



HPM 725

Strategic Management and Marketing of Health Care Organizations

(Credit Hours: 4)

Department of Health Policy and Management

Gillings School of Global Public Health

Spring, 2019 Syllabus

Class Location: McG 2306

Meeting Times: Mondays 9am - noon EST

Faculty:	Steve Sloate Assistant Professor	TA:	Rumana Rabbani PhD Candidate Anna Davis, MHA Candidate
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Course Overview

This course introduces the principles, methods and concepts of two primary aspects of strategic management as they relate to health care organizations: 1) Strategic Planning and, 2) Marketing. Interrelated areas of thinking such as governance, systems analysis, model development, market and product development, financial planning, process engineering, human resources planning and decision support systems will be introduced as they pertain to the tactical design and implementation of a strategic management culture but they will not be emphasized in this class. As part of the HPM curriculum, students get more detailed content in those subjects and should be able to understand better how they fit into the strategic management process when finished with this course. A variety of interactive methods and media will be utilized to give students practical experience.

Learning Objectives and HPM Competencies

Course Learning Objective	Competencies
<p>1 Build understanding of the fundamental principles, concepts and analytic techniques of strategic planning and management.</p>	<ul style="list-style-type: none"> • Innovative thinking • Strategic orientation • Systems thinking
<p>2 Build understanding of the principles of governance and how they relate to strategic management</p>	<ul style="list-style-type: none"> • Innovative thinking • Strategic orientation • Systems thinking
<p>3 Develop a view of strategic management as a blend of art and science bound in a rational systematic and yet, fluid, flexible and continuous decision-based process.</p>	<ul style="list-style-type: none"> • Communication skills • Innovative thinking • Strategic orientation • Systems thinking
<p>4 Develop an understanding of the importance of external forces on any organization and its strategic direction.</p>	<ul style="list-style-type: none"> • Innovative thinking • Strategic orientation • Systems thinking
<p>5 Develop an understanding of the basic principles of marketing and the role it plays in strategic management.</p>	<ul style="list-style-type: none"> • Communication skills • Innovative thinking • Strategic orientation • Systems thinking
<p>6 Gain an appreciation of the importance of the ambiguity of dynamic decision-making in strategy development and the importance of anticipation in strategic management.</p>	<ul style="list-style-type: none"> • Innovative thinking • Strategic orientation • Systems thinking
<p>7 Gain insight into the reasons that strategic plans can fail during implementation.</p>	<ul style="list-style-type: none"> • Communication skills • Innovative thinking • Project management • Strategic orientation • Systems thinking
<p>8 Be able to effectively work as a team and present ideas in a way that would enhance communication.</p>	<ul style="list-style-type: none"> • Team dynamics • Communication skills • Project management

Resources

Website

The HPM 725 website on Sakai is where all content pertaining to the class is organized. (See <http://Sakai.unc.edu>) Navigation elements e.g., Syllabus are self-evident. The Course and Weekly Session Modules tab contains folders that are either general e.g., Tools, Templates and Supplemental Readings or specific e.g., each weekly Session is numbered.

Be sure to check that the email address Sakai has for you is correct. Nancy Beach nbeach@email.unc.edu can help you if there is any question.

Required Text (you will find the book also useful in Capstone) is available at the UNC Bookstore. Please ensure that you obtain a copy for the beginning of class.

Wayland, Michael; McDonald, Warren – Strategic Analysis for Healthcare: Concepts and Practical Applications. Health Administration Press: AUPHA. ISBN-13: 978-1567937510
ISBN-10: 1567937519

Cases (Individual and Team)

1. Harvard Business School, “Hub and Spoke, HealthCare Global, and Additional Focused Factory Models for Cancer Care”, Case Number: 313030-PDF-ENG
2. The above must be purchased at the following link:
<https://hbsp.harvard.edu/import/595361>
3. FranklinState Simulation Environment (on Sakai)

Supplemental Readings:

Students are expected to review assigned videos, read the assigned text chapters and scan the PDFs of class content prior to attending class. Class time is focused on application to the greatest extent possible. In addition, some classes have supplemental readings. Copies of the supplemental readings can be found in the appropriate Session folder within Course Materials and Weekly Session Modules.

