

Avoiding Mission Collision

By Susanna E. Krentz and Jessica S. Ross

Hospitals that hope to expand their focus—from solely patient care to include research, for example—need to understand the differences in business models.



Susanna E. Krentz Jessica S. Ross

Why is it often so hard for an academic medical center to become more patient friendly? What are the challenges when a community hospital decides to pursue more teaching or research activities? In many instances, failure to achieve stated priorities results from a mismatch of the new focus with the hospital's existing business model or behavioral characteristics. By understanding likely areas of "mission collision," hospital leaders can anticipate tension areas and develop plans to eliminate or minimize problems.

Prototypical Hospital Characteristics

Many community hospitals have patient care as their only mission. Other hospitals have patient care, teaching and research all as part of their mission, but one of these three foci inevitably has priority over the other two. So, hospitals can be broadly categorized into three groups according to that core focus: those that concentrate primarily on patient care, those that are dedicated to the training of future clinicians, and those that have research as the driving focus.

The core focus of a hospital's mission drives the hospital's business model and behavioral characteristics. The figure [\(below\)](#) provides a summary of prototypical characteristics for each of the three focus areas. For illustrative purposes, the characteristics described are perhaps extreme, but they are descriptive of the hospitals that have been successful in pursuing a given core focus.

While organizations in each of the three focus areas improve the health of their patients, these improvements are achieved in different ways. Patient care-focused hospitals improve health by providing one-on-one care; organizations with a teaching focus improve health by ensuring clinicians are well-trained; and research-focused hospitals improve health by achieving breakthroughs that affect how care is given. This simple difference in focus drives a series of characteristics about possible teaching or research activities as well as the different interests and competencies of physicians who will thrive in each environment.

For each core focus of a hospital's mission, the primary "customer" also varies. For a hospital with a focus on patient care, customer service needs to be oriented to the patient as well as to issues such as convenience, access, service quality and timeliness. For a teaching hospital, the primary customer is students, residents and fellows. The orientation here is to be most productive for teaching, which affects decisions about rounding, clinic schedules and service/on-call systems. The research-focused organizations have the researchers as the primary customer, which causes them to create an environment most productive for research activities.

Evolving Missions, Possible Collisions

In today's competitive environment, many hospitals are looking to change their focus or expand their mission. This is often easier said than done, however, as tensions arise when an organization that has optimized its business model and behavior around its primary mission struggles in another area of focus.

A teaching hospital, for example, meets with great success only to stumble when it tries to compete in patient care. It is not merely a matter of entrenched ways of "doing things," or individuals unwilling to pay attention to the requirements of great customer service. The very structures and behaviors that succeed in a teaching hospital are in some instances the opposite of those needed for a strong patient care position. Success in this transition requires consideration of where the collisions may occur and an attempt to find solutions that work well in both spaces.

As a second example, many hospitals with a focus on patient care have noted that developing some more in-depth research capabilities in one or more areas might provide a competitive advantage by elevating their reputation. In this instance, the challenges of creating a business model and behaviors that nurture meaningful research are often difficult. One can't simply mandate that the current staff clinicians become researchers. It generally takes individuals with different competencies, interests and passions. Besides researchers, the hospital will need to recruit statisticians, support personnel, grant writers and so forth.

Many community hospitals don't appreciate the fact that research can't be financed through patient care activities. Even external funding, such as grants, is generally not sufficient to cover a serious commitment to research. Making meaningful inroads into research, even in a single service line, often requires that the community hospital develop a new economic model.

Successful Strategies

The threat of mission collision does not mean an organization can never change its focus or expand its mission. Successful strategic change is possible if an organization is able to identify potential areas of conflict in a transitional period. Additionally, an appropriate balance must be achieved so that a hospital does not compromise one mission while trying to accomplish another.

To avoid mission collision, leaders should:

- Take stock of the hospital's core focus as well as its current business model and behaviors.
- Lay out the success factors for expanding a mission to include a different focus.
- Identify potential areas of mission collision.
- Bring key stakeholders to the table to explore ways to be successful in the new area of focus, without compromising strengths elsewhere.
- Be clear about the hospital's strategic intent and communicate it throughout the organization.

As hospitals grow and adjust to the changing market, it is only natural that the primary focus of an organization shift or evolve completely over time. Understanding that taking the organization in new directions may result in mission collision is an important first step in achieving success.

Susanna Krentz is senior principal and national practice director in strategy and planning, and **Jessica Ross** is consultant associate at Noblis Center for Health Innovation in Chicago.

GIVE US YOUR COMMENTS!

Hospitals & Health Networks welcomes your comment on this article. E-mail your comments to <mailto:hnn@healthforum.com?subject=H&HN Online>, fax them to *H&HN* Editor at (312) 422-4500, or mail them to Editor, *Hospitals & Health Networks*, Health Forum, One North Franklin, Chicago, IL 60606.

Figure: Prototypical Characteristics for Each Core Focus

	Patient Care	Teaching	Research
Health	Providing one-on-one care	Ensuring well-trained providers of one-on-one care	Achieving breakthroughs that affect <i>how</i> care is given
Teaching	Training clinicians	Training clinicians and future teachers	Training future academicians
Research	Outcomes research	Clinical research	Basic, translational*, clinical and outcomes research
Patient care	Needs of the community drive program decisions	Diverse patient base necessary to support teaching programs	Patient care needed to support research efforts
Recruitment	Outstanding clinicians	Teaching stars	Research luminaries
Geography	Defined service area around facility	May have service area where those who are trained end up practicing	Global, although research focus may provide greater value in some areas
Primary customer	Patient (parent/families)	Students, residents, fellows, faculty	Researchers
Customer service	Oriented to patient: convenience, access, timeliness	Oriented to be most productive for teaching: rounds, clinic scheduling, service/on-call systems	Oriented to be most productive for researchers: clinic scheduling, service/on-call systems
Financial support	Patient care activities must be self-supporting	Graduate medical education support	NIH funding; tax support (perhaps)
Endowment	Big	Bigger	Biggest
Mission services	Mission services are an integral part of service offerings	Mission services are pursued if they also support a teaching function (e.g., indigent care clinics)	Mission services are pursued if they also support research efforts

*Translational research takes discoveries made in the laboratory and shapes them into new treatments that, in time, could help patients. Translational research applies the knowledge gained by doing bench or “wet” research—that is, research done in a laboratory, usually dealing with the basic scientific aspects of diseases or treatments.



**Hospitals & Health Networks // Healthcare's Most Wired Magazine // Trustee // Health Facilities Management
Materials Management in Health Care // Buyer's Guide for the Healthcare Market**

Copyright ©2008 Health Forum. All rights reserved. *H&HN* is published by Health Forum, Inc. an American Hospital Association information company.