

Environmental Scans Identify Opportunities and Threats



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Environmental scan. Strategic assessment. Situation audit. These are all terms that have been used interchangeably over the years to label the output of the process of gathering, analyzing and using information about events, trends and relationships in an organization's surroundings. The knowledge obtained is used in planning the organization's future.

Unfortunately, the environmental scan in health care organizations is usually focused on the past and present and often consists of a huge "data dump." Many times, it is developed in isolation by the strategy department and pushed out to the organization, bypassing a participatory process. Further, for Catholic providers, there is often a paucity of available information specific to the Catholic health ministry or the church to include in the scan. As a result, senior leaders in health care frequently do not perceive the environmental scan as adding authentic value to the strategy development process and are reluctant to invest resources in developing new assessments.

Environmental scanning is similar to looking out and around with our eyes and taking in information that is then processed by our brain and used. Just as for human eyes, more information is available to a health care organization than can ever be used. The challenge in scanning, then, is to determine what information is relevant, to analyze and interpret it and then apply it to the

Good environmental scans gather information, determine its relevance and apply it to the strategic planning and decision-making processes.

strategic planning and decision-making processes.

A good environmental scan gathers information from both the external and internal environments. The external environment is "outside" of the organization itself — and includes cultural, political and technological changes as well as demographic trends and patterns.

Catholic providers need to be aware of changes within the church, of the concerns of the diocesan bishop and of the needs of the poor and underserved in the community. Outside factors with potential impact, such as developments in health reform, need to be brought from national and state levels to regional and local levels to enhance understanding of their effects on the organization.

The internal component of a scan requires a look within the organization. For health care, important knowledge related to this internal environment would include an organization's operations (quality; patient, employee and physician satisfaction; staffing patterns and needs), along with its organizational culture (how its values are lived out); its governance; and, in the case of Catholic providers, its sponsorship. Benchmarking performance both within (longitudinally over time) and externally (compared to other similar organizations) is essential.

Content scanning consists of watching only those trends, conditions and events that directly affect the organization's goals and the services it provides. Context scanning, on the other hand, involves observation of all the trends, conditions and events that may or may not directly affect goals and services. Context scanning looks for a broader range of information from areas such as economics, technology and other industries, each of which may provide clues to potential influences on health care use or delivery in the future.

Analyzing the information that is received can be the most difficult step in environmental scanning. If there is no filtering process, the organiza-



tion can end up with a lot of unusable information. What is needed is a dynamic filter. Richard Slaughter calls this filter a “scanning frame” – a mechanism for paring away 99.99 percent of reality in order to focus on the signals and processes that have a direct bearing on the present and future functioning of an organization.¹ A good filtering process would involve the senior management team, the board and perhaps a panel of sponsors and the medical staff.

The third and last step is using the information that has been obtained. Knowing what is an important piece of information and acting upon this knowledge are often far apart. Figuring out whether or not to project past

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trends forward or use an entirely different approach to anticipating the future is as much art as it is science.

A purely mathematical approach to projecting historical trends into the future may be fraught with error – and this is where the “context” becomes invaluable.

Environmental scanning is a process that takes time and effort to develop and to use well. It is a form of protection from anticipated dangers and provides ways to see new areas of opportunity as well. Organizations with an information consciousness have an intelligence that will help keep them thriving.

In the last issue of *Health Progress*, I made a case for the value of long-range visioning in health care and described the Vision 2020 process being undertaken for the Catholic health ministry. In the last few months, an environmental scan for the Catholic health ministry has been developed that outlines the context, both internal and external, for developing our preferred vision of Catholic health min-

istry in 2020.

Some interesting information specifically about Catholic health ministry included in the scan is the emergence and growth of Catholic health systems over the past 50 years, the changes in sponsorship from single sponsors to multiple sponsors and public juridic persons, the dramatic shift from religious administrators to lay leadership and changes within the many ministries across the continuum of care that comprise Catholic health care.

Today, Catholic health care providers treat one in seven hospital inpatients and provide one in seven outpatient visits in the United States. Comprising roughly 13 percent of the hospitals in the United States, Catholic hospitals provide care for nearly 17 percent of the Medicare inpatients discharged across the country. Another 1,500 ministries provide care along the continuum outside of acute care hospitals. These include long-term facilities and home care, hospice and palliative care and independent living facilities. More than 200 Catholic hospitals provide inpatient psychiatric services.

For more details on the scope of Catholic health ministry today and on environmental factors likely to impact Catholic health ministry in the future, you can access the full scan at www.chausa.org/vision2020.

Feel free to download the scan and use it to help set the context for your organization’s strategy development process. ■



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NOTES

1. Richard A. Slaughter, *The Foresight Principle*, (London: Adamantine Press, 1995).

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