

# **The Hidden Value of Strategy —Why Great Practices Achieve Extraordinary Results**

**Ronald N. Riner, MD**

The Journal of Invasive Cardiology  
Volume 13, Number 3, March 2001

Reprinted from The Journal of Invasive Cardiology  
Copyright © 2001 by HMP Communications, LLC

## The Hidden Value of Strategy — Why Great Practices Achieve Extraordinary Results

Ronald N. Riner, MD

---

The article by Ms. Zupko highlights the importance of a key function that successful practices, large and small, undertake on a regular basis. Indeed, a formal strategic planning retreat should be an important feature and responsibility of the leadership for every clinical practice. Ms. Zupko's article and a previous communication through this journal (Strategy Retreat - An Important Tool for your Practice, R.N. Riner, MD, the *Journal of Invasive Cardiology*, Volume 8, Number 4, May 1996) have outlined the importance of the components of that clinical practice retreat. However, I would like to take a few moments to look at strategy in another context. Practices and companies that rely solely on "strategies" for their success are missing an important relationship. Namely, the relationship between *strategy* and *process*. Strategies can be lumped into numerous categories, but for the sake of simplicity, let us say that strategy consists of addressing one of three things: 1) defining an opportunity to establish a position; 2) leveraging key resources; and 3) tolerating or pursuing various opportunities.

Let me also say that all strategic activity is predicated on a very focused mission, vision and value structure for the organization, and that strategy is very much a part of "being different". In fact, being different provides competitive advantage.

However, in clinical practice as in other businesses, the "difference" does not necessarily or exclusively result from positioning, or the use of resources or deployment of core competencies. Rather, it results from establishment and codification of key processes - processes often unique to the business. When processes emerge that provide patients and workers within a business recognizable patterns that fulfill or exceed their expectations, economies of scale result from minimization of costly and frenetic variation - the long-term result being a true competitive advantage.

Of note is the fact that in rapidly changing and complex environments - not unlike that which clinicians and healthcare systems have had to function in over the last 5-10 years - it becomes mandatory to realize that strategy needs to remain simple, relevant and flexible and it is the task of leadership to establish and monitor the strategy for the business on a continuing basis.

The word *strategy* is derived from the Greek word *strategos*, meaning a "general". Therefore, strategy referred to the "art of the general", or in today's parlance, the "art of the leader". Hence, development of strategy, monitoring of its status, and the requisite underpinning with unique and advantaged business processes are very much the charge of the organizational leadership. Critical to the development of the organizational strategy and processes is an understanding of the processes that are unique to the business at hand. Hence, it is mandatory that *clinical* business strategies engage the *clinicians*, leadership and advisors knowledgeable of the specific features of a healthcare business. In fact, many of the flawed or ineffective strategies of the past decade have resulted from the development of strategies by people who did not have an appreciation of some of the unique aspects of the healthcare environment. Additionally, there needs to be acknowledgement that the platform off of which one works in today's environment is that of *rapid change*. A company or practice's ability to respond to unplanned events, good or bad, is an excellent indicator of its ability to compete and evolve. In healthcare, great practices differentiate themselves on strategies that emphasize quality and service dimensions that utilize well-organized processes that are important to their *patients* and that explicitly or implicitly meet their patients' expectations.

*"An organization's ability to learn, and translate that learning into action rapidly is the ultimate competitive advantage."*

Jack Wells

Chairman, General Electric

---

Dr. Riner is President and CEO of the Riner Group, Inc., a professional advisory and healthcare management consulting firm offering services to physicians, healthcare systems and industry. A clinical cardiologist, he is a fellow of the American College of Cardiology. He can be reached at 1034 S. Brentwood Blvd., Suite 1640, St. Louis, MO 63117. Phone: (314) 727-7098; Fax: (314) 727-2735; Web Page: [HYPERLINK http://www.rinergroup.com](http://www.rinergroup.com); E-mail: [rriner@rinergroup.com](mailto:rriner@rinergroup.com)