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HPAA 320: Introduction to Strategic Planning and Marketing Spring 2008

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Course Description

When the words “strategic planning” are said, many people may conjure up a vision of the head of an organization sitting behind a desk making important decisions about the future of the organization, and then passing those decisions on to various subordinates for implementation. This is, of course, a very false vision.

Strategic planning refers to a process whereby an organization takes into careful consideration the present and future environment in which it operates, as well as the unique internal strengths of the organization. The outcome of the strategic planning process is typically a document (the plan), but the real value in strategic planning is the process itself, which should include the major internal and external stakeholders relevant to the organization. It is through this process that we *learn*. We learn about our own strengths and weaknesses, we learn about the expectations of stakeholders, and we learn about the opportunities and threats that we may be confronted with in the future. Strategic planning can be summed up in the words of the greatest hockey player in history, Wayne Gretsky: “*I skate to where I think the puck will be.*”

We hope that the strategic planning process will result in members of an organization’s having an improved understanding of where the organization is going, and what their role is in moving the organization forward. Strategic planning involves examining data, looking internally, but above all it is a dialogue about the organization, its role, and its future. “*When in doubt, talk.*” (Hubert Humphrey).

We should not get entangled in semantics, but for this course, the term *Strategic Management* is more appropriate. Strategic management refers to a series of long-term decisions and actions taken by managers in which they select and implement strategies. Strategic planning is a part of strategic management – the “decision part.” However, strategic management also involves *strategy implementation*. A plan is only as good as how well we put the plan into practice. When we think about strategic management, we consider how well our day-to-day practices align with our chosen strategies. Are we investing our financial resources in ways that will help us achieve our goals? Are our employees motivated to pursue the strategies we are pursuing? Are we paying attention to changes in the environment that may cause us to alter our plan?

Another aspect of strategy formulation and implementation deals with how well our programs and services are designed to meet the needs of our target customers and how well these are communicated to potential customers. It is this aspect of strategy that deals with the vast area of marketing – the

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second part of our course. Marketing is often misunderstood as advertising, but marketing is much broader and includes understanding customers' needs, conducting research on target markets, designing products and services to meet customer needs, pricing products, distribution strategies, and advertising and promotion. Although marketing concepts and strategies were originally developed for use in selling products, these approaches are very valuable and applicable to the healthcare and human services setting.

We will use many examples and cases in this course, many of which (but not all) will be health organization related. Many lessons learned from the experiences of non-health organizations are very relevant to healthcare. For example, we will discuss Kodak, the undisputed leader in photographic films for decades, but the company was unprepared to deal with the onset of digital photography. In short, the Kodak problem had a great deal to do with not understanding the changing market place, and therefore not taking the steps necessary to adapt to these changes. Organization downturns and failures are very often attributable to a lack of understanding of the environment in which the organization operates.

This course requires you to have a good understanding of many of the health management disciplines: organizational behavior, accounting and finance, communication, human resources management, economics, the organization and financing of the health system and healthcare organizations, and so forth. In reviewing case material, you will often need to draw on your knowledge of these and other disciplines.

As we progress through the course, it is likely that you will see connections between course content and your own career and life planning. Considering this as the final semester of your undergraduate career, we will encourage you to take advantage of the insights you may draw about your own career progression.

Course Objectives

By the end of this course, we expect you to be able to:

1. Think strategically about an organization, its present position, long-term direction, resources and competitive capabilities, and its opportunities for sustainable growth.
2. Describe the core activities when developing and implementing strategy.
3. Understand the purposes and steps involved in a marketing audit and participate in conducting a marketing audit of an organization.
4. Understand the concepts and of strategic planning and marketing so that you can customize these concepts to meet the needs of unique organizational situations.
5. Design a strategic planning process for a healthcare organization and contribute to the work of a strategic planning team.
6. Apply marketing concepts to your work in a healthcare organization.
7. Apply course concepts to your own professional career strategies.

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Format

The class meets Tuesday and Thursday, 9:30 am – 10:45 am. We will use a variety of formats in class including case discussions, student presentations, videos, lectures, guest speakers, simulations, small group discussions and exercises. Most class sessions will have specific reading material for the class. Please come prepared by having read and thought about the reading materials.

Use of Computers During Class

We welcome the use of computers in class for group-related discussion or research, or for note-taking. Please do not do personal email, read your horoscope, or update your Facebook page (or whatever) during the class period.

Texts and Other Reading Material

There is one required text for the course:

Swayne LE, Duncan WJ, & Ginter PM. Strategic Management of Health Care Organizations. Fifth Edition. Malden, MA: Blackwell, 2006.

The following two books are not required but include very well presented content on healthcare and public health marketing. These are available in the library, and also may be borrowed from the course instructor:

Berkowitz, Eric N. Essentials of Health Care Marketing. 2nd edition. Sudbury MA: Jones and Bartlett Publishers, 2006.

