

Britains health care service standards management essay



**ASSIGN
BUSTER**

According to Baggot Britains health care service standards are believed to be comparatively high in relation to other health care systems. This could be attributed to the recent critiques of healthcare management which has shifted focus onto the efficiency and effectiveness of operating systems (Baggot, 2004). With emphasis on public interest, health care provides a direct link with my proposed project. However, due to the broad nature and vast scope of sub units outside of the body image research area, analysis of the health sector as a whole would be unfeasible.

Divulging further into the health industry, strategic focus has shifted onto support networks offered by the health profession. By tapering down areas of possible investigation, Beat, the UKs leading eating disorder charity has stood out as a specific organisation worth exploring.

As with the public sector, strategy within the not-for-profit sector of business is complex as objectives tend to be a lot vaguer than ultimately adding shareholder value (Lynch, 2012). Funds are primarily derived from a selection of public contributions and commercial business backing so competition to obtain capital within this sector is fierce (Lynch, 2012).

Differing from public and private sectors, fund raising expertise and human resourced based strategies are core resources for not-for-profit organizations and require vigilant analysis in order to identify the organisations strongest competencies (Lynch, 2012).

Beat, formally known as the Eating Disorder Association, provides a network of support within the UK to assist people in ‘beating’ their eating disorder (Beat, 2010). The 2011- 2012 annual review reported that Beat directly

helped over 10, 000 individuals across the UK in that single year and they logged 1, 871, 423 visits to their website (Outram and Ringwood, 2012).

Strategy

Theorists have produced an array of varying strategy definitions; Johnson, Scholes and Whittington (2010) state that, strategy encompasses “ the direction and scope of an organisation over the long term, which achieves advantage in a changing environment”.

Strategy is concerned primarily with two factors; organisations internal resources and its external environment and ultimately the linkage of these to optimise positioning. Largely, strategy utilises the future vision of the organisation, its sustainability and its growth opportunities (Carter, 2012).

A key challenge in strategic implementation is how to create value and continue to do so in an incessantly developing industry states Carter (2012). He adds that for survival, as a necessity, a firm must add value to its inputs, whether through marketing processes or operational processes. This holistic view of the organisation assists in the development of distinctiveness through the establishment of a competitive advantage (Carter, 2012).

This report will execute both an internal and external analysis of the charity, Beat; in terms of its positioning to provide reinforcement for possible strategic growth opportunities.

Internal analysis

Beat challenge “ the stereotypes and stigma that people with eating disorders face” (Beat, 2010). The charity plays a vital role in media

proceedings with the belief that the media is at risk of harming vulnerable people (Beat, 2010). Predictably, this shows that my research topic, of whether the media does influence perceptions on body image will be beneficial to Beat in providing possible clarity (Beat, 2010).

In terms of strategic positioning, simply examining Beats accounts in a demand and supply scenario wouldn't be representational in terms of determining their future value (Lynch, 2012). Lynch (2012) highlights that specialised skills may not have a direct monetary value but are still an extremely valuable resource and that value is a crucial quality in creating organisational sustainability. Taking a broad approach to analysis, assets that contribute to value added processes can be categorised into three sub categories; intangible resources, tangible resources and organisational capability (Lynch, 2012). The amalgamation of these resources has the potential to create indispensable distinctive competencies (Lynch, 2012).

Intangible resources are a source of great benefit to an organisation but have no physical existence (Lynch, 2012). In beats instance, intangible resources include their high brand reputation, employee skills, high level of service quality and professional knowledge. Tangible resources similarly contribute to adding value to Beat but in the form of physical resources (Lynch, 2012). For example, the nationwide scope of Beat is advantageous and investments from donations drive up revenue which is a support in balancing their return on investments. The combination of skills, management, leadership and organisation within beats internal environment delivers organisational capability as a prominent strength.

VRIO Framework

Barney and Hesterly (2008) consider the VRIO framework to be the principal analytical tool in detecting organisations internal strengths and in emphasising any potential core weaknesses. Implementation allows for the evaluation of resources in terms of contribution to the firms positioning and possible competitive advantages (Lynch, 2012). It is necessary that a resource meets all of the VRIO criteria in order to deliver a sustainable competitive advantage (Carter, 2012).

The acronym of the sequential decision making methodology stands for: Valuable, Rare, Imitability and Organisation (Lynch, 2012). ‘Valuable’ denotes whether assets successfully exploit environmental opportunities and counteract competitor threats. In order to be ‘rare’, the resource needs to be of limited availability to competing organisations in order to produce that comparative advantage. The third ideology in this framework is ‘imitability’; if the resource is costly for competitors to copy, it will give the organisation the ability to take advantage of their positioning. Finally, the ‘organization’ encompasses whether the firm uses its valuable, rare and imitability resources effectively to achieve its strategic potential (Lynch, 2012 & Barney and Hesterly, 2008).

VRIO framework for Beat:

Resource

Valuable?

Rare?

Imitability?

Capable of being exploited by the organisation?

Competitive implications?

Comparative economic performance

Service quality

Yes

Yes/No

No

Yes

Temporary competitive advantage

Above normal

Reputation

Yes

Yes/No

Yes

Yes

Sustained competitive advantage

Above normal

Employee skills & knowledge

Yes

Yes

Yes

Yes

Sustained competitive advantage

Above normal

Location (scope/ infrastructure)

Yes

No

Yes

No

Competitive parity

Normal

Investments/ funding

Yes

No

No

No

Competitive disadvantage

Below normal

Customer value and competitor differentiation are dominant within Beats resources of reputation and employee skills, creating a sustainable and extendable competitive advantage (Carter, 2012). These competencies should be continuously developed alongside technological and social advancements to ensure maintenance of this advantage. However, funding within Beat is a cause for concern with implications that currently it's causing a comparative disadvantage. Due to Beat being in the not-for-profit sector there is strong competition for funding based on the vast amount of charities both nationally and internationally which shall be discussed further when conducting an external analysis. (REFERNCE)

Jaquier (2003) emphasises the necessity to maintain a competitive advantage claiming that threats to sustainability such as; imitation, market entry and unpredictable fluctuations in external environment could have severe impact on a company's strategic positioning.

TOWS Analytical Framework

As an alternative to Porters SWOT model, determining the strengths and weaknesses of Beat from the TOWS perspective is argued to be a more

<https://assignbuster.com/britains-health-care-service-standards-management-essay/>

dynamic approach. It leads to more productive discussions by investigating how an organisation can take advantage of their opportunities through their core strengths as well as how threats can be diminished by overcoming organisational weaknesses (Hamel, 2012).

Wehrich (1999) claims that although the TOWS matrix supplements Porters analysis, Porters model does not result in the construction of alternative strategies as it is a predominantly descriptive framework.

For Beat, use of the TOWS matrix can assist in the implementation of a marketing strategy and support the planning of financial development (Greechie, 2012).

TOWS

ANALYSIS

ON

BEAT

External Opportunities (O)

1. Alliances with businesses (funding, sales, products)
2. Increasing Market demand
3. Tax exempt – opening to sell more products
4. Government / private grants
5. Change in population age (shifting target market)

External Threats (T)

1. Economic conditions
2. Competitors (Other Charities and Market entry)
3. Government regulations
4. Technological developments
5. Lack of financial resources

Internal Strengths (S)

1. Employees/volunteers
2. Reputation/relationships
3. Innovation
4. Positioning (UK coverage)
5. Management

SO

Strategies that use strengths to maximise opportunities

ST

Strategies that use strengths to minimise threats

Internal weaknesses (W)

1. Financial unpredictability
2. Rely on job satisfaction (can't match salaries of profit organisations)

3. Staff vulnerability – Susceptible to staff leaving

4. Narrow Product line

WO

Strategies that minimise weaknesses by taking advantage of opportunities

WT

Strategies that minimise weaknesses and avoid threats

(Outline of Framework Source: Mind Tools Ltd 2012)

From careful analysis of Beats positioning, the TOWS framework above has been created specifically for this charity. Beat will be in the utmost favourable position if they draw upon their identified strengths in order to take advantage of possible opportunities (Weihrich, 1999).

External analysis

An external analysis must originate from the understanding of an organisations operational environment (Barney and Hesterly, 2008). In a strategic context, the external environment of a company is everything and everyone outside of the organisation namely factors including; competitors, clients, suppliers and government (Lynch, 2012). An analysis of these is essential for positioning in relation to market demand and industry structure (Carter, 2012).

Two types of results can be manipulated from an external analysis; Proactive and Reactive results. Proactive outcomes are concerned with organisations opportunities and threats and provide practical strategies to manipulate

these given situations. Reactive outcomes concentrate on environmental fluctuations outside an organisations control, delivering a base of pre-emption for efficient reaction (Lynch, 2012).

Lynch (2012) expresses why an environmental analysis is imperative to an organisations success. He claims that it provides the potential to produce a sustainable competitive advantage; it allows for the anticipation of threats as a risk management strategy and could also provide the necessary foundation in co-operating with other organisations. Discovering the environmental positioning of Beat will be beneficial in providing frameworks for prospective future growth.

PESTEL – macro environment analysis

A PESTEL analysis is a useful appraisal in determining external environmental trends with the assumption that it will allow an organisation to respond to change with greater efficiency (CIPD, 2012). Studying the macro environment; political, economic, socio-cultural, technological, environmental and legal factors as an orientation tool can prepare an organisation for fluctuations within the market, whether it be growth or decline (CIPD, 2012). Each element of the framework is evaluated as a single entity however, it is essential to remember that interrelationships between these general and competitive entities exist (Henry, 2008).

The PESTEL checklist is a useful analysis to consider in conjunction with the TOWS analysis. As the TOWS analysis examines Beat from both Internal and external perspectives; the PESTEL framework further discloses the

externalities that have the potential to affect the charities strategic position and therefore competitive performance.

PESTEL

Impact on Beats organisation

Political

Legislation - Tax

Legislation - Employment Law

Government Stability & Relations

Charities advantage of no taxation

Minimum wage - competition as others are able to offer more

Essential to maintain as could form a part of imminent strategic management

Economic

Decrease in disposable income

Economic Change - recession

Increased customer and competitor pressure

Inflation

Investments - private enterprises

Increased pressure on revenue

Reluctance of donators

Need to introduce value added processes

Pressure due to increasing costs

Competition for investments especially in current economic climate

Socio- cultural

Changing values and culture

Change in lifestyle

Increase in public Activism

Increasing levels of Anorexia

Pressures as demand varies

Demand for increased staff education

Intelligence reliability is vital

Market and demand growth

Technological

Technology developments (social media)

Government investment policy

Research initiatives

Developments in healthcare

Digital advancement opportunities

Grant opportunities

New research could assist in answering unanswered questions.

Potential to change organisational structure

Environmental

Increased environmental awareness

‘ Green’ Tax

Need for Eco – friendly processes

Level of energy consumed

Legal

Government policy

Data Protection Act

Competition Laws

Potential to change taxation or other legislations that could impact on Beat

Maintenance of essential confidentiality

Acquisitions/ merges/ collusion – monitored closely by legal factors

(Pestel Analysis, 2012 and Shaw, 2012)

Strategists have varying attitudes towards the validity of the PESTEL checklist. Prescriptive strategists have a favourable view of the framework with the belief that organisations can react more efficiently to change by scrutinizing over past experiences. On the other hand, emergent strategists consider that the unpredictability of the external environment makes the reliability of future predictions of limited significance (Lynch, 2012).

Competitor Profiling

In the UK there are approximately 160, 000 charities generating a collective income of around £37bn (Guardian, 2012). From competitor research, the top 1000 British charities in terms of donations are dominated by health charities; Cancer Research, British Red Cross, Macmillan and Gavi Alliance (Guardian, 2012).

With these figures, it does not come as a surprise that there is increasing competition for funds amidst the not-for-profit sector. Comparisons against direct competitors can be an extremely valuable tool and can be achieved through competitive profiling. This tool exposes rivals intentions, resources, market power and existing stratagems (Lynch, 2012).

As Gavi Alliance came out on top of the 1000 British charities for donations, an analysis of this market dominating charity could uncover potentially beneficial opportunities. Alongside this, an investigation into a solely British charity, in the form of 'Body' a Derbyshire based body image charity could also help Beat in determining its strategic positioning.

Competitor profiling is often criticised as being essentially static due to the every changing operating environment (Lynch, 2012). Demand for funds, <https://assignbuster.com/britains-health-care-service-standards-management-essay/>

especially in this current economic market, has led to the increase in competition (Lynch, 2012). Competition is thought to lead to social inefficiency and increased costs due to the shifting of focus from public good to finances (Cha and Neilson, 2001). Collaborations on the other hand could produce more positive outcomes as can be seen in the success story of Gavi Alliance (Vernon, 2011).

Four links

It would appear essential to consider co-operation when examining the environment from a strategic positioning perspective. The achievement of a sustainable competitive advantage is more viable in conjunction with the development of sustainable relationships, business opportunities may arise and moreover cost advantages may materialise due to the implementation of shared costs (Lynch, 2012).

Lynch (2012) developed a Four Links strategic model which aims to establish the durability of co-operations that exist between an organisation and its environment. This model consists of four dimensions outlined in Appendix 1.

The first dimension is “ Informal co-operative links and networks” (Lynch, 2012) which occurs when corporations mutually decide to conjoin for shared benefit without commissioning a lawfully binding contractual agreement.

Lynch then goes on to describe formal cooperative linkages, which are relationships between conglomerates where strategic agreements are made through legal contracting. The third element is based around complementors which enhances both parties as superior value can be added to a product or service through mutual grounding. Finally Lynch (2012) discusses the

concluding stage in his framework, government links and networks which primarily covers the relationship between businesses and parliamentary administrations.

Beat's strategic positioning incorporates several of Lynch's four links dimensions. As well as their informal cooperative alliance with Model Advice they have adopted the complementor focus where they both use their strengths to benefit each other in terms the amalgamation of their campaigns (Beat, 2010). Beat also work with the Mental Health Trust and Primary Care Trust in a similar fashion using their strengths to create networks to ultimately build a platform as to which operate more efficiently (Beat, 2010). Lastly, Beat also deal in relations with the government. These are vital to maintain as government dictate taxation laws and legislations. Governments can also become important customers in their own right through the giving of grants (Lynch, 2012).

Key Strategic Issues

Several strategic issues have been outlined previously, for example; the difficulty of value creation under fluctuating markets, the static nature of the SWOT analysis, the questionable validity of the PESTLE analysis and whether companies will benefit from collaboration rather than competitiveness.

Fundamental strategic issues of the resource based view are that; it's essentially tautological as it aims to identify what organisations should already know, namely the value, rarity and imitability of resources as outlined in the VRIO matrix. The identification of core competencies is extremely vague and is argued to produce little value due to its non- specific

nature and finally, clear objectives of how organisations can progress in terms of their identified advantages aren't provided (Lynch, 2012).

Similarly, Criticism has been placed on the environmental strategic analysis process as it involves merely learning from the past to predict future developments. This had been critiqued as a very risky strategy due to the uncertainty around future developments (Lynch, 2012). If learning from the past isn't viable, the question must be raised as to the validity of frameworks such as PESTEL, four links and competitor profiling.

The speculative nature of future prediction of the environment led Mintzberg to suggest that due to uncertainty, planning a realistic long term strategy is impossible (Lynch, 2012). Hannan and Freeman have argued that for the majority of organisations, a sustainable competitive advantage is not a likely scenario as only large corporations with substantial market power possess the ability to sustain such advantages (Lynch, 2012). Theorists have not been able to reach an agreement on the topic of strategy which adds to the issue of which methodologies to adopt, the prescriptive perspective or the emergent perspective (Lynch, 2012).

In not-for-profit businesses, decision making is thought to be a slower and increasingly uncertain process (Lynch, 2012). Basic strategic decisions could become costly and time consuming through the lobbying of fund availability and conflicting viewpoints on objectives might make strategies difficult to implement (Lynch, 2012). Planning techniques don't help enterprises in managing major issues they face, they don't generate fresh ideas and

innovation is key when striving to add value to an organisation (Camillus, 2008).

Conclusion

References

Baggot, R. (2004) Health and Healthcare in Britain (3rd edition) Hampshire: Palgrave Macmillan

Barney, J. and Hesterly, W. (2008) Strategic Management and competitive advantage (2nd Edition) New Jersey: Pearson Education Limited

Beat (2010) ' Beat Beating Eating Disorders' [online] Available at: <http://www.b-eat.co.uk/> [accessed on: 13/11/2012]

Beat (2010) ' Mission and Values' [online] Available at: <http://www.b-eat.co.uk/about-beat/about-us/mission-and-values/> [accessed on: 13/11/2012]

Beat (2010) ' Corporate Partnerships' [online] Available at: <http://www.b-eat.co.uk/support-us/business-development/corporate-partnerships/> [accessed on: 16/11/2012]

Camillus, J (2008) strategy as a Wicked problem [online] Available at: <http://hbr.org/2008/05/strategy-as-a-wicked-problem/ar/1> [accessed on 17/11/2012]

Carter, J. (2012). Strategic Analysis: Key Concepts, from BSO305. Plymouth University on 1/10/2012. Available from: Tulip [accessed 10/11/2012]

Carter, J. (2012). Resource-Based View and Internal analysis, from BSO305. Plymouth University on 15/10/2012. Available from: Tulip [accessed 10/11/2012]

Carter, J. (2012). Environmental-based view and environmental analysis, from BSO305. Plymouth University on 8/10/2012. Available from: Tulip [accessed 10/11/2012]

Cha, I. and Neilson, W. (2001) Is competition among charities bad? Texas A&M University [online] Available at: <http://web.utk.edu/~wneilson/Charity-competition.pdf> [accessed on 16/11/2012]

CIPD (2012) PESTLE Analysis [online] Available at: <http://www.cipd.co.uk/hr-resources/factsheets/pestle-analysis.aspx> [accessed on 16/11/2012]

Greechie, S. (2012), Swot Analysis of a Non-profit Organisation. [Online] Available at: <http://smallbusiness.chron.com/swot-analysis-nonprofit-organization-4407.html> [accessed on 14/11/2012]

Guardian News (2012), Britain's top 1, 000 charities ranked by donations. Who raises the most money? [online]

Available at:

<http://www.guardian.co.uk/news/datablog/2012/apr/24/top-1000-charities-donations-britain> [accessed on 16/11/2012]

Hamel, G. (2012) Difference between SWOT and TOWS Analysis. [Online] Available at: <http://smallbusiness.chron.com/difference-between-swot-tows-analysis-23169.html> [accessed on 14/11/2012]

Henry, A. (2008) Understanding strategic management. Oxford: oxford university Press

Jaquier, B. (2003) The Resource Based View of the Firm. [Online] Available at: <http://www.ecofine.com/strategy/RBV%20of%20the%20firm.htm> [accessed on 14/11/2012]

Johnson, G. Scholes, K. and Whittington, R. (2010) Exploring Corporate Strategy (8th edition) Essex: Pearson Education Limited

Lynch, R. (2012) Strategic Management (6th edition) Essex: Pearson Education Limited

Mind Tools Ltd (2012) The TOWS Matrix. [Online] Available at: http://www.mindtools.com/pages/article/newSTR_89.htm [accessed on 14/11/2012]

Outram, C. Ringwood, S. (2012) Beat Annual Review 2011-2012 pp: 1-19 [online] Available at: <http://www.b-eat.co.uk/about-beat/about-us/company-information/> [accessed on 12/11/2012]

Pestel Analysis (2012) Pestel Analysis [online] Available at: <http://pestel-analysis.com/> [accessed on 16/11/2012]

Shaw, A. (2012) A Pestle analysis for the pharmaceutical industry [online] Available at: <http://www.strategic-planet.com/2011/01/a-pestle-analysis-for-the-pharmaceutical-industry/> [accessed on 16/11/2012]

Vernon, B. (2011) To collaborate or compete? [Online] Available at: <http://newphilanthropycapital.wordpress.com/2011/02/08/to-collaborate-or-compete/> [accessed on 16/11/2012]

Wehrich, H. (1999), 'Analysing the competitive advantages and disadvantages of Germany with the TOWS Matrix – an alternative to Porter's Model', *European Business Review*, Vol. 99 Iss: 1 pp. 9 – 22 [online] Available at: <http://dx.doi.org/10.1108/09555349910251822> [accessed on 14/11/2012]

GAVI ALLIANCE

BODY