



WHITE PAPER

Strategy Execution Habits of Thriving Practices

Oftentimes physicians approach us because they don't think their practice has a winning strategy. Moreover, they tell us that they do not believe their practice has the right capabilities to execute the current strategy they were following. Having capabilities is all well and good, but just because you are capable of doing something, does not mean you are going to be successful. "Winning" practices often don't follow prevailing trends, but rather follow five habits that contradict conventional wisdom to out-execute and out-compete their rivals. Here is our personal take on the five strategy execution practices used by thriving practices:

1. Commit to an identity

Thriving practices focus on a clear target market and focus on what makes them unique with that patient demographic. They avoid chasing growth by pursuing multiple markets in areas where they have no clear point of differentiation. They get very clear about their strategic position and build capabilities that will help to support that position over the long term.

2. Do not get carried away with benchmarking

Practices that dominate the market keep an eye on what competitors are doing, of course, but they do not blindly follow the herd. In fact, they know that using the same technologies, following the same methodologies, and benchmarking the same key performance indicators as your competitors is just a recipe for mediocrity. The leading practices develop a winning strategy that will set them apart in their community (and perhaps in their specialty), and translate their long-term strategic moves into their current projects and performance metrics.

3. Prune what doesn't matter to invest more in what does

There is a saying: "You have to keep pruning the rosebush if you want to create beautiful blooms". It's easy to keep adding new features (e.g. services, technologies) to your practice, and adding new projects for your practice to work on. What's more powerful is to trim away the bloat and excess, and only focus your resources on the small number of things that really matter in pursuit of your strategy. The key to effective strategic leadership is to figure out what is truly "core", vs what is "context" and "non-core" in terms of your activities and service/technology offerings.

4. Stop constantly reorganizing

We have seen many practices try to re-strategize by constantly reworking their organization chart and rethinking incentives. This very rarely (if ever) is a viable solution. Successful practices resist disruptive reorganizations and instead put their core values and culture to work. They use culture, not structure, to drive change.

5. It is not about agility

Practices that dominate the market are not “agile” in the sense that they respond to external change as rapidly as possible. Rather, they are “smart agile”. Physician leadership needs to be agile enough to address threats, or pursue promising opportunities that support your plan, but remain disciplined and focused enough so that you do not end up “chasing squirrels”, lurching from one idea to the next while you lose sight of your original strategic intentions. Successful physicians shape their future by creating the change they want to see.

Testing your strategic choices

Many of the practices we work with think they have strategy, but a test shows they haven't made any strategic choices at all. Consider these steps to quickly determine whether your practice understands what a real strategy is and whether or not they actually have a strategy that can be successful.

Step 1: Identify your long-term strategic moves

We often challenge physicians by asking, “Do you have a real strategy for long-term success?” Strategy requires disciplined analysis and a deep understanding of how not only the healthcare industry but also how your specialty is likely to play out in the coming years. Then you need to get very clear on the few, key strategic moves your practice needs to make in order to position yourself for future success.

Strategy requires tradeoffs. You cannot be everything to everybody; you cannot just blindly copy the moves of your competitors and hope to win. You have to figure out what to say “YES” to, and what to say “NO” to. You make clear cut choices about how you will compete in the future, and then allocate your time and resources accordingly. Keep in mind that less is more when it comes to strategy execution. I recommend that you whittle your wish list down to only a few strategic moves that will have the greatest impact, and say “No” to everything else.

Step 2: Question the validity

Take a look at each strategic move in isolation, and ask yourself, “Could we do the exact opposite, and would that also be a valid strategy?” If doing the opposite of your stated strategic move would be stupid or nonsensical, then it is not really a strategic move at all. It is simply a table stakes requirement for doing business in your specialty. It is likely to be something that many of your competitors will also be doing.

Your strategic move should be something that will help you to establish a competitive advantage. A strategic move should help you to create a category or a niche in your catchment area (and

perhaps more broadly in your specialty) where you can genuinely claim a position of leadership or a meaningful point of difference. A strategic move should make it very clear what are going to say “YES” to, and by association what you are saying “NO” to, and what you are NOT going to do.

This is where we have seen many practices fail. Their stated strategies often include generic fluff like, “provide a world-class patient experience.” Well duh, really? So the opposite of that would be to provide lousy patient experience, and that would also be a valid strategy? I don’t think so. You haven’t actually made a strategic choice at all.

Take a look at your long-term strategic moves now, and question viability of those courses of action. We’re betting a few of you will realize there’s still quite a lot of work to be done.

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