

Physician Entrepreneurs and the Axioms for Successful Partnerships with Hospitals: Stars, Strategies, Styles, and Structures

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“Good leaders have a vision; better leaders share a vision; the best leaders invite others to join them in spreading the vision.” – Bob Briner

INTRODUCTION

During the past decade of working with and in health care systems, hospitals, and physician practices, we have been surprised and disappointed with the overwhelming number of physician leaders and hospital executives who demonstrate a lack of understanding of, let alone a commitment to, mutual coalition building. They seem oblivious to the fact that collaborative partnerships are essential ingredients for the economic and political viability of hospitals and specialist practices in this health care age of turmoil, transition, and redefinition.

In fact, the more technical competencies and medical skills a star quality physician possesses, the more he/she seems to develop tunnel vision that misses the broader personal, professional, and organizational linkages that are demanded in the current emerging, participatory context that patients, clients, academics, and politicians are advocating. This perspective is mirrored on the hospital executive side by administrators who are stuck using their memories and hindsight rather than their imaginations and foresight in dealing with entrepreneurial physicians. Tragically, this “looking backward” framework diminishes their collective ability as leaders to create innovative, forward-looking models of professional interaction and organizational integration needed in this time of transformation when professional knowledge is increasingly becoming identified as intellectual property.¹

The relationship between entrepreneurial physicians and hospitals/medical centers has been in a constant state of disequilibrium and flux. As clinical, economic, and social contexts have changed, there has been unleashed a series of permutations in the interface dynamics in this critical health care arena. In fact, the swings in the relationship appear at all the various points on the interface continuum...from collaboration to cooperation to open competition to mutual condemnation.

And yet, we have discovered some bedrock strategic, professional, and behavioral axioms that are evident when one sees cases of successful entrepreneurial physicians linking up in a win-win, symbiotic, embedded partnership with hospitals and medical centers.

Surely, on the other side, the administrative leadership of hospitals and medical centers must develop their own conceptual models, collaboration frameworks, responsibility systems, financial accountability procedures, sharing formulas, philosophical principles, and decision-making processes. In addition, these relationship guidelines must be compatible with their respective

organizational cultures, community environments, and strategic projections for partnering and integrating star quality physician entrepreneurs into their midst.

GUIDELINES FOR SUCCESS: PHYSICIAN ENTREPRENEURIAL CONCEPTS AND ACTION AXIOMS THAT LEAD TO PRODUCTIVE PARTNERSHIPS

Clearly, from the physician leadership side, (based on our experiences and observations as “reflective practitioners”)² there is a proven set of capabilities, capacities, and competencies that is axiomatic for entrepreneurial success and that is mutually beneficial for both parties. The sophisticated physician entrepreneur has and uses the following competencies, skills, and perspectives to fashion successful hospital/physician partnership ventures. In each case of a productive alliance that we have witnessed during the past decade, we have found an outstanding physician entrepreneur who:

- Understands the marketplace and is able to build a share in and/or drives the market; a sophisticated economic perspective is continually cultivated.³
- Develops a quality foundation for his/her program that can be monitored, measured, and managed.
- Ensures a leading edge research set of outcomes that continually drives the clinical excellence and professional prestige of the joint effort; in effect, makes certain that there is always a balance between mission and margin.⁴
- Makes clear that the program is always more encompassing than the individual star physician and his/her practice; and that program foundations clearly are more important than individual physician fame.
- Assembles a cluster of excellent colleagues around himself/herself so as to prepare for the continued quality of the program while, at the same time, developing the leaders for the next (and future) stages of the endeavor.
- Makes certain he/she is both a ‘star’ and a ‘coach’ so as to ensure personal visibility, program viability, and clinical sustainability.
- Has the skills, competencies, and capabilities in the areas of collaboration, negotiation, conflict resolution, and team building in order to anticipate, mediate, and coordinate the fluctuating situations endemic in organizational partnerships.⁵
- Exudes the leadership power of positive purpose philosophically, psychologically and passionately, ensuring that the essence of patient care, quality medicine, and cutting edge breakthroughs are anchored in a commitment to improving both the life and liberty of individuals in a free society.⁶
- Crafts and projects a strategic vision that inextricably ties short term successes into long term goals, objectives, and commitments to make certain that together, the program and the hospital are proactively creating their interdependent future.⁷
- Becomes a visible fund-raising partner with the hospital working hand-in-hand with the institutional colleagues responsible for philanthropy, foundation grants, and special financial events.⁸
- Is able to blend external demands for growth with the constant development of internal infrastructure capabilities to support profitable growth; in essence, the clinical thrusts are anchored in business, financial, and resource realities.⁹

CONCLUSION

Growth for the sake of growth is the etiology of the cancer cell with resultant disability or death. The only kind of growth that makes programmatic sense is quality growth based on conscious choices in an integrated framework of strategic vision and day-to-day realities.

The triggering of the creative capabilities, collaborative sensitivities, and behavioral skill-sets of entrepreneurial physician leaders is one of the critical anodynes needed for building trust at this

historic crossroad regarding the future of physician/hospital relationships during these times of accelerating and transformational change occurring in the American health care environment.¹⁰

And, even though this article presents the strategic concepts, action guidelines, and tactical suggestions from the physician's side, our hope is that this effort, "to walk in the moccasins" of our physician colleagues will trigger, galvanize, and challenge the administrative medical leaders to awaken to their obligations in this process. They must proactively fashion models, strategies, and tactics from the administrative leadership side of the equation that will dovetail with, expand upon, and realistically operationalize the axioms presented in this analysis in order to move ahead with their physician colleagues to build partnerships and alliances based on a spirit of collaboration, teamwork, and trust.

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- ² Donald Schon. The Reflective Practitioner: How Professionals Think In Action. New York: Basic Books, 1983. pp. 54-63.
- ³ Peter F. Drucker. Management Challenges for the 21st Century. New York: Harper Collins, 1999, see Chapter 1.
- ⁴ Bryan A. Gragnolati and Ronald J. Stupak, "Life and Liberty: The Power of Positive Purpose," Journal of Health and Human Services Administration (Summer, 2002), pp. 73-74, 86.
- ⁵ Lawrence Levin, "Aligning the Stars: Creating Dialogue Within Health Care Teams," Health Care Executive, (March/April, 2004), pp. 16-20, and R. Gulati, "Alliances and Networks," Strategic Management Journal (1998), passim.
- ⁶ Gragnolati and Stupak, ibid.
- ⁷ Jay Jackson, M.D. and Ronald J. Stupak, "Who Shall Lead Us?" Medscape General Medicine Journal (September, 1999), pp. 1-2.
- ⁸ A senior vice president for development at a major regional medical center identified this for us.
- ⁹ Clayton M. Christenson, The Innovator's Dilemma, New York: Harper Collins, 2003, passim.
- ¹⁰ For a meaningful discussion of the need to develop relationships in health care based on trust, see Michael H. Annison and Dan S. Wilford. Trust Matters: New Directions in Health Care Leadership. San Francisco: Jossey Bass Publishers, 1998. In addition, for the leadership gaps in the health care arena, see Carolyn Pexton, Leadership In Health Care: A Brief Exploration of the Challenges and Opportunities. GE Medical Systems, 1993, especially pp. 1-2.

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