, with 120 publications in refereed journals in the field of Voice and Laryngology. Following his position as Chairperson of the Faculty Development Committee for two years, during which he promoted the business aspect of medicine through the organization of numerous workshops in collaboration with the Olayan School of Business, he assumed the position of Medical Director of Strategy and Innovation at AUBMC where he has been engaged in the assessment and development of strategic initiatives

Preface

The healthcare system is facing numerous challenges. These include the explosion in scientific knowledge, the link of pay to performance, and, most importantly, the shift to “patient-centered” care approach. Attempts to circumvent these challenges and improve on the quality of care have been invariably mitigated by a prohibitive rising cost. All the aforementioned has fostered a transition in the understanding and delivery of health care from an industrial economical view that focuses on services and products as outcome measures to a modern view that highlights the importance of customer’s perception and experience as determinants of quality of care provision.

This transition in the healthcare industry mandates the adoption of a strategic plan that anticipates the dynamic changes in patient’s needs and the rising cost in the provision of those needs. Physicians in administrative positions and managers have to acquire and develop different types of strategies commonly used in health care and other industries in order to maintain their financial viability and defend their market’s share. To this end, this book is intended to equip physicians and administrators with the right strategic tools and frameworks. The focus of this book is on the different strategic directions commonly adopted by strategist in different industries. The different strategic views



conceptualized in health care in addition to a crafted strategic framework that can be used to draw a summary of the market competitive dynamics will be described. Once the strategist has chosen the strategic direction for its firm, a strategic plan must follow. The application of the most common strategies used in other industries to develop and sustain a competitive advantage will be discussed with special focus on Porter’s strategies, namely low-cost leadership and service differentiation. These strategies have been described thoroughly in the literature as dominant typologies adopted by many firms in various industries; however, few are the reports on the application of these strategies in hospital settings. In the last two chapters, this book highlights the application of Porter’s strategies in a set of Lebanese hospitals with emphasis on the limitations, constraints, and correlation factors between types of strategies used and performance

of these hospitals. Last but not least, eight strategic tactics will be discussed thoroughly with special attention to the operational initiatives, indicators, and goals of each.

Contents

- Introduction
- Strategic Directions and Views
- Porter’s Strategies in Healthcare
- Sources of Competitive Advantage
- Innovation in Hospital Settings
- Strategic Framework in a Hospital Settings
- Eight Strategic Tools Implemented
- Application of Porter’s Strategies in Lebanese Hospitals
- Correlation Between Type of Strategy and Performance
- Conclusion
- References