

Data Analytics and Consumerism in Strategic Planning

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Data is the catalyst for change in the new age of healthcare. Metrics and dashboards are a must in the boardroom, and their use differentiates the powerhouse board from the status quo. What data is the most important for consideration and how is it imperative to the strategic planning process? Quality metrics and financial benchmarks are standard dashboard focal points, and these two boardroom goalposts have one thing in common: they are driven by the patient population. Though consumerism has not been adopted into most board metric overviews, knowing your patient through data and promoting the consumer's interests for organizational growth should be amongst the top considerations for boards in making organizational decisions.

Data analytics involves filtering raw data to identify trends, answering questions about the data source (i.e., the consumer), and supporting decision making based upon the results. NRC Health's *2020 Healthcare Consumer Trends Report* highlights "healthcare's consumerist future" and the now-apparent preference of the healthcare consumer to choose a provider of choice based upon convenience alone.¹ As consumers become more shrewd about how

Key Board Takeaways

- Instill and intentionally implement strategic planning best practices in fulfilling due diligence.
- Know your patient population, gathering data and actively assessing key indicators of consumer behaviors as a step in the strategic planning process.
- Exercise scenario planning and examination of the desired future state in the strategic planning process, utilizing data sources as predictors in guiding construction.
- Create a strategic plan that falls within the organization's mission and aligns the clinical and economic goals of the organization and provider groups.

they access care, it is the board's responsibility to carefully consider patient behaviors and characteristics in the strategic planning process. Brian Wynne, Vice President at NRC Health, specializes in healthcare consumerism and has interpreted national data and made the following conclusion: healthcare leadership, beginning with the board, must "attract and retain [patients] to secure their organizations' financial futures."²

With so much data available, how does a board know where to focus? Obviously, ensuring the organization is surveying the patient population is the first step. Obtaining market data is next. Where are patients choosing to obtain

their care and why? Which patient access initiatives are competitors successfully implementing?

In a recent Governance Institute article, fellow Customer Success Manager Annie Krein confronts the uncertainty boards face in developing effective dashboards to guide decisions and identifies common indicators.³ She explains how a robust metric array improves board discussion "by distilling down complex information into digestible pieces." A common mistake for boards is to adopt indicators that diverge from objective metrics representing an organization's market. Too much customization in the dashboard content can distract from the most

1 NRC Health, [2020 Healthcare Consumer Trends Report](#).

2 Brian Wynne, "[Rising Demands of the Modern Healthcare Consumer](#)," BoardRoom Press, The Governance Institute, April 2020.

3 Annie Krein, "[Evaluating Board and Committee Dashboards](#)," System Focus, The Governance Institute, December 2019.

impactful indicators. Especially important for boards just entering the data analytic realm is to focus on standard metrics that provide a realistic picture of healthcare’s future—of an organization’s future.

A good dashboard is only effective when the board prioritizes the strategic planning process and is intentional in carrying out all steps from start to finish. Transparency and accountability are key with follow-through in implementation.

Data analysis, the use of metrics to guide the planning process, is a requisite element of strategic plan creation. An objective review of the current state of market trends, disruptors, payment systems, service lines, and consumerism—to name a few factors—provides a basis for a board’s decisions related to maximized revenues and continued growth. Supersede the status quo with consumerism as the guide. Diverge from the traditional focus

on acute care settings and do not underestimate the intrusion of disruptors that appeal to those seeking care. The greatest risk is losing market share to those who respond to consumer behaviors more quickly than an organization chooses to react.

Best practice in establishing strategic direction is outlined in The Governance Institute’s *Setting Strategic Direction* toolkit.⁴ Condensed, there are five actions the board must take:

1. Engage the full board in the process with a thorough understanding of context and content.
2. Ensure the plan contains requisite elements, including scenario planning and

4 The Governance Institute, [Setting Strategic Direction, A Toolkit for Healthcare Boards and Executives](#), Spring 2019.

“destination metrics” of the “desired future state.”

3. Structure strategic planning into the board meeting agenda, prioritizing discussion over report review.
4. Avoid common mistakes and challenge the status quo.
5. Hold management accountable.

Evaluating key metrics falls under the second action listed above. Reviewing all available information is part of a board member’s fiduciary duty of care. It is requisite that board members carefully evaluate and consider information prior to taking action. This is especially important when developing an organization’s strategic plan, both immediate and long-term, as it directly affects organizational growth.

An effective dashboard for consideration in strategic planning should include metrics derived from the following data pools:

Consumerism Indicators	Considerations in Strategic Discussion
Community Demographics	Who makes up your community(ies) and what do you know about the consumer behaviors that are associated with each characteristic (e.g., age, gender, socioeconomics)?
Brand Awareness/Preference	Do consumers know who you are? Boards may inadvertently assume that the patient population is aware of the organization and its offerings. Surveying is key. Do consumers prefer you to your competitors in accessing healthcare? Is your organization viewed positively (i.e., reputation, provider ratings)? Knowing your patient population’s preference is an important predictor for a critical planning tool: future utilization.
Brand Loyalty	Do consumers prefer you enough to keep coming back? How likely are patients to recommend your organization to others and how does this equate to consumer loyalty? What is your organization’s Net Promoter Score (NPS)?
Service Line Preference	Which services are in highest demand and by whom? Which are underutilized and why? Which are most accessible? What new technologies are emerging that patients are seeking? A few strong service lines can carry an organization but knowing where preferences (and eventually demand) are waning is important to inform future planning and marketing activities accordingly.
Outmigration	If a patient is not accessing your organizational services, where is he or she going and for what services specifically?
Community Disparities	What disparities exist amongst the prospective patient population? What chronic conditions rise to the top? What are the barriers to care (i.e., transportation, cost, etc.)? Your organization’s CHNA results and associated data is a great resource for identifying this information. Understanding your community’s challenges can enlighten the board to strengthening its role in responding to value-based care requirements.

Source: Excerpted and paraphrased from R. Donohue and S. Klasko, *Patient No Longer: Why Healthcare Must Deliver the Care Experience Consumers Want and Expect*, Health Administration Press, 2020.

In *Patient No Longer: Why Healthcare Must Deliver the Care Experience Consumers Want and Expect*, Dr. Stephen Klasko of Jefferson Health and NRC Health's Ryan Donohue examine healthcare's current state and consumerism's role in the new healthcare delivery model. The information is invaluable and timely, stressing the role of organizational leadership in propelling change and sustainability.

What was once a gradual increase in skill development and industry education for board members has catapulted into a need for sophisticated and methodical adoption of gathering information

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and applying best practice principles in fulfilling responsibilities. With so much in healthcare driven by data, it is not a surprise that board members are now acclimating themselves to a more in-depth approach to decision making. Applying data analytics to board responsibilities, such as the strategic planning process, can assist in taking the guesswork out of constructing the areas of focus for continued growth.

Though consumerism and the major consumerism indicators such as those included in the table above are just one facet of what a board should consider in the strategic plan, they are significant predictors of the organization's future path and effective mediums for propelling growth. With board accountability at the forefront, board members are the agents for success in this process.

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