Siegel M, & Lotenberg LD. Marketing Public Health: Strategies to Promote Social Change. Boston: Jones and Bartlett, 2007.

Cases and other materials will also be posted on the course Blackboard site. The syllabus may be found under “Course Information” and documents under “Course Documents.” Please bring these to class (in hard or electronic format) when they are scheduled for discussion.

Responsibilities and Assignments

This class meets twice a week, and we expect you to be in class. Please notify Emily Weaver in advance if you will not be in attendance on a particular date.

Following are the course requirements:

- 1. Current Healthcare Strategies Presentations (20 percent of grade)** An important way to learn the course content is to examine what is currently happening in healthcare organizations: what are the changes in the environment and how are organizations responding or changing in responses to changes in the environment. We will bring into the classroom the opportunity to

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observe, analyze, and critique strategic changes currently occurring in healthcare organizations. Beginning with the January 24 class, two individuals will prepare and conduct a 10-15 minute presentation on a healthcare organization that is undergoing or has recently undergone a change in strategy. "Change in strategy" is defined loosely, and essentially refers to a significant change in response to changes in the environment. For example, this could refer to an organization changing the mission, developing a new service or product line, merging with another organization, exploring new markets, or divesting itself of a service.

Each pair will 1) write a brief summary of the organization and the change it has proposed or is undergoing (maximum 4 pages double-spaced) and 2) conduct a presentation of 10-15 minutes to the class. Examples are not difficult to find, and you are encouraged to browse such publications as *The New York Times*, *The Wall Street Journal*, *The Washington Post*, and *Modern Healthcare* (to name a few). Each pair should meet with either Bruce Fried or Emily Weaver to discuss the organization and topic. You may also practice your presentation beforehand, which would include our providing you with feedback on content and style. Once you find the topic you will use, you should do background research on the organization so that you can *include in your presentation and written summary* the following eight items:

- a) Organization name and location
- b) What is interesting about this case, why you chose it
- c) Background on the organization: mission, purpose, market, relevant history
- d) Description of the environment in which the organization operates
- e) Forces and/or events that stimulated the current change (these may be internal and external to the organization)
- f) The nature of the change: what happened or what is the organization doing (for example, change in mission, focus, services, structure, merging, downsizing, and so forth), and discussion of the impact of the change on the future of the organization
- g) What you learned and take-home points are important for the class
- h) Sources consulted

One week prior to your presentation, you should provide the instructor with one short article about the organization that is the topic of your presentation. This will be made available to class participants prior to class.

Pairs were developed by the instructor randomly. You will find your team and presentation date on the syllabus. Your paper is due *one week after your presentation*. This will give teams the opportunity to modify their paper based on feedback from the presentation.

Equal weight will be given to the paper and presentation. Criteria for grading are:

- a) Clarity of presentation, including organization and sequencing of content
- b) Coverage of the eight items above
- c) Presentation and speaking style, including clarity of visuals
- d) Staying within 15 minutes
- e) Clarity of writing

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After each presentation, the instructor and TA will provide each team with feedback about the strengths and weaknesses of their presentation.

2. Mid-term Examination (15 percent of grade)

- 3. Team Project (30 percent of grade): Marketing Audit.** A marketing audit is a comprehensive and systematic review, analysis, and critique of an organization's marketing operation. We will discuss this early in the semester, and details will be provided on the content of the audit.

This is a team *project* with team size limited to a maximum of four people. You may form your own team or the instructor can assign you to a team. Each team will submit a report (maximum 15 double-spaced pages) and conduct a 15 minute presentation on its findings. Teams need to select an organization to use for the audit. You may use an organization with which you are already familiar (e.g., current or past employer, field placement site), or you may take on an organization with which you are not yet familiar, but which may spark your interest. In the event that no organization can be identified by the team, the instructor and TA can provide assistance.

Evaluation of the project will be based 75% on the written document, and 25% on the formal presentation.

By **February 19**, each group should submit to the instructor a document that includes 1) names of team members, 2) the name of the organization, and 3) the name of the primary contact person in the organization. Presentation dates will be assigned randomly during the last two or three class sessions. For all teams, the written document is due **April 24, 2008**.

4. Final Examination (20 percent of grade)

5. Quality of Class Participation (15 percent of grade)

All written assignments should be submitted in hard copy and also uploaded to the Digital Drop Box on Blackboard.

The UNC Honor Code

All students are expected to abide by the spirit and letter of the UNC Honor Code. This may be found at: <http://honor.unc.edu/> Please read this prior to the beginning of class so that you understand our expectations.

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Class Schedule

Note: There will be changes to this schedule due to the scheduling and availability of guest speakers. Please check Blackboard for new information.

