



Partner with Purpose:

How to Build a Winning Playbook to Guide Health System Partnership Strategy

THE PANDEMIC RESHAPED THE HEALTHCARE INDUSTRY.

It ushered in a new era of uncertainty that brought unfamiliar challenges while also amplifying the impact of existing pressures and inefficiencies. This new reality is forcing many hospitals and health systems to consider integrated partnerships more urgently than they have in the past — and perhaps with partners that have historically been considered unlikely. As a result, convening health systems have a window of opportunity to grow through M&A activity and partnership, which demands a robust and comprehensive partnership strategy that is explicitly linked to the organization's mission, enterprise strategy, and growth objectives.

A holistic partnership strategy must consider both the magnitude of potential opportunity as well as the risk of inaction. As demand for partnership accelerates, competition for the most attractive partners will likely intensify among health systems with strong balance sheets and perhaps new market entrants. For health systems to be best positioned for what promises to be a transformational era, it is critical that leaders act quickly to rigorously re-evaluate and adapt their partnership strategy to the emerging environmental context.

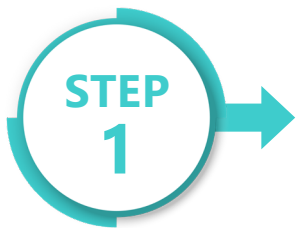
3 Steps for Refreshing Partnership Strategy and Building a Winning Playbook

HEALTH SYSTEMS SHOULD PURSUE A THREE-STEP APPROACH TO REASSESS PARTNERSHIP OBJECTIVES AND DESIGN A FORWARD-LOOKING PARTNERSHIP PLAYBOOK.

Doing so will allow organizations to mobilize resources toward executing the highest priority partnership opportunities, mitigate the competitive risk of being strategically outmaneuvered, and respond quickly to inbound opportunities while reserving limited resources for those that are most important.

Steps to Take





ASSESS AND REFINE PARTNERSHIP GOALS AND OBJECTIVES

Partnerships and M&A are a means to accelerate or amplify the impact of an organization’s strategy. As such, health systems should begin partnership platform design by translating enterprise strategic objectives into a set of criteria against which to assess potential partners.

Example Criteria for Partner Evaluation

EVALUATION CRITERIA	DESCRIPTION
A GROWTH AND ACCESS	<ul style="list-style-type: none"> ● Build system density in target markets ● Extend services to underserved, adjacent, and/or priority regional communities ● Expand catchment area, and attract high-acuity patients
B CARE MODEL INNOVATION	<ul style="list-style-type: none"> ● Enhance quality, outcomes, and patient safety ● Improve cost of care
C CLINICAL DIFFERENTIATION	<ul style="list-style-type: none"> ● Elevate the clinical enterprise ● Build sustainable specialized programs
D STRATEGIC POSITIONING	<ul style="list-style-type: none"> ● Secure and extend market positioning ● Access future-focused capabilities (e.g., population health) ● Attract future partners ● Broaden philanthropic base ● Strengthen brand and reputation
E ECONOMICS	<ul style="list-style-type: none"> ● Enhance financial performance and cost savings ● Strengthen balance sheet
F ORGANIZATIONAL ALIGNMENT	<ul style="list-style-type: none"> ● Grow through partnership with like-minded, culturally aligned health systems ● Mitigate risks of partnership conflict (e.g., misalignment among partners, regulatory issues, etc.)

EVALUATE AND PRIORITIZE PROSPECTIVE PARTNERS

Today’s market dynamics may open doors that were once closed and, as such, it is incumbent upon health systems to comprehensively evaluate potential partners across relevant geographies. This process is essential to illuminate potential downstream economic, cultural, political, or regulatory implications and understand the required sequencing to achieve the organization’s objectives through a broad partnership portfolio.

Each potential partner should be assessed against the evaluation criteria defined in Step 1. This exercise will provide the factual foundation required to enable health system leadership to prioritize potential partners by weighing the relative importance of each criterion, assessing execution risk, and balancing trade-offs associated with each potential partner (e.g., competitive response or misalignment with other current or future partners).

Illustrative Evaluation Matrix of Potential Partners

CATEGORY	SYSTEM/ HOSPITAL*	A GROWTH & ACCESS	B CARE MODEL INNOVATION	C CLINICAL DIFFERENTIATION	D STRATEGIC POSITIONING	E ECONOMICS	F ORGANIZATIONAL ALIGNMENT	PARTNER PRIORITY
LARGE AMCs/IDNs	University Health	●	●	●	●	●	●	HIGH
	Midwest Medical	●	●	●	●	●	●	MEDIUM
	Memorial University	●	●	●	●	●	●	LOW
REGIONAL/ COMMUNITY SYSTEMS	Lakeside Regional	●	●	●	●	●	●	HIGH
	Highview Health	●	●	●	●	●	●	MEDIUM
	Timber Regional	●	●	●	●	●	●	LOW
LOCAL HOSPITALS	River Hospital	●	●	●	●	●	●	HIGH
	Hillside Hospital	●	●	●	●	●	●	MEDIUM
	East Medical Center	●	●	●	●	●	●	LOW
	Oak Grove Hospital	●	●	●	●	●	●	LOW

