



Healthcare Innovation

Strategic and Leadership Frontiers

Discussion Notes

for

Management and Governance

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Background Comments

Healthcare is a complex and dynamic network of technical, social, market and economic forces... always evolving.

There are many important stakeholder groups that share the interests, risks, challenges and value of healthcare reform.

Innovation shapes the nature of healthcare in different ways, through different paths. Innovation shapes healthcare evolution.

The characteristics of healthcare innovation are influenced by a variety of management and leadership practices, efforts and outcomes.



Strategic Agenda and Principles

The strategic agenda of a healthcare organization frames the conditions and natural goals of the organization with:

- Strategy Direction...
 - Focus and Choices.

- Strategy Integration...
 - Processes and Resources.

- Strategy Execution...
 - Action and Impact.

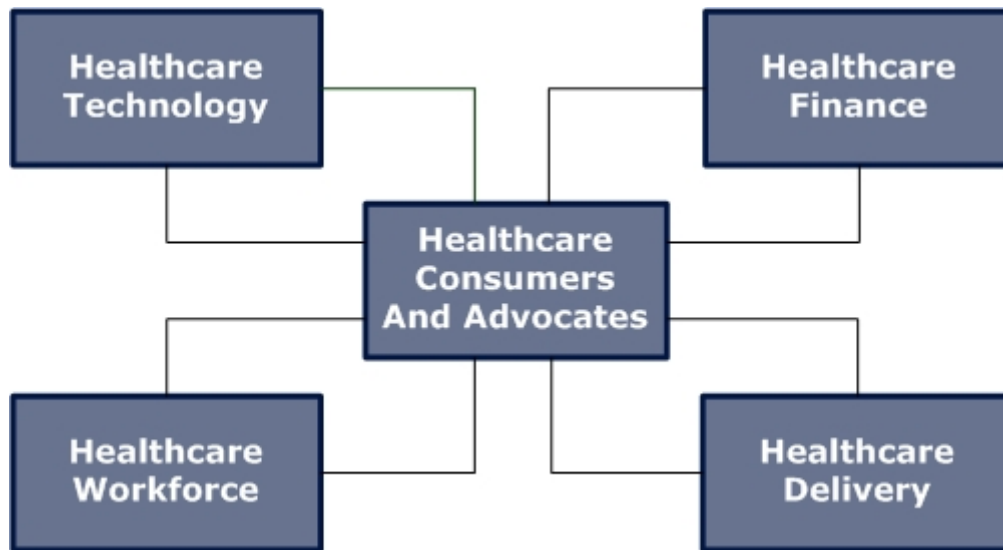
The practices of healthcare innovation are established in the context of this strategic agenda for growth, performance and change.

Reference: ***Prepared and Resolved: The Strategic Agenda for Growth, Performance and Change***, by Daniel Wolf, 2007, dsb Publishing.



The Stakeholders of Healthcare Innovation

Healthcare value is created and influenced by many types of innovation, across the **many stakeholder groups** of modern healthcare...



Innovation in standards of care, material/resources, communication, payment systems, service/processes and procedures reshape healthcare economies and evolution.

Reference: Healthcare Economic Model research – HeCEM, 1989-2009.



Innovation and the Value Proposition

Healthcare innovation is an important engine of the value proposition...

- the promise of an effective healthcare experience
 - effective experience for whom?
- the capacity to deliver that experience, consistently
 - competence, capacity, consistency?
- the measures and recognition of good outcomes
 - understanding cause-and-effect?

Good research and planning that supports healthcare innovation is always based on a clear sense of the value proposition.



Healthcare Innovation Redefined

From a more **strategic perspective**, the meaning of healthcare innovation can be advanced along several lines of discussion:

- Improvements in products, services and processes
 - Extensions, Modest Enhancements

- Better platforms for the patient care experience
 - Major Enhancements and Change

- Better platforms for the stakeholder experience
 - Major Enhancements and Change

- Breakthrough solutions that change the experience
 - Transformative Innovation Paths

Healthcare innovation can be more or less **disruptive** to current norms, and more or less **sustaining** to current models of healthcare.

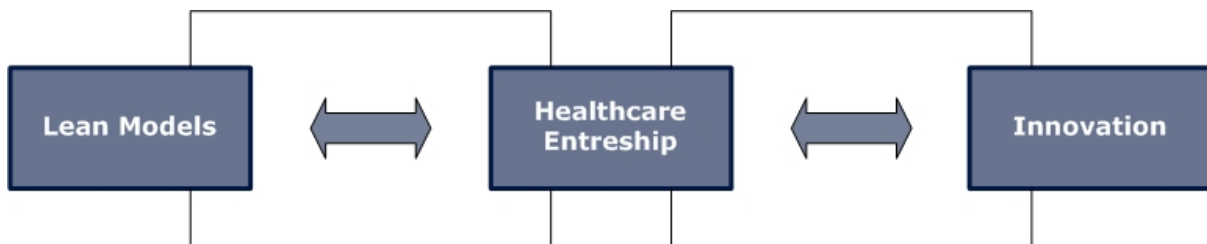
Reference: Innovation Strategy and Management Protocols, 2009.



Healthcare Entreship and Innovation

Healthcare entreship is defined here as the practices that create new ways to advance **quality, value, access and service**.

Innovation feeds healthcare entreship, at different levels and through different means. Lean and Six Sigma models also feed healthcare entreship, at different levels, through process enhancements and operational change.



The culture of healthcare entreship embraces lean models and innovation as pathways for **quality, value, access and service** enhancement.

Reference: QVAS Framework for Innovation Focus.



The Deliberate Practice of Innovation

Innovation is more than a process and more than a strategic charge to create new knowledge, ideas, applications and solution sets.

Innovation in a field as complex and dynamic as healthcare is dependent upon the adaptive and deliberate practices that frame progress:

- Discovery and Evaluation Disciplines
- Development and Incubation Disciplines
- Deployment and Application Disciplines

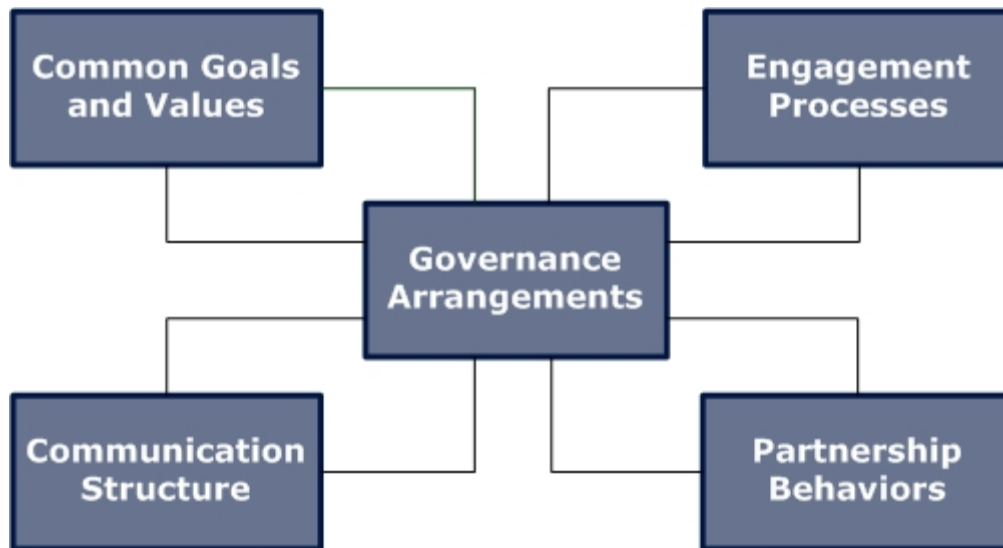
These deliberate practices drive organizational competence and culture - in product, service and process innovation, providing the capacity to innovate.



Collaboration and Innovation

Healthcare innovation is rarely a solo act. Collaboration amongst and between clinical, administrative, technical and resource stakeholders is key.

There are five elements of collaboration for healthcare innovation:



Strategic and economic value is created through collaborative efforts that drive **faster, smarter, better** healthcare innovation.

Reference: The Truth About Collaboration [2009]



Summary Comments and Notes

This discussion examines some of the most challenging aspects of healthcare innovation, alluding to constraints as well as incentives.

The paradox of healthcare innovation is that the needs are vast and diverse, and the assets are abundant but often quite diffuse.

We maintain a **general resource outline for healthcare innovation** and this includes suggestions for strategic leadership and management of innovation.

About Dewar Sloan

Our practice serves healthcare boards and management with counsel on strategy, organization structure, resources and governance. Our research on healthcare innovation and management addresses challenges that shape growth, performance and change in a wide range of healthcare organizations. Our team serves executives and boards through consultation, retreat programs and assessments.

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