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Course Overview

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The Nature of Strategic Management

Reading:

Swayne, Chapter 1

Candidates' Health Policy Positions. 2008 Presidential Candidate Health Care Proposals: Side-by-Side summary, The Henry J. Kaiser Family Foundation.

Case: Southwest Airlines

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External Environmental Assessment

Reading:

Swayne, Chapter 2

Case: Kodak

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External Environmental Assessment

Reading:

Swayne, Chapter 2

Case: The Visiting Nurse Association of Cleveland

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Competitor Analysis

Current Health Strategies Presentation: Krystal Holman & Antoine Dove

Reading:

Swayne, Chapter 3

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Competitor Analysis

Current Health Strategies Presentation: Mary Herring & Stacy Michal

Reading:

Swayne, Chapter 3

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NO CLASS

February 5, 2008

Internal Environmental Analysis and Competitive Advantage

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Current Health Strategies Presentation: Kathryn Shaia & Whitney Shankland

Reading:

Swayne, Chapter 4

Case: A Proposal for the Restructuring of Wise Medical Center

February 7, 2008 **Internal Environmental Analysis and Competitive Advantage**
Current Health Strategies Presentation: Monika Gondha & Addie Burke

Reading:

Swayne, Chapter 4

Case: All Politics is Local: District of Columbia General Hospital

February 12, 2008 **Internal Environmental Analysis and Competitive Advantage**
Current Health Strategies Presentation: Jacob Carr & John DeMasi

Reading:

Swayne, Chapter 4

February 14, 2008 **Measuring sustainability: creating a metric and a brand to measure sustainable small enterprises.**

Guest Presentation: **Caroline Poole, MSPH**, Associate Director, Foundation for a Sustainable Community & **Aaron Nelson, President & CEO**, Chapel Hill-Carrboro Chamber of Commerce

February 19, 2008 **Directional Strategies**
Current Health Strategies Presentation: Kirkland Lynch & Digyna Patel

Reading:

Swayne, et al Chapter 5

Case: "Hospital Consolidation: Optimal Strategy for a Two-Hospital Town"

February 21, 2008 **The Link Between Strategic Planning and Marketing**

Guest Presentation: **Gene Pinder, Director of Marketing**, Department of Health Policy & Administration

February 26, 2008 **The Nuts and Bolts of Market Research**

Guest Presentation: **Gene Pinder, Director of Marketing**, Department of Health Policy & Administration

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February 28, 2008 **Directional Strategies**
Current Health Strategies Presentation: Alton Wright & Kimberly Miller

Reading:
Swayne, et al Chapter 5

March 4, 2008 **Mid-Term Examination**

March 6, 2008 **How Marketing is Used in Public Health**
Current Health Strategies Presentation: Lindsay Haynes & Tyler Robertson

Guest Presentation: **Robert Crawford, MBA**

March 11 and March 13 **SPRING BREAK**

March 18, 2008 **Developing Strategic Alternatives**
Current Health Strategies Presentation: Hafeezah Omar & Nina Maheshwari

Reading:
Swayne, Chapter 6

March 20, 2008 **Marketing Approaches in Cancer Prevention and Treatment**
Current Health Strategies Presentation: Nicole Lugo & Matthew Prestwood

Guest Presentation: **Robert Crawford, MBA**

March 25, 2008 **Evaluation of Alternatives and Strategic Choice**
Current Health Strategies Presentation: Natalie Pritchett & Tarak Shah

Reading:
Swayne, Chapter 7
Case: "All Politics is Local: District of Columbia General Hospital"

March 27, 2008 **Strategic Planning and Marketing in a Small Private Hospital**

Guest Presentation: **Kavita Narayan, FACHE, Chief Operating Officer**
Emory Johns Creek Hospital

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April 1, 2008 **Evaluation of Alternatives and Strategic Choice**
Current Healthcare Strategies Presentation: Jung-Ah Yum & Levelton Thomas

Reading:
Swayne, Chapter 7

April 3, 2008 **Value Adding Service Delivery Strategies**
Current Healthcare Strategies Presentation: Kaili Mumme & Christina Michels
Guest Presentation: Carolyn Carpenter, MHA, Associate Operating Officer, Oncology Clinical Service Unit, Duke University Health System

Reading:
Swayne, Chapter 8

April 8, 2008 **Understanding the Consumer: Buyer Behavior**
Current Healthcare Strategies Presentation: Katie Walker & Jessica Johnson

Reading:
TBA

April 10, 2008 **Understanding the Consumer: Customer Loyalty**
Current Healthcare Strategies Presentation: Laura Dickson & Christine Ackley

April 15, 2008 **Advertising**
Current Healthcare Strategies Presentation: Kembrie Greene & Moazzum Bajwa

April 17, 2008
Marketing Audit Presentations

April 22, 2008
Marketing Audit Presentations

April 24, 2008
TBA