

Chapter 29: Strategic Thinking and Management

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Learning Objectives

- Apply strategic management as an essential set of skills for strategic thinking and leading change in health information management (HIM) services
- Identify the attributes and skills that strategic health information managers possess
- Contrast strategic management from strategic planning and strategic thinking
- Construct the steps of the strategic management and strategic thinking processes
- Compare tools and approaches that complement strategic management and thinking
- Apply the benefits of strategic management to leadership and management principles and to the change management process
- Model the importance of managing risk and uncertainty in a highly turbulent environment
- Conduct a comprehensive environmental assessment
- Make use of driving force and areas of excellence
- Design for the future through scenario building, strategic leverage, and innovation
- Develop techniques for considering future HIM and healthcare challenges and identifying strategic options
- Adopt examples of innovative strategic management and strategic thinking as applied to HIM practice
- Construct HIM strategies to fit into the broader information system strategies and the overall strategy of the organization

Key Terms

Balanced scorecard methodology	Service innovation	Strategic thinking
Driving force	Strategic goals	Strategy
Mission statement	Strategic management	Strategy map
Process innovation	Strategic objectives	SWOT analysis
Scenarios	Strategic planning	Vision
	Strategic profile	

Real-World Cases

1. According to the Robert Wood Johnson Foundation, the nation's largest philanthropic organization devoted solely to the public's health, "there is a consensus emerging in the health policy community that informed and engaged consumers have a vital role to play in improving the quality of care that the US health system delivers to patients. The question is how to ensure that they have the tools and information they need to play the role that is being asked of them" (Robert Wood Johnson Foundation 2007).

In the current healthcare environment, consumer-maintained or accessible personal health records (PHRs) are a trend that is gaining significant momentum and is an important component of the national health information strategy. Some healthcare systems already offer PHR views into their EHRs through patient portals. As consumers become more knowledgeable about healthcare matters, they seek access to more information about their own and their family members' health and healthcare. The employer and insurance-sponsored consumer-directed

health plans also are encouraging patients to become more knowledgeable about health and healthcare.

This trend affects health information management, as HIM professionals become not only patient advocates in the emerging electronic health information environment, but also knowledge and content experts related to consumer rights, needs, and modes of access to their personal health information.

Although this changing model for engaging consumers in their healthcare and healthcare decision-making is forecasted and signs of its emergence in practice are everywhere, just what form it will take is not at all clear. This lack of clear direction presents a real-life strategic challenge for HIM professionals who must consider plausible alternate futures for engaging with consumers to serve their needs for access to health information and their electronic health records.

Discussion Questions

- a. How might the development of personal health records change the role of HIM professionals who work for healthcare organizations?
 - b. What types of personal health record products and services are on the market today, and what might consumers look for in a product or service?
 - c. What does research tell us about consumer attitudes toward health information?
 - d. How might the working relationship between HIM professionals and chief information officers and information systems staff change as personal health records become more prevalent?
 - e. How might the working relationship between HIM professionals and physicians change as personal health records become more prevalent?
 - f. How might the interaction between the health information management professional and the consumer change in the future?
 - g. Construct a story describing an interaction between an HIM professional and consumers that involves the maintenance of personal health records.
 - h. Identify three strategies that a healthcare organization might use to advance personal health records.
2. In the current healthcare environment, patients with chronic diseases represent about 60 to 70 percent of healthcare system costs. Due to increasing focus on reducing factors that are leading to these chronic diseases such as obesity, congestive heart failure, renal failure, and chronic obstructive pulmonary disease. Despite knowledge that sustained diet and exercise behavior changes are critical to type 2 diabetes health outcomes, there are minimal studies showing the key psychosocial mechanisms associated with achieving significant and sustained short-term and long-term effective self-management behaviors (Inzucchi et al. 2012; National Institutes of Health [NIH] 2011). By increasing understanding of these pathways, linkages, and mechanisms, health professionals may better support the patient's role in "owning" his or her chronic

condition and may align with the patient-centered care aims recommended by the Institute of Medicine (Commonwealth Fund 2009; Committee on Quality of Health Care in America 2001).

