**МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ**

**ХАРКІВСЬКИЙ НАЦІОНАЛЬНИЙ ЕКОНОМІЧНИЙ УНІВЕРСИТЕТ**

**ІМЕНІ СЕМЕНА КУЗНЕЦЯ**

**Кафедра менеджменту та бізнесу**

**ІЛЮСТРАТИВНИЙ МАТЕРІАЛ**

**ДО БАКАЛАВРСЬКОЇ ДИПЛОМНОЇ РОБОТИ**

**на тему: «Планування маркетингової діяльності на підприємстві»**

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Харків, 2022

**Development of the organization’s strategy (the hospital case)**

Today organizations clearly feel a need for strategies to achieve agreed goals and objectives, giving a sense of purpose and direction to the organization and its members. Indeed, rapid changes in technologies, competition, customer preferences, legislation, international affairs etc. make organizations to be focused on these changes rather than on own previously developed plans. Strategy helps organizations to withstand such challenging changes, to neutralize threats and to employ opportunities.

**Actuality**

to develop theoretical basics and to suggest practical recommendations concerning the strategy development for the medical institution

**Goal**

to analyze and develop the theoretical basics of a strategy development for the medical institution;

to provide the general characteristics of Eastbourne District General Hospital;

to conduct technical, economic and financial analysis of the Eastbourne District General Hospital’s activity;

to analyze external and internal environment of Eastbourne District General Hospital from the strategic perspective;

to develop the key elements of the Eastbourne District General Hospital’s strategy;

to calculate economic effect of the suggested recommendations.

**Tasks**

the process of strategy development for the medical institution

**Object of the thesis**

the algorithm, methods and tools of strategy development for the medical institution

**Subject of the thesis**

morphological analysis, logical generalization, graphical method, horizontal and vertical analysis, correlation and regression analysis, project evaluation and review technique

**Research methods**

works scholars on the problems of strategy development, as well as reports of Eastbourne District General Hospital, statistical and analytical data on the UK healthcare sector

**Information base**

|  |
| --- |
| **1. THEORETICAL BASIS OF STRATEGY DEVELOPMENT FOR THE MEDICAL INSTITUTION** |
| 1.1. The definition and key features of strategy |
| 1.2. Types of strategies for a medical institution |
| 1.3. The process of strategy development for a medical institution |
| **2. COMPREHENSIVE ANALYSIS OF THE EASTBOURNE DISTRICT GENERAL HOSPITAL ACTIVITY** |
| 2.1. General characteristics of the enterprise, analysis of management system and key indicators of the enterprise ‘s activity |
| 2.2. Technical, economic and financial analysis of the enterprise activity |
| 2.3. Analysis of external and internal environment of Eastbourne District General Hospital from the strategic perspective |
| **3. UGGESTIONS ON THE STRATEGY DEVELOPMENT FOR THE EASTBOURNE DISTRICT GENERAL HOSPITAL** |
| 3.1. Forecasting the healthcare spending in UK with the use of regression model |
| 3.2. Development of the recommendations for the Eastbourne District General Hospital strategy |
| 3.3. Calculation of the economic effect of recommended measures |

**Thesis structure**

recommendations developed in the thesis will help Eastbourne District General Hospital to achieve its strategic goals.

**Results**

The process of strategy development for a medical institution. – is being published

**Publications**

**Topic**

**Fig. 1. Scheme of a logical structure of the thesis**

**Table 1**

**Morphological analysis of the term “strategy”**

|  |  |  |
| --- | --- | --- |
| **Definition** | **Genus** | **Author** |
| A pattern of decisions in a company that determines and reveals its objectives, purposes or goals, produces the principal policies and plans for achieving those goals, and defines the range of businesses the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and non – economic contribution it intends to make to its shareholders, employees, customers, and communities. | pattern | K. Bowman |
| A determination of the basic long – term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources for carrying out these goals. | determination | A. Chandler |
| Management plan aimed at strengthening the position of the organization, the needs of its customers and the achievement of specific performance. | Management plan | G. Johnson |
| A careful plan or method | plan or method | Merriam-Webster dictionary |
| The art of devising or employing plans or strategems towards the goal | art | Merriam-Webster dictionary |
| A set of policies adopted by senior management, which guide the scope and directions of the entity | set of policies | N. Ritson |

**Table 2**

**Types of strategies for a medical institution**

|  |  |
| --- | --- |
| **Classification** | **Strategy types within the classification** |
| Freeman’s classification (by the policy towards stakeholders) | Narrow stakeholder strategy |
| Stockholder strategy |
| Utilitarian strategy |
| Rawlins strategy |
| Social harmony strategy |
| Level | Corporate |
| Business |
| Functional |
| Integration strategies | Forward |
| Backward |
| Horizontal |
| Intensive strategies | Market penetration |
| Market development |
| Product development |
| Diversification strategies | Concentric diversification |
| Horizontal diversification |
| Conglomerate diversification |
| Defensive strategies | Retrenchment |
| Divestiture |
| Liquidation |
| Porter’s classification (by the way of differentiation from competitors) | Professional referral marketing strategy |
| Internet marketing strategy |
| Branding strategy |
| Internal marketing strategy |
| External marketing strategy |
| Public relations strategy |

Environment analysis
(External and Internal)

Preparation

SWOT analysis

Developing a vision and mission

Identifying gaps between vision and mission, and environment

Strategic planning

Strategy implementation

Strategy monitoring and updating

Developing a value chain

Organizing into integrated practice units

Measuring outcomes and costs

Moving to bundled payment for care cycles

Integrating care delivery

Expanding services across geography

**Fig. 2. Process of strategy development for a medical institution**

Board

Chairman

Chief executive

Director of nursing

Chief operating officