

1. The classic article “The Fall and Rise of Strategic Planning” was written by?

- A. Porter
- B. Mintzberg
- C. Hamel
- D. Henderson

Ans: B

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2. “Upsetting the equilibrium” and re-establishing equilibrium on a more favorable basis, from a strategy point of view, means what?

- A. Changing an organizations vision
- B. Designing a new organization structure
- C. Modify Return on Investment targets based on changing market conditions
- D. Competing differently and adding new services

Ans: D

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3. Setting the strategy is a core underlying job of the

- A. Board of directors
- B. Chief Strategy Officer
- C. Chief Administrator
- D. None of the above

Ans: A

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4) A good strategy must involve

- A) Discount pricing
- B) A mission statement
- C) A unique competitive advantage
- D) High return on investment

Ans: C

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5) Tracy and Wiersema suggest that organizations must pick one of three different strategies in order to be successful. Which one is not one of those strategies?

- A. Customer intimacy
- B. Organizational design
- C. Product leadership
- D. Operational excellence

Ans: B

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6. A product attribute that an organization is known for is called:

- A. Competitive advantage
- B. A service feature
- C. A product benefit
- D. Unique selling proposition

Ans: D

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7. According to data provided by the authors, when patients decide to change doctors, the percentage that change physicians because of quality/incompetence issues is

- A. 25% or less
- B. 40-50%
- C. 60-80%
- D. More than 80%

Ans: A

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8. A “Fall on your sword” mindset is a reference to:
- A. Hanging on to outdated products or services to long
 - B. Not being willing to change tactics soon enough
 - C. Being willing to enforce stated standards of practice
 - D. Changing organizational strategies too quickly

Ans: C

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9. Which one of the following is most likely to generate a successful strategy
- A. A unique competitive advantage
 - B. Multiple facilities
 - C. A strategic plan
 - D. A long history in the community

Ans: C

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10. The key to business success is:
- A. Execution of the strategy itself
 - B. The strategy and execution

- C. High market share and profitability
- D. A strong vision and mission

Ans: A

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Essay Questions

1) In the text, phrases like “competitive advantage” and “upsetting the equilibrium” and “creating a difference” are used. All of these terms share a common thread. What is that thread and how does it apply in the health care arena?

Answer would include:

Existing companies have difficulty making changes. Change often comes from new competitors who upset the equilibrium.

In order to remain relevant, health care organizations need to have, as part of their strategy development, a way to look at the changing competitive environment, and a willingness to respond and take advantage of environmental changes.

Online appointments made by patients upsets the traditional way appointments are made and could be a competitive advantage.

A child’s test for strep throat was traditionally done, very profitably, in the pediatricians office. But a new competitor is the mall drug store, or grocery store with a pharmacy, where the test can be administered and a lower cost, and with more convenience to the parent.

Health care needs to be aware of ways in which its services can be delivered differently.

And the question is this: Does the health care organization become the center of

innovation and change or does the entity cede new ideas to outside innovators?

2) An important mindset that should be considered is called “Force and Focus.” Explain what this topic is about and why it is relevant to health care market strategy.

Answer would include:

Hospitals often have too many initiatives, in too many areas. In other words organizations dabble in lots of different areas, with little focus and little force (resource) to be successful at anything.

Health care will have great expectation for an initiative, but not allocate enough resource to be successful. For example, a hospital will launch a new program yet only allow for a limited budget to reach consumers.

If a hospital intends to enter a product line, or go to a new service area, doesn't it make sense that the hospital should intend to dominate the market?

3) Explain the concept of ‘driving force.’ Include a discussion of the three options available for an effective driving force.

Answer would include:

A concept developed by Treacy and Wiersema

They suggest that organizations must make a choice around ONE of the three options:

Customer intimacy, product leadership, or operational excellence.

Hospitals often think they can have all three at the same time. But that is not a good strategy. A university hospital is probably known for product or clinical excellence in terms of research. But they are unlikely to be supreme in customer (patient) service.

Driving force is also often times called competitive advantage.