Improved and positive self-management behaviors have consistently been associated directly with improved intermediate outcomes such as clinical gains (that is, A1c reduction) and improved quality of life (QOL) in adults with type 2 diabetes (Bandura, 1998; 2004; Tierney et al., 2011). These improved intermediate outcomes have been directly associated with improved long-term health status outcomes (that is, reduced morbidity and mortality).

Newly gained knowledge of the complex relationships between psychosocial factors, self-efficacy, and self-management behavior change may assist future design of more effective individualized interventions for patient and family education and indirectly improve outcomes (Bandura 2004).

This important trend affects health information management, as HIM professionals become not only patient advocates in the emerging electronic health information environment, but also knowledge and content experts related to chronic disease management needs, and modes of providing access to patient psychosocial health information, not just clinical information.

Although this changing model for influencing healthcare decision-making is forecasted and signs of its emergence in practice are everywhere, just what form the information management will take is not at all clear. This lack of clear direction presents a real-life strategic challenge for HIM professionals who must consider plausible alternate futures for collecting data to serve their patient and health professional needs for access to health information.

Discussion Questions:

- a. How might the increasing focus on the need of psychosocial and clinical health information needs to support chronic disease management and the continuum of care delivery change the role of HIM professionals who work for health care organizations?

- b. What types of psychosocial patient health data collection instruments and chronic disease management systems are showing evidenced based health outcomes are used and available on the market today, and what might clinicians look for in these?

- c. What does research tell us about chronic disease management behaviors that should be studied?

- d. How might the working relationship between HIM professionals, clinicians and chief information services change as personal health records become more prevalent?

- e. How might the working relationship between HIM professionals and clinicians change as chronic disease management initiatives become more prevalent?

Application Exercises

1. What are actions an HIM professional should take to develop his or her ability to gather information about trends in the external environment that can then be considered in strategic planning sessions?

2. Why is understanding the strategic concept of a “driving force” a major strategic thinking skill for a professional and/or organizational unit to develop? Identify three organizations with an HIM function and identify their driving force (select one of the ten driving forces).

3. A SWOT (strengths, weaknesses, opportunities, and threats) analysis is a critical step in the assessment process. Conduct a SWOT analysis of an organization you work in or volunteer with (or a club or group you serve in).

4. Conduct a web search for information on future trends affecting healthcare. Identify and describe three trends and be prepared to discuss the potential impact of each on a) the health information management profession and/or b) on the health information services department in a healthcare organization. Prepare a one-page summary of each of the three trends and include the web address(es) used as the basis for the trends identified in response to this exercise.

5. Interview the chief information officer or senior vice president of strategic planning/business development of a local healthcare organization to learn about the organization’s strategic plan for its information services. Prepare a paper describing the CIOs assessment of the strengths and weaknesses of the process the organization used to prepare the plan, what key elements are included in the plan, how well the organization has embraced the vision and plan, and what impact it has had. Ask the CIO to describe one example of a change strategy that has gone particularly well and one example of a strategy that was not so successful. Report on key lessons learned. The paper should not exceed five pages.

Review Quiz

Instructions: Choose the most appropriate answer for the following questions.

1. Which of the following is not a characteristic of strategy?
 - a. An action or set of actions
 - b. A description of how one intends to achieve the goals
 - c. A description of specific implementation plans
 - d. A plan to improve the organization’s fit within the external environment

2. Which of the following best describes the role of strategic management and strategic thinking as compared to other management tools and approaches?
 - a. A component of each of the major functions of management
 - b. An additional function that one learns after mastering other management functions
 - c. A replacement for certain management functions
 - d. A role for senior managers and board of trustees

3. Which of the following is not an element of the external environmental assessment that should be part of a manager’s routine scanning?
 - a. The opinions of industry experts
 - b. The opinions of employees
 - c. Changes in healthcare policy and regulation
 - d. What is happening in similar healthcare organizations in the community

4. What is the primary purpose of preparing a vision statement?
 - a. Convey a picture of the future
 - b. Support a request for an increased budget
 - c. Set forth a specific plan of work
 - d. State the role and purpose of the organization

5. Each of the following is a characteristic of storytelling as a creative technique, except _____.
 - a. It is comfortable and fun.
 - b. It is memorable.
 - c. It is familiar and understandable.
 - d. It rallies a group to take action.