Readings that Students May Find Helpful

Business Planning, Abrams, Rhonda. The Successful Business Plan: Secrets and Strategies. Palo Alto, CA: The Planning Shop, 6th Edition (you do not need to purchase for this class but will find it useful in Capstone)

Strategic management reading lists (Strategic Planning Bibliography and Leadership Bibliography) are available in the Course Materials and Weekly Modules/Tools, Templates and Supplemental Readings folder on Sakai.

Requirements and Expectations: Please note that there is a specific Assignment Expectations document on Sakai with more information about content and grading rubric for each assignment.

Case Submissions (50% of Total Grade for *Hub and Spoke, HealthCare Global*)

There will be one case this semester – **one individual submission for a grade (Hub and Spoke.)** You will be asked to apply strategic management and governance principles to the specific case facts.

The analysis should be based upon the information in the case unless instructed otherwise. This is not an exercise in finding out what happened to the organization based upon an internet search or other sources of information. It is easy to find out what happened to the specific organization and then recommend for or against their specific course of action – and in doing so, learn nothing of value. Rather, this is an analysis of the situation at the time of the case – *a specific point in time* - with the information available in the case. Place yourself inside the decision maker's mind, apply relevant tools and walk through the decision-making process from that perspective.

The Hub and Spoke case analysis (focused recommendations given the strategic challenges) is an **individual assignment** and should have a **one-page executive summary** coupled with a **maximum of three additional pages** substantiating the recommendations in the executive summary. A total of four pages is expected. *Additional heavily annotated appendices should be developed throughout the semester as students are exposed to tools each week.* Those appendices are then distilled into the 3 pages of support and further distilled into a 1-page Executive Summary that is decision-ready and can stand alone. Bi-directional links to/from body and appendices should be deployed to ensure easy document navigation for the decision maker. The Hub and Spoke case will be graded on a 50-point scale. Approximately 50% of the review is attributed to the executive summary (it is among the most difficult single pages students will produce in the program) with 30% attributed to the quality of assumptions and recommendations and the remaining 20% attributed to support and delivery. The rubric in Assignment Expectations is clear.

Class Participation and Peer Evaluation (INDIVIDUAL GRADE) – (5% of the grade)

We use the CAGME platform for peer evaluation which will be administered at both the mid-point and end of class. Class attendance and participation is vital since you will be engaged heavily in class dialogue and content application. One absence is permitted during the semester. Today's constantly changing environment conspires against leaders who defend the status quo without strategic flexibility. Class dialogue will many times take the form of a discussion on "the how" of what we are learning (the theory) applies when conditions change.

The Strategic Plan – (TEAM GRADE) – (45% of the grade)

Using the Franklin State simulation environment, teams will write a strategic plan for the assigned operating unit and then participate in an integrated exercise conjoined with the finance class material at the end of the semester. Teams are expected to apply the structures, processes and technology of the current environment. This project will help to prepare you for Capstone.

The major team-based course assignment is the semester-long simulated development of a strategic plan requiring six written plan element submissions and culminating in a concise 4 slide/15-minute presentation of your plan. Teams will develop work plans for producing the deliverables on the timeline established in the class Schedule. In those submissions, teams are expected to use the grading rubric in the Assignment Expectations folder as a guideline – not a straight jacket. Each team will submit the six specific assignments/deliverables as well as the final presentation slides per the class Schedule at the end of this document and posted in the Syllabus folder on Sakai.

Teams will submit all simulation deliverables by 11:55 pm on the due date in the schedule. The final full simulation plan should integrate the six submissions into a single strategic plan. Breadth is the critical element rather than depth. Each team will post to Sakai an electronic copy of the final simulation plan deliverable (including a succinct Executive Summary). Assignment expectations and grading rubric/evaluation forms for both the written strategic plan and presentation are in the Sakai Assignment Expectations folder.

