

# **Right Sizing the Practice in a Competitive Marketplace**

**Becker's ASC 24<sup>th</sup> Annual Meeting  
The Business and Operations of ASC's  
Chicago , Illinois**

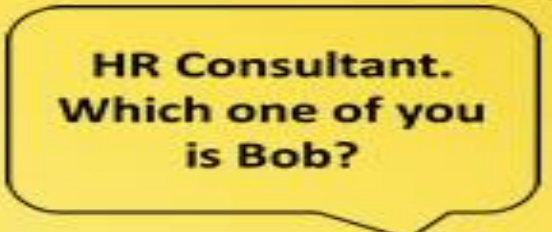
**James A. Turner, Jr., MBA, MHA**

**Chief Executive Officer**

**Indianapolis Gastroenterology and Hepatology**

# Stikkee Situations

#2



PINK SLIP

**Braden Kelley**

# **Sectors of the organization to review prior to downsizing in a competitive marketplace**



**External Marketplace**

**Dynamics inside the  
Company**

# **Dynamics Inside The Company That Needs Careful Review Prior to Downsizing**

## **Items to review :**

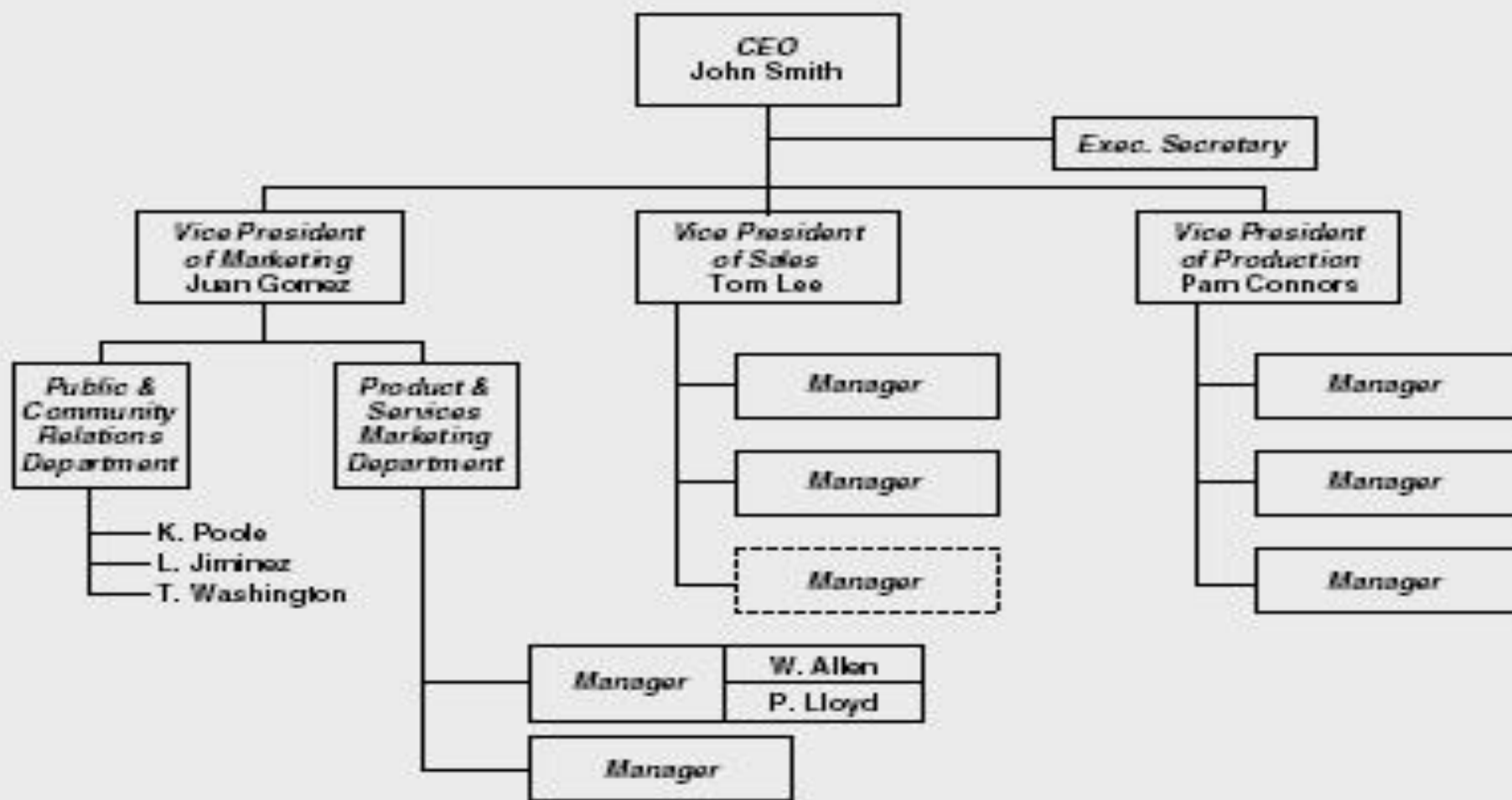
- 1) Mission Statement of the Organization
- 2) Organizational Table for the group
- 3) Analytical Foundation – How do you measure your successes – Metrics by department
- 4) FTE manifest by department by location
- 5) Review success of 10 %-80 %-10% program for FTE's retention ( GE Program)
- 6) Evaluate the success of leadership training program – Staff ( Non Management )

