

Taking hospital strategy to the next level: the business unit

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Introduction: The entire concept of strategy for the practising clinician is often confusing. Hospitals are large complex organisations that change slowly, and to many clinicians any long-term strategic planning process seems like a waste of time given the underlying lack of funds and the lack of corporate memory particularly in the government hospital sector. However, there are many potential benefits to implementing an effective business (departmental) strategy over the intermediate term (3-5 years).

Brief Description: My personal view on strategy is that it is competitive response to a changing environment, which guides service development, and normally it is about knowing something should be done and not stopping until it is done. Any departmental strategy must take into account external environmental forces and internal capabilities of the organisation, and must be consistent with them. Using a SWOT analysis (Strengths Weaknesses Opportunities and Threats), any gaps in performance can be seen, and strategic options will become more obvious. Tough decisions about what will or will not be pursued, and implementing these decisions is the most challenging component of all effective strategy.

Conclusion: An effective strategy will clarify the vision of a group, gain consensus, share ownership, and align the group. Important strategic objectives then drive resource (time) allocation, improve accountability, and importantly minimise distractions from lower priority concerns. Hopefully, this leads to sustainable competitive advantage over the intermediate to longer term.