Each assignment is due by 11:55pm EST on the due date in the schedule. Late submissions receive a zero.

Mandatory Format for individual and team deliverables:

Submit the team and individual assignments to the appropriate Sakai folder in *MS Word format only*. Do not submit as Adobe ".pdf". *Students who submit a PDF will receive a 2pt deduction each day before they submit the correct format.*

Hub and Spoke Case: Four-page MS Word document comprised of a one (1) page Executive Summary and three (3) pages of support material supplemented by relevant annotated appendices (links from the four pages to an appendix with a return link – bi-directional links must be included.) Use single line spacing (1.0), one inch margins, 11 point Calibri font.

File Naming Conventions:

For individual deliverables use a file naming convention beginning with *last name(underscore_)* followed by the assignment description, e.g. Sloate_HCG.docx. *As it creates more work for us, any other file naming convention will be rejected with a 1pt deduction for every day it takes the student to submit the correct file.* For team deliverables use a file naming convention which includes the Team number (1, 2, 3 etc.) (underscore_) followed by the assignment description, e.g. Team1_SP1.docx.

Evaluation Method

Grade Components

Component	% of Grade
Individual HCG Case Write Up	50%
Class activities, CHS, participation and peer review	5%
Team-based Strategic Plan (45%)	Assignment/Total Grade
1. SP1: External Assessment	15%/6.75%
2. SP2: Internal Assessment	15%/6.75%
3. SP3: Directional Strategy, Goals, Objectives, Strategy Options	20%/9%
4. SP4: Tactics, Resource Requirements and Key Performance Indicators	20%/9%
5. SP5: Performance Monitoring and Reporting	15%/6.75%
6. SP6: Final Written Strategic Plan and Presentation	15%/6.75%
TOTAL	100%

General Grading Scale

- 90 or above (H)
- 80 to 89 (P)
- 70 to 79 (L)
- Below 60 (F)

UNC Honor Code

The principles of academic honesty, integrity, and responsible citizenship govern the performance of all academic work and student conduct at the University as they have during the long life of this institution. Your acceptance of enrollment in the University presupposes a commitment to the principles embodied in the Code of Student Conduct and a respect for this most significant Carolina tradition. Your reward is in the practice of these principles. Your participation in this course comes with the expectation that your work will be completed in full observance of the Honor Code. Academic dishonesty in any form is unacceptable, because any breach in academic integrity, however small, strikes destructively at the University's life and work.

If you have any questions about your responsibility or the responsibility of faculty members under the Honor Code, please consult with someone in either the Office of the Student Attorney General (966-4084) or the Office of the Dean of Students (966-4042).

Read "The Instrument of Student Judicial Governance" (<http://instrument.unc.edu>).

Valuing, Recognizing, and Encouraging Diversity

Promoting and valuing diversity in the classroom enriches learning and broadens everyone's perspectives. Inclusion and tolerance can lead to respect for others and their opinions and is critical to maximizing the learning that we expect in this program. This may challenge our own closely held ideas and personal comfort zones. The results, however, create a sense of community and promote excellence in the learning environment.

Diversity includes consideration of (1) the variety of life experiences others have had, and (2) factors related to "diversity of presence," including, *among others*, age, economic circumstances, ethnic identification, disability, gender, geographic origin, race, religion, sexual orientation, social position.

This class will follow principles of inclusion, respect, tolerance, and acceptance that support the values of diversity.

CAPS is strongly committed to addressing the mental health needs of a diverse student body through timely access to consultation and connection to clinically appropriate services, whether for short or long-term needs. Go to their website: <https://caps.unc.edu> or visit their facilities on the third floor of the Campus Health Services building for a walk-in evaluation to learn more.

Course Evaluation: The Department of Health Policy and Management is participating in the Carolina Course Evaluation System (CES), the university's online course evaluation tool, enabled at the end of each semester. Your responses will be anonymous, with feedback provided in the aggregate; open-ended comments will be shared with instructors, but not identified with individual students. Your participation in CES is a course requirement, as providing constructive feedback is a professional expectation. Such feedback is critical to improving the quality of our courses, as well as providing input to the assessment of your instructors.