# **Dynamics Inside The Company That Needs Careful Review**

## **Items to review ( Continued)**

6. Evaluate the success of leadership training program – Senior leaders
7. Budgets both current and prior years – Look for trends in expenses
8. Project Matrix – Prioritize the importance of each major project ( Impact)
9. Focus on the problems that got the group in this position
10. Look at your winner and loser's for each service sector / program
11. Book Recommendation Extreme Ownership: How U.S. Navy SEALs Lead and Win Extreme Accountability –J.Willink and Leif Babin – Track your compliance with the topic
12. Training programs that you have instituted to lead your team through this crisis / opportunity

Figure 1  
Sample Organizational Chart



# Indianapolis Gastroenterology & Hepatology

## The Five Pillars of Organizational Excellence

### Operational Excellence

Provide high quality and  
cost effective medicine

### Patient Care Excellence

Exceed Customer's Expectations

### Transformational Excellence

Enhance Human Capital by  
designing a sustainable corporate  
culture

### Financial Excellence

Exceed Financial Goals to Promote  
Practice Independence

### Innovation Excellence

Enable New Ideas and Strategic  
Solutions for Profitable Growth

**Corporate Motto: "Earning Trust Through Quality"**

**Corporate Values: Provide high quality care in a culture that respects the dignity of life.**

**Corporate Mission: Strive to Restore, Maintain and Enhance the GI health of our patients**

**Foundation  
Building:**

**Financial System**

**Business  
Development**

**IT Systems**

**HR Development and  
Corporate Culture**

**Operational System**

**Business  
partnership**

**Strategic Planning**

**Hospital  
partnerships**

**Business Transformation  
System**

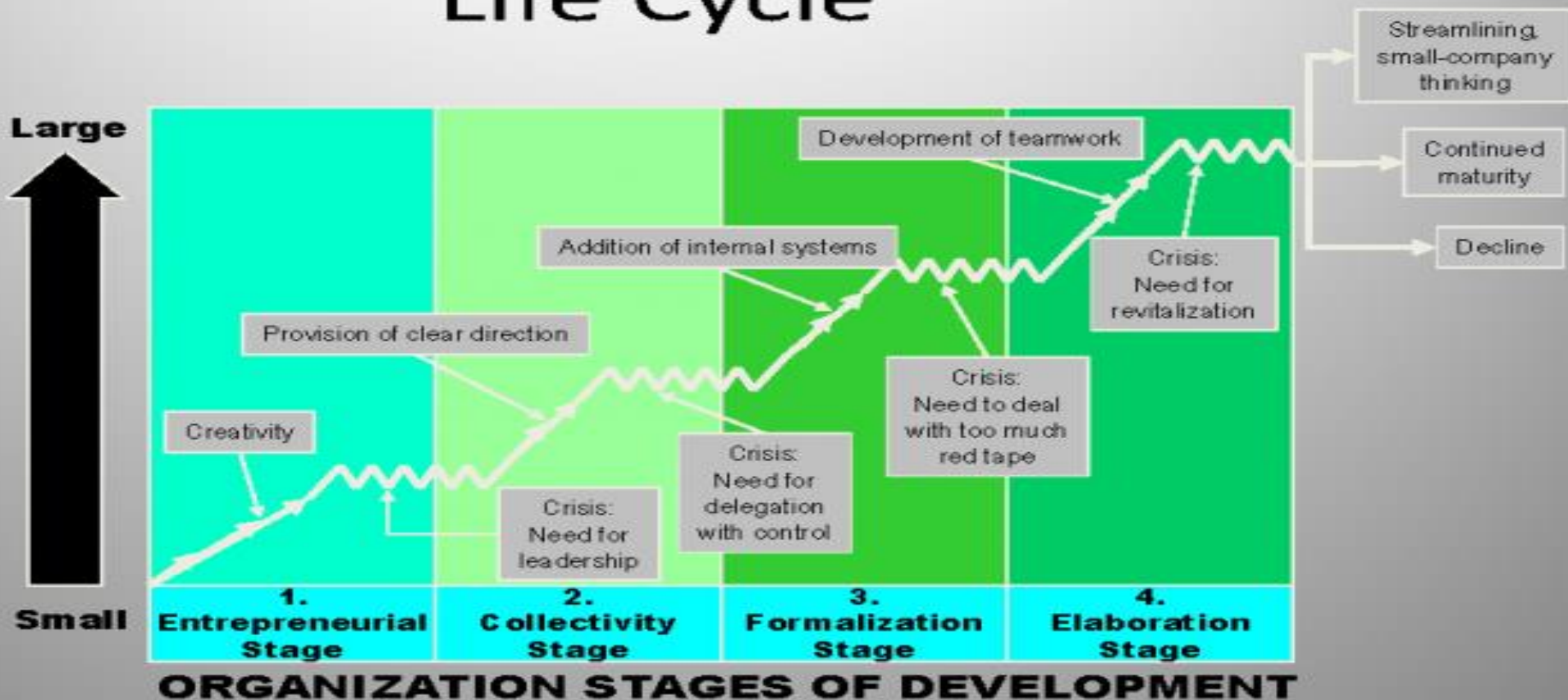
**Project matrix – and prioritization based on long term ROI**



## **External Marketplace That Needs Careful Review**

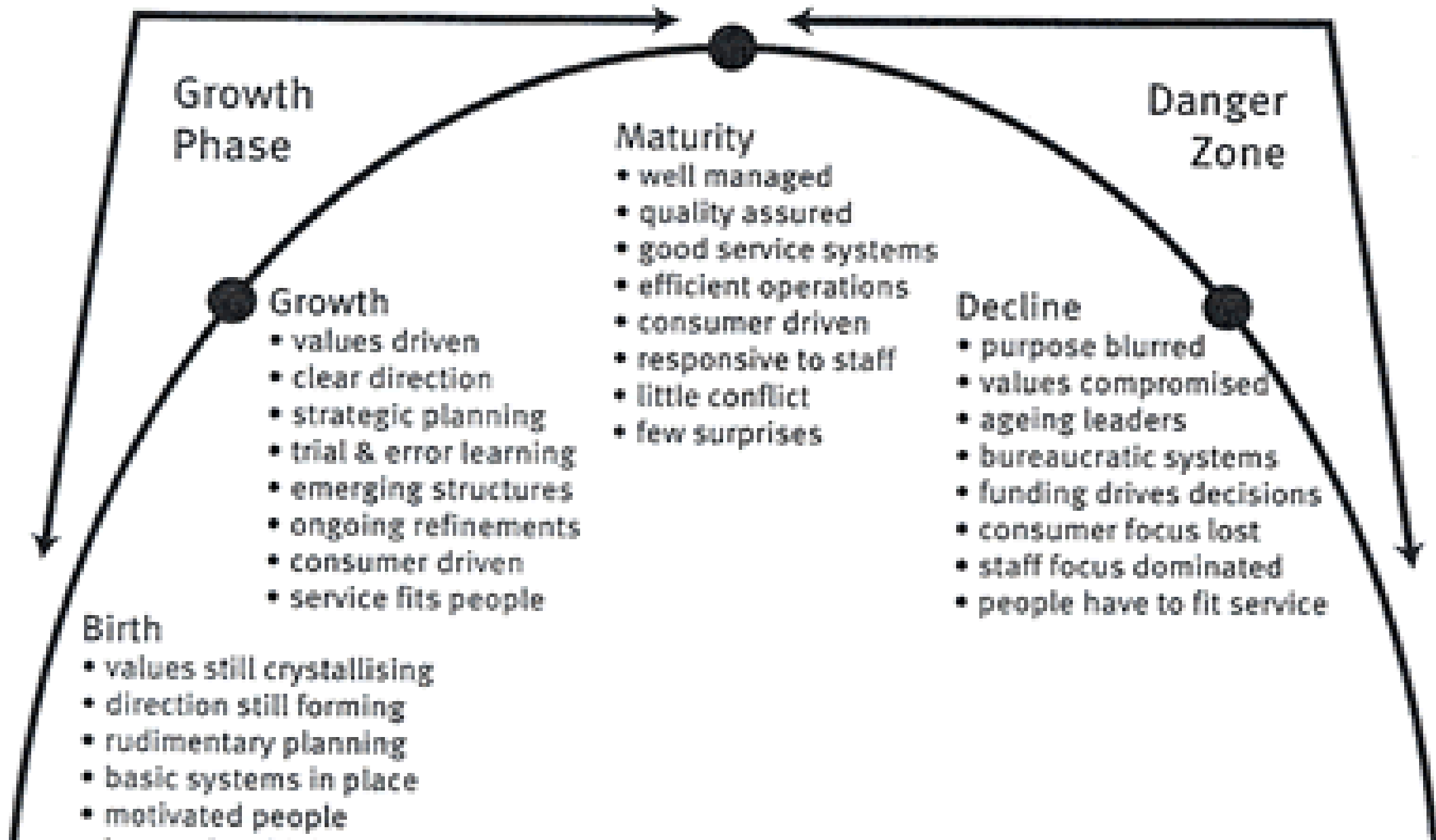
- 1) Where is your organization in the Corporate Life Cycle
- 2) Managing Boundaries – patients are travelling for healthcare – attract them
- 3) Competitor Identification – focus on major and emerging competitors
- 4) Viable Competence – Focus on what they are doing now and into the future
- 5) Look at all of your competition - don't underestimate their competency

