

# PREFACE

The third edition of this book has been written for those interested in acquiring an updated, comprehensive, systematic understanding of strategy and strategic management of healthcare organizations. Although based on contemporary strategic theories, the text emphasizes the application of strategic principles to our rapidly changing healthcare environment. The target audience is graduate students in health services management and nursing programs. However, undergraduates, practicing healthcare executives, and healthcare providers also will find the content and structure useful for learning about strategic management and improving their strategy skills. The material is presented in a structured format that informs the reader of background strategy theories and options, teaches methods of crafting strategic plans, and provides methods for implementing strategies and monitoring strategic efforts.

This edition emphasizes learning through topical and timely case studies. It includes 23 long case studies that highlight strategic challenges healthcare leaders commonly face. These range from capitation and accountable care relationships to competitive positioning, dissolution of alliances, and vertical integration, among others. Each may be used to focus discussion and learning on relevant strategic topics. In addition, each chapter contains smaller cases and current healthcare examples. The reader will better understand strategic principles in the context of the contemporary healthcare industry.

Given the rapid and seemingly constant change in healthcare, skillful strategic planning and its implementation are essential to achieving organizational success. Developing and implementing strategy remains one of the most complicated and demanding jobs that leaders face because it integrates many competencies and skills, including communication, decision making, positioning, goal setting, and finance. Today, formulating and enacting strategies in a healthcare organization have become even more difficult because the changing, complicated, and diverse environment poses extreme challenges. This book provides a comprehensive overview to prepare future and current healthcare leaders for applying the strategic concepts that are critical to success today.

My background and experience lend this book a unique perspective. I have personally created and implemented strategies as a CEO at multiple hospitals; taught strategy to undergraduate and graduate students; and consulted nationally and internationally, formulating strategies for prominent healthcare

organizations. The content, format, and sequence of the book and many of its featured examples and cases were informed by my experiences in these roles. I believe my perspective provides readers with unusual insight and a thorough understanding of strategic theory, as well as practical tools for the application of its principles.

Strategic Healthcare Management also differs from other strategy texts in that it promotes “mission advantage,” which examines healthcare strategy from the premise that an organization’s mission should direct its strategies. Much of the strategy literature has been focused on “competitive advantage,” which is not always applicable to many sectors in healthcare. Although for-profit organizations exist in healthcare and are dominant in some healthcare fields (e.g., pharmaceuticals, insurance, medical devices), the strategy of many healthcare providers is not explicitly to gain advantage over competitors but to better fulfill their missions. Thus, this book focuses on gaining strategic “mission advantage,” or the ability to better achieve an organization’s mission—a concept applicable to both for-profit and not-for-profit healthcare organizations. Leaders seeking mission advantage will craft better strategies and make decisions that further their mission rather than seeking to best their competitors. I take a balanced, practical approach and highlight the need for both competitive and collaborative strategies that can maximize the achievement of one’s mission.

The book is structured to provide readers necessary theoretical concepts and practical means of understanding, implementing, and monitoring strategies. It contains traditional strategic theories and common strategic methods along with tools for analyzing healthcare markets. Noteworthy features include chapters that highlight financial decision making, marketing, strategic change management, project management, data analytics, and the monitoring of strategic actions. For evaluation of readers’ learning, each chapter includes a thought-provoking introduction, review questions, cases, and suggested assignments. A list of competencies covered can be found at the conclusion of this preface. The end of the book features relevant case studies and an appendix. Upon completion of the text, readers will understand strategic principles and be able to apply them to make better decisions.

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