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 Class Schedule [McG 2306](#)

Date	Module/Topic	Assignments/Comments	Competencies
Session 1 and Session 2 Jan 14	<ul style="list-style-type: none"> • Opening Day Introduction • Team Overview and Expectations • The End Game and Context • Introduction to Franklin State Simulator and Cases <p>Strategy Architecture and Process:</p> <ul style="list-style-type: none"> • Drivers of Healthcare • Strategy Formation: The Prometheus Process 	Quiz on the Syllabus and Schedule <i>In Class Activity: Critique a Plan and Strategic Plan outline applied to an example.</i> Readings on Sakai: Chapters 1 - 3 (SAH) : The Nature of Strategic Management Readings on Sakai: Winning In Fast Time – Chapter 4 Drivers of Healthcare I and II (video links on Sakai)	General Administration Strategy formulation and implementation <ul style="list-style-type: none"> • Strategic orientation • Systems thinking Environmental Assessment <ul style="list-style-type: none"> • Strategic orientation • Systems thinking <p>Individual: What drivers are critical to Hub and Spoke case?</p>
Jan 21	Martin Luther King Holiday	<p style="color: red;">No Class: However – students must complete whatever material remains from Session 1/Session 2 and new content for Session 3 such that ready to engage completely in Session 3</p>	
Session 3: Jan 28	<p>External Assessment I:</p> <ul style="list-style-type: none"> • The O/T of the SWOT Tool • Porter’s Five Forces Model • PEST Analysis 	Readings on Sakai: Chapters 6, 7, 9 (SAH): Five Forces Model, External O/T of the SWOT <i>In Class: SWOT Matrix – OT quadrants</i>	Environmental Assessment <ul style="list-style-type: none"> • Strategic orientation • Systems thinking <p>Individual: Apply External Assessment Tools to Hub and Spoke</p>
Session 4: Feb 4	<p>External Assessment II:</p> <ul style="list-style-type: none"> • The Portfolio Analysis • Competition/Collaboration Landscape 	<p style="background-color: yellow;">Due 2.6 by 11:55pm: SP1: External Assessment</p> <p>The End Game: Portfolio Analysis Chapter 13 (SAH) Chapter 8 (SAH)</p>	Environmental Assessment <ul style="list-style-type: none"> • Strategic orientation • Systems thinking <p>Individual: Apply External Assessment Tools to Hub and Spoke</p>
Session 5: Feb 11	<p>Internal Assessment I:</p> <ul style="list-style-type: none"> • The Value Chain • The S/W of the SWOT 	Chapters 11, 14, 17 – 18 (SAH): Internal Environmental Analysis and Competitive Advantage Portfolio Tool/Stakeholder Analysis <i>In Class: SWOT Matrix – SW quadrants and constructing a portfolio</i>	Strategy formulation and implementation <ul style="list-style-type: none"> • Innovative thinking • Strategic orientation <p>Individual: Apply Internal Assessment Tools to Hub and Spoke</p>