# Organizational Life Cycle



Sources: Adapted from Robert E. Quinn and Kim Cameron, "Organizational Life Cycles and Staffing Criteria of Effectiveness: Some Preliminary Evidence," *Management Science* 29 (1983): 33-51; and Larry E. Greiner, "Evolution and Revolution as Organizations Grow," *Harvard Business Review* 50 (July-August 1972): 37-46.

# Life Cycle of an Organisation



## **Other Strategic Questions to evaluate your position in the Marketplace**

1. Is the strategy in line with the competitive environment ?
2. Do you have an honest and accurate appraisal of the competition ?
3. Is the strategy in line with the competitive environment?
4. Do you have an honest and accurate appraisal of the competition?
5. Have you underestimated the competition?

## **Other Strategic Questions to evaluate your position in the Marketplace**

6. Has the rivalry in the service category or service area changed?
7. Have the barriers to entering the service area or category changed?
8. Does the strategy leave you vulnerable to the power of any major customers?
9. Have there been any changes in the number or availability of substitute products or services?

## **Other Strategic Questions to evaluate your position in the Marketplace**

10. Is the strategy vulnerable to a successful counterattack by the competitors?
11. Does the strategy follow that of a strong competitor?
12. Will the strategy put your business up against a powerful competitor?
13. Is the market sufficient to be competitive and generate an acceptable profit?

## **Downside of Company Downsizing**

### **Watch for these negative actions**

1. Communication – formal and Informal communication networks are disrupted
2. Negative Corporate images – Negative Business images for POTENTIAL employees and existing customers . . Customers may look elsewhere for a more stable business partner Is the strategy vulnerable to a successful counterattack by the competitors?

## **Downside of Company Downsizing**

### **Watch for these negative actions**

3. **Skills and Knowledge Loss** – Institutional knowledge , problem solving , customer preferences and operational approaches are lost during downsizing
4. **Employee Stress** – Employee positions are eliminated and then consolidated – but the quantity of work remains consistent – remaining employees are saddled with the work left behind – great opportunity for your competitor to “ cherry pick “ your valuable employees during this time of instability



# **Closing comments**

## **GE Transformation – Jeffrey R. Immelt**

### **Five steps for transformation**

- 1. Shape your clinical portfolio - Focus on or core competencies**
- 2. Create innovation -Use your scale to drive growth and efficiency – grow organically**
- 3. Look at regionalization – control the marketplace -Reallocate resources to fund growth and identify and solve the clinical problems of your patients**

# GE Transformation – Jeffrey R. Immelt

## Five steps for transformation

4. **Create a strategic focus – create clinical services that are smart and connected products**
5. **Corporate Culture – Create top down ( non hierarchical ) and extremely agile organization**

# **Questions and Answers**

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