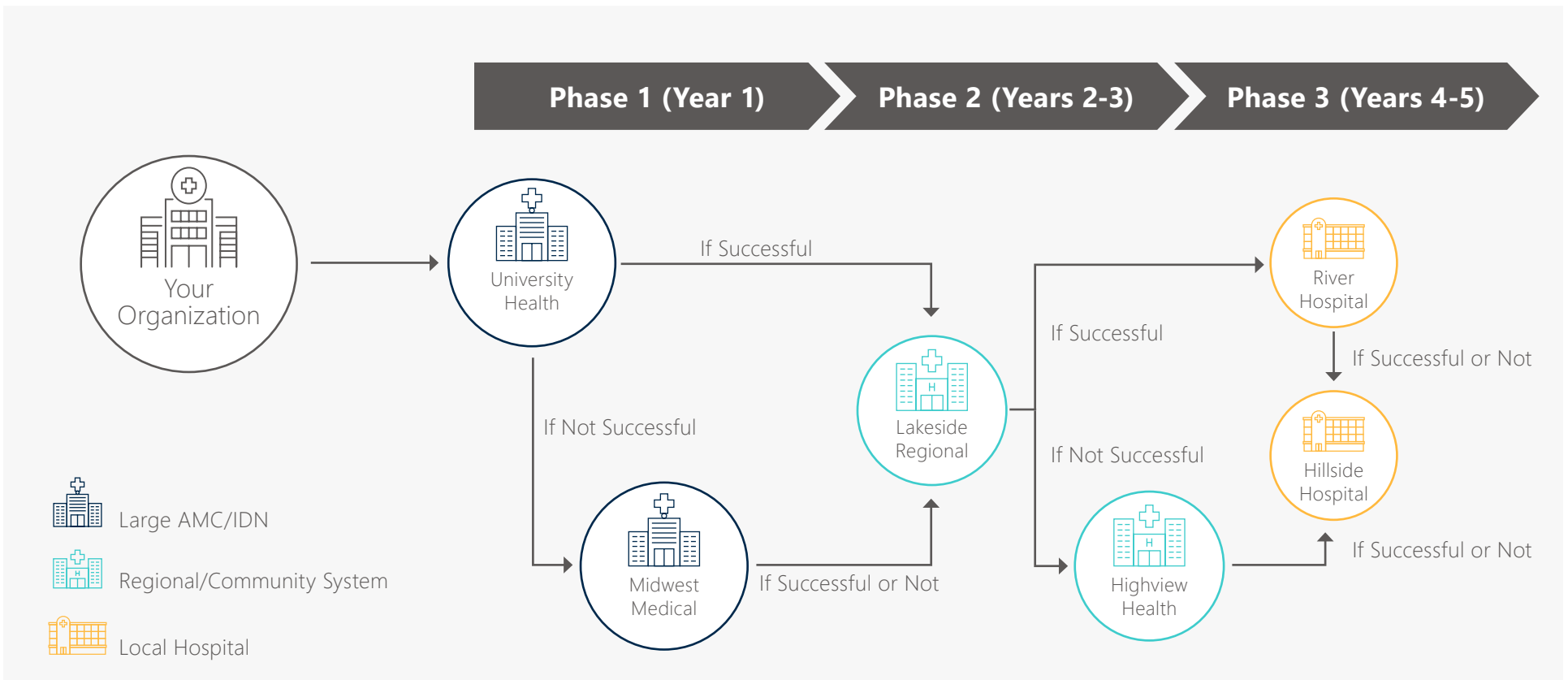
*Health system names are fictional and for illustrative purposes only

STEP 3

DEVELOP A COMPREHENSIVE PARTNERSHIP PLAYBOOK TO GUIDE EXECUTION

TA successful partnership strategy will result in a dynamic, comprehensive partnership playbook that identifies preferred and contingency pathways to achieve enterprise objectives.

Illustrative Partnership Pathway



**Health system names are fictional and for illustrative purposes only*

It is also important that the partnership playbook defines a roadmap for execution, which should include consideration of several key areas:



PARTNERSHIP PITCH

Develop a concise and compelling value proposition that can be shared with potential partners outlining the value a potential partnership could deliver to their organizations.



NEGOTIATION GUARDRAILS

Define preferred parameters and deal breakers across key dimensions of partnership design, including oversight, operational model, and economic arrangement.



OUTREACH STRATEGY

Determine optimal timing, sequencing, and tactical outreach plan for initial engagement with target partners.



COMPETITIVE RESPONSE AND MITIGATION

Determine the most likely responses from competitors, payors, or other constituencies. Develop associated mitigation strategies and contingency plans.

To conduct this assessment effectively, it is critical to have a disciplined analytic approach, a deep understanding of key healthcare organizations across immediate and surrounding geographies, and dedicated resources to expeditiously execute identified opportunities.

A Window of Opportunity

The current headwinds facing health systems are sizable but also present a unique opportunity to fundamentally reposition for the future. Now is the time for health system leaders to take inventory of the new environment, refresh partnership strategy, and build a proactive and comprehensive playbook to guide execution. In doing so, it is critical to ensure that future partnerships are sustainable and will deliver on the organization's strategic goals. This demands consideration of the specific role that each partner will play in the broader network and a thorough understanding of the trade-offs associated with pursuing each organization. Embracing this approach will position health systems to build a purposeful partnership portfolio that delivers long-term and transformative value.

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