

## MARKET STRATEGY

### 1. Notable Accomplishments

The Market Development Committee was established to evaluate and enhance the Health System's strategy for development of its clinical market, oversee the comprehensive assessment of various patient care markets, and advise the Vice Presidents with regard to specific strategies for enhancing or growing market share.

The initial committee accomplished the following:

- Established guiding principles for new business.
- Completed primary care market analysis.
- Evaluated executive health offerings.
- Developed a program analysis approach.
- Outlined an outreach proposal.
- Reviewed and made recommendations on multiple clinical proposals.

After the initial strategic work, the committee was reconstituted in October 2005 to be more operational as well as strategic. The committee name changed along with leadership and membership. The Market Strategy Committee was charged with defining market development guiding principles, evaluating market assessments, and making strategic recommendations regarding how the University of Virginia Health System can proactively develop market opportunities to enhance, grow, and defend market share.

The Market Strategy Committee has accomplished the following:

- Completed a market evaluation across the Commonwealth that will be updated and reported annually.
- Established a "white paper" that frames a collaborative system-wide approach for clinical service offerings off Grounds.
- Evaluated key outreach principles developed by the University HealthSystem Consortium.
- Identified market strategy guiding principles.
- Established a two-step review process for market enhancement proposals that is tightly aligned with other internal review processes (e.g. Buchanan grant proposal process) and assured a timely process, including a letter of intent and business planning components.

The following is planned for accomplishment before June 2006:

- Implementation of the review process.
- Establish an administrative team for business planning.
- Draft a standard contract agreement that addresses guiding principles.
- Review of market assessments to identify refinements prior to annual update.
- Begin to assess current “off Grounds” initiatives alignment to developed guiding principles and define performance metrics for ongoing evaluation.
- Establish committee market strategy recommendations by critical markets beginning with Culpeper and Augusta, Virginia.

## 2. Two-Year Goals and Metrics for Success

### • **Models for all of US**

There is evidence through the University HealthSystem Consortium that other academic medical centers are challenged in their efforts to integrate and develop effective methods for strategic, market development. The committee structure, market analysis, and review process to grow and defend the Health System’s market position is believed to be a model for others to emulate.

### • **Improve rankings**

To the degree that what we do serves as a model for all of US, there may be an opportunity to influence reputational scores; as programs grow and differentiate, the assessment by practicing physicians, deans, and others may also improve rankings.

Performance metrics include:

- UHC or AAMC request of an overview of our process to be shared with their respective memberships.
- At least one other health care system seeks to emulate our process each year.

### • **Improve our operations**

Operations will be improved from three key venues. First, providing a consistent approach and execution of clinical efforts off Grounds will establish a brand experience for those with whom we work. Second, the Health System will improve its ability to move as one versus being “one off” by our competitors. And, third, the ability to leverage our strengths and empower our ability to grow and defend our market position will be realized.

Performance metrics include:

- Primary benefit is that market share will be maintained or improve across the service areas across the Commonwealth. The baseline for market share is FY04.
- Secondary benefit will be that as our process is recognized as a model for all of US, there may be influence on reputation scores.

### 3. Five-Year Goals and Metrics for Success

- **Models for all of US**  
We have built the foundation of a collaborative model that should be efficient and facile providing appropriate review and support. UVa Health System's market position will be understood, grown, and defended effectively.
- **Improve rankings**  
To the degree that what we do serves as a model for all of US, there may be an opportunity to influence reputational scores; as programs grow and differentiate, the assessment by practicing physicians, Deans, and others may also improve rankings.
- **Improve our operations**  
The UVa Health System market position and strategies will align effectively with the organization's mission and vision.

Performance metrics include:

- Market share across the Commonwealth will be maintained or improve annually.
- Out-of-state referrals may increase as clinically differentiated services attract a patient population beyond the Commonwealth.

### 4. Resources Needed and Barriers to Success

- **Right sizing:** As the Committee seeks to grow or defend the Health System's market position; capacity challenges include but are not limited to the number of active clinicians, the capacity of facilities (inpatient and outpatient) and the demand for our clinical services.
- **Return on investment:** Defining performance metrics for "off Grounds" initiatives will be both quantitative and qualitative. Integrating these into current initiatives and new efforts going forward will need to be disciplined and accountable.
- **Culture:** Cultivating the organizational culture of working collaboratively together versus independently will require consistent reinforcement. This is a transition internally and, based on previous history, will be tested by outside forces as well.
- **Committee performance metric:** Enhanced market position is monitored through discharge volumes to calculate market share. There is no outpatient measure to benchmark for outpatient services. Therefore, inpatient volume must serve as a proxy for market share position. This is not ideal as clinical services move to the outpatient arena.
- **Staff support:** The Health System and its components will need to deploy staff resources to support the evaluation, recommendation and implementation of market strategies.
- **Funding:** Anticipating there are a variety of methods to support off grounds initiatives, the Committee may make recommendations for consistency and equity as well as additional financial support potentially.