6. Each of the following is a “strategic thinking” skill, except _____.
 - a. Comfort with uncertainty and risk
 - b. Ability to communicate vision and direction
 - c. Ability to conduct a SWOT analysis
 - d. Leads change at a steady, slow pace

7. Which of the following statements describes a critical skill for a strategic manager?
 - a. Ability to change direction quickly
 - b. Ability to deliver results on budget
 - c. Ability to envision relationships between trends and opportunities
 - d. Ability to design jobs and match peoples’ skills to them

8. Which of the following would not be included in an organization’s strategic profile?
 - a. Nature of its threats and opportunities
 - b. Nature of its customers/users
 - c. Nature of its market segments
 - d. Nature of its geographic markets

9. A strategy map can be a useful tool because it _____.
 - a. Provides a record of progress toward goals
 - b. Provides a visual framework for integrating strategies
 - c. Enables others to better understand the vision underlying change
 - d. Enables assigning essential resources to executing the plan

10. In the business environment, politics can best be characterized as _____.
 - a. Discrediting those who resist your agenda
 - b. Finding a solution that everyone agrees with
 - c. Building coalitions to support change
 - d. Excluding those who resist your change agenda from participating in the process

11. Which of the following statements most accurately characterizes the primary reason why today's managers must be able to think and act strategically?
- Traditional strategic planning has been very effective
 - The pace of change has compressed organizational response times
 - Senior management has more important things to do
 - Competitors are doing it
12. According to Kotter, creating a sense of urgency is critical to successful change. What example best illustrates an effective technique for creating a sense of urgency by minimizing sources of complacency?
- Laying out the vision and informing employees that their jobs are at stake
 - Convening a project steering committee to expand ownership of the vision and agenda
 - Engage employees, customers, and coworkers in a dialogue about change through a series of input meetings (namely, having them participate in the SWOT analysis)
 - Identify revolutionary goals, encourage strategic thinking, and drive decision making down to all levels
 - Completing a detailed plan and then engaging staff to carry out the implementation
13. Which of the following most likely reflects a breakthrough strategy rather than an operational tactic?
- Improving the speed and accuracy of coding
 - Empowering consumers by providing Internet access to test findings and medication summary
 - Implementing imaging for historical records
 - Setting up a help desk for physicians in need of technology training
14. Robert (2006) focuses on identifying the driving force of the organization as one key strategic thinking skill. Driving force is defined as _____:
- A concept of what an organization uses to determine which services to offer, which markets to seek and which customers to seek
 - A way to understand the key focus areas of the business
 - The concept of the leadership team's role in implementing the strategic plan
 - A method to define a new change program
15. Successful strategic thinkers understand that three of the following competencies can and must be developed. These three are:
- Visioning, strategy development and change management
 - Communication, visioning, and listening
 - Leadership, change management, and operations management
 - Improvement, visioning and managing

16. True or false? A SWOT analysis is a critical step in the assessment process?
- True
 - False
17. True or false? Organizations should not seek to find or develop innovations that will actually differentiate its services or products from competitors.
- True
 - False
18. True or false? The difference between a strategic goal and strategic objective is an objectives has more detailed timelines, resource allocation needs and who is accountable?
- True
 - False
19. True or false? Successful strategic thinkers understand that three of the following competencies can and must be developed. These three are: flexibility and creativity; vision of how to move change forward, and an ability to communicate the vision and plans.
- True
 - False
20. True or false? A new era of strategic planning has evolved and is now recommending focusing the planning process within the business units allows strategic planning to be closer to the “real action”?
- True
 - False
21. True or false? AHIMA believes that the use of strategic planning is the key technique for maintaining the political dimensions of change.
- True
 - False

Instructions: For questions 22–25, match each term with the correct strategic change element.

- Create and Communicate Short-Term Wins
 - Pace and Refine Change Plans
 - Maintain Momentum and Stay the Course
 - Measure Your Results
22. ___ Demonstrate early successes and celebrate measurement “updates”
23. ___ Maintain a sense of urgency and focus on resolving the difficult issues that may hurt momentum
24. ___ Develop a balanced scorecard to demonstrate organizational performance across customer, financial, internal process and learning and growth perspectives

25. ___ Be thoughtful on the sequencing change by having knowledge of the organization and its capacity for change

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