Date	Module/Topic	Assignments/Comments	Competencies
Session 6: Feb 18	Internal Assessment II: <ul style="list-style-type: none"> Directional Strategy: Mission, Vision/Future Picture and Values Those Charged with Governance 	Due 2.20 by 11:55pm: SP2: Internal Assessment Chapters 4 and 16 (SAH) The Hierarchy of Strategic Alternatives <i>In Class: SWOT Matrix – SW quadrants and constructing a portfolio</i>	Governance and Ethics Strategy formulation and implementation <ul style="list-style-type: none"> Innovative thinking Strategic orientation <i>Individual: Draft G/Os for Hub and Spoke</i>
Session 7: Feb 25	Strategy Options I: Integrative Models <ul style="list-style-type: none"> Developing Goals and Objectives Applying the SWOT Analysis Applying the Portfolio Analysis 	Chapter 19 (SAH) <i>In Class: SWOT Matrix – Intersecting strategy quadrants and Drafting G/Os</i>	Market analysis and research <ul style="list-style-type: none"> Innovative thinking Strategic orientation Systems thinking <i>Individual: Apply Preliminary SWOT and Portfolio Tools to Hub and Spoke Strategy Options</i>
Session 8: March 4 ACHE Congress 4th -7th	Tactical Planning and Resource Requirements <ul style="list-style-type: none"> Putting resource “price tags” on strategy options. Ownership and accountability 	Due 3.6 by 11:55pm: SP3: Directional Strategies, Goals and Objectives <i>Refining and informing the SWOT Matrix and Portfolio Tools against Tactical Plans</i> <i>In Class: In Class Activity: The Monster Sheet</i>	Strategy formulation and implementation <ul style="list-style-type: none"> Innovative thinking Strategic orientation <i>Individual: Develop Tactical Plans for Hub and Spoke</i>
March 11	Spring Break 9th through 17th		
Session 9: March 18	Global Marketing and Performance Monitoring/Reporting <ul style="list-style-type: none"> Communicating and Managing Strategic Plans Performance Monitoring and Reporting Global Strategy Development Healthcare Global Check Point 	Due 3.20 by 11:55pm: SP4: Draft Strategies, Tactics and Resource Requirements Readings on Sakai Kaplan and Norton: Balanced Scorecard OnFocus: Plan Management Platform Guest Lecturer: Kenneth Cutshaw or Lisa Bourget, Senior Director, Strategy, Management and Partnerships for the Duke Global Health Innovation Center and Innovations in Healthcare	<ul style="list-style-type: none"> Market Analysis and Research Implementation Science Decision Making Critical Thinking <i>Individual: Develop KPIs and Balanced Scorecard</i>
Session 10: March 25	Strategy Options II: Prioritization Process <ul style="list-style-type: none"> Evaluation of Strategic Alternatives and Prioritization The Balanced Scorecard 	Choosing among competing priorities in a capital and operating cost constrained environment. <i>In Class: Constructing a Balanced Scorecard</i>	<ul style="list-style-type: none"> Implementation Science Critical Thinking Accountability <i>Individual: Refine KPIs and Balanced Scorecard</i>
Session 11: April 1	Hanging Chads – Wait, there’s more! <ul style="list-style-type: none"> Population Health Management Refresh content relevant to SPs and Case submissions 	Due 4.3 by 11:55pm: SP5: Performance Monitoring and Reporting Preparation material on Sakai	Strategy formulation and implementation <ul style="list-style-type: none"> Innovative thinking Strategic orientation Systems thinking Accountability

Date	Module/Topic	Assignments/Comments	Competencies
Session 12: April 8	Introduction to End of Term Integrative Team Exercise: Developing and Integrated System: Practice Acquisition and Integration Negotiations: Term Sheets Strategy	Due 4.10 by 11:55pm: Individual Assignment: Hub and Spoke Case Submission	Strategy formulation and implementation <ul style="list-style-type: none"> • Innovative thinking • Strategic orientation • Systems thinking
Session 13 April 15	Global Growth and Development Healthcare Global: Hub and Spoke Case Review	Due 4.17 by 11:55 pm SP6: Final Strategic Plan and Presentation Submission Hub and Spoke Case Dialogue	<ul style="list-style-type: none"> • Innovative thinking • Strategic orientation • Systems thinking
Session 14 April 22	Final Evaluation: SP Presentations recorded for feedback in preparation for Capstone	<i>In Class: Team SP Presentations: no more than four (4) slides and 15 minutes for each team</i>	<ul style="list-style-type: none"> • Team Dynamics • Accountability • Communication
Session 15: April 29 or May 6	Final Integrative Exercise	Joint exercise Strategy/Finance team exercise based in the Franklin State Environment	Strategy formulation and implementation <ul style="list-style-type: none"> • Accountability • Strategic orientation • Communication • Team Dynamics