

Strategic Thinking in a Hospital Setting

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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

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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.

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