Hca healthcare company analysis

Education

I. Introduction The business-level strategy is acombined and synchronized collection of the obligations and actions that are used by the firms to attain a competitive advantage. The firms try to consume core abilities in certain product markets. Under this strategy, the firms stipulate their choices on that how they plan to strive in individual product markets. It's important that every firm should improve a business-level strategy to generate the differences between its own place and its competitors' places.

The bond between the customers and business-level strategies is very important because the customers are main cause of the strategy's success. The bond that a firm develops with its customers creates the value and profitability. There are five business-level strategies that a firm shouldor can practice to create and support its chosen strategic position against competitors. These include the variation, the costleadership, the focused cost leadership, focused differentiation, and the unified cost leadership/differentiation. In chapter 6, it argues these five strategies and side by side with the risks that are associated with each other.

In chapter 6 they also argue corporate level strategies. The corporate-level strategy has emphases on the actions that a firm takes to attain a competitive advantage by choosing from and handling a collection of different businesses competing in different product markets. These strategies help the firms in choosing on new strategic positions that are likely to increase the value. The product diversification is avital type of the corporate-level strategy. The diversifications also can differfrom the low levels to the high levels. Well normally, the diversification strategy is used to raise the firm's value by improving its whole performance.

It is essential that the managers should attentive to their firm's internal organization and to its externalenvironmentwhen making decisions regarding the most advantageous level of the diversification. In chapter 7 there is discussion of mergers, takeover, and acquisitions. A merger is formed when the two firms mix their businesses with each other. An acquisition is a strategy that involves when one firm purchasing the bulk or all interest into another firm with the aims of making it into a subsidiary company within its own group.

A takeover is a type of acquisition where the acquired firm does not ask for the capturing firm's proposal. Acquisitions are used for thenumerous reasons, which contain increasing in the market power and conquering the entry obstacles to new markets. Sometimes a firm must restructure its self in order to change its pool of businesses or financial procedure. This can be done through the downsizingor leveraged buyouts. A firm's major goal for restructuring is to improvement or successful in strategic control. II. SWOT Analysis A. External environment The U. S. healthcare industry is one of the biggest industries in U. S. The U. S. ospital industry is split with thevarious ownership and noticeably different revenue sources with a small number of the main firms. The HCA was operating in a conservative industry where their aremany challenges and financial constraints. One of the major aspects that affected HCA is the increased quantity of the uninsured Americans citizen. The Columbia/HCA's goal was to emphasis on the providing beds for insured patients to have the profits up. As the number of uninsured Americans citizen increased, it made it harder to keep the beds at full

capacity. The increases inhealthcare costs also played a role in the HCA's actions.

The Tenant and Triad Hospitals are recognizedas the big competitors for HCA. The HCA's business strategy also puts them in competition in the urban areas mainly against autonomous non-profit hospitals. Many do not have the equal financial performance aims and this helped HCA to be the market leader. B. Strengths and Weaknesses The HCA's strengths involvedarethe leading position in the hospital market, thespacious and infinite service offerings. The HCA developed such a strategy that dedicated on a main group of market-leading hospitals by utilizing its own financial resources, medical related, and management proficiency personnel.

At current, the HCA still utilizes this whole operating strategy. The HCA controlledits advanced business practice. After selling its non-hospital business and the other facilities that did not resemble with its strategy, HCA is still persistent to focus on the providing of high quality healthcare. The company also has some weaknesses including its negative past and spoiled public image that included charges of the fraud, which headed to the federal government investigations. Over the years, the organization's strengths have mostly remained same, except the fact that HCA does not provide the spacious amount of required services.

The HCA made a clever choice to focus on only giving the hospital services in order to increase its quality and not to be putteringthemselves in other industries. The HCA still is known for its previous corruption, but still remains the prominent firm in the hospital industry. C. The Case of HCA 1. The HCA's core capabilities consist of the greater patient care and its functioning

strategy it that has been using for many years. It’s other core capabilitiesare includesthe financial resources, medical background, and the management proficiency.

These competencies build the value for the company by specializing in the removal of excess capacity and the gratitude of the economies of scale. The HCA’s organizational resources add the unique value for the firm. In 1968, the HCA was founded and they operated under aunited cost leadership/differentiation business-level strategy. There was achance in the hospital industry to create the low cost services with differentiated qualities, and this is what HCA desired to implement in their system. The HCA was able to adapt quickly to the new technologies and fast changes that arose in the external environment of the HCA.

The company focused on two resources of competitive advantages-cost and the differentiation in various aspects. The HCA establisheda strong network with physicians and with other healthcare practices under this strategy (HCA, 2011). 2. The HCA’s arepurchase of many small rural hospitals and the opposing investor-owned health care companies created a positive return on the firm’s invested capital in market. The HCA acquired these health care facilities in the faith of revolving them into the most profitable hospitals and control the industry for that specific region of state.

There were problems of the recruiting in small rural hospitals, but HCA’s investments in the equipment and facility renovation have signified improved the firm’s ability to gain the support from small rural physicians. The external factors, such as the great unemployment in the certain or various locations and in the farming communities affected the purchasing of

said facilities. The acquired hospitals constantly had the small staff in contrast with their competitors. However, the HCA focused on modification of the bed size. The acquired hospitals also had a good amount of oard-certified experts in comparison with their competitors. The HCA focused on main renovations and developments for the acquired hospitals for the creation of financial economies. 3. The HCA used both horizontal and vertical integration for the cultivation of mergers and acquisitions. The Columbian &HCA had such an acquisition strategy in place and the purchasing facilities and in building new facilities that prohibited its offers to purchase. In the firm's own integration strategy, the company simply acquiredthe physician practices where HCA were not steadfastin its investments.

The company fixed admissiongoalsfor the acquiring of physicians. The company then owned the coarsely 2, 700 medical practices, and these acquisitions then began purchases by nonprofit competitors. 4. The HCA did not aspect too much integration because of its management proficiency. The company established a working strategy to obtain its goal and to succeed in gaining market authority. However, the management appeared to be too focus on the acquisitions and obtaining total power, which landed the company in such trouble that, consisted of a federal investigation for fraud.

The company had lost focus on the point of quality of service. The firm also had become too huge due to acquisitions. Before the downfall of the Columbia/HCA, it had 2, 700 medical practices, many of which were the non-hospital practices (Goldsmith, 1998). The HCA soon understood that the focusing on size was not really a good strategy for the success path. Overall, the HCA was between the 60% of failures in the merger/acquisition strategy.

The merger with Columbia and the hostility to go into the several acquisitions was one of the reasons of HCA's downfall. III. My Impressions of the Case

The HCA had a great operating standard of the concentrating on patient care, but they lost focus by pushy to control the health care industry. Their business-level strategy primarily started off well but some are developed into one that only attentive on profitability of success of the company. The company soon lost sight of the main goal of satisfying the customer to achievethe value for the company. The HCA focused on the developing acquisitions and mergers to gain more profitability and variation in market. This caused the company to enlarge beyond its ethical operating means.

It took the benefit of integration systems in order to take over the industry. This case revealed how a firm can negatively and positively usesthe acquisitions, mergers, and leverage buyouts. Overall, this case was one of a decent case to transmit to Chapters 4, 6, and 7 of the text. References Hitt, M. , R. Hoskisson, D. Ireland. (2012). Strategic management: Competitiveness &globalization. (10E ed.) Mason, OH: South-Western, Cengage Learning. Montague Brown, Ph. D. (April 1, 1992). Physicians and Management in Health Care. Jones and Bartlett Learning. April 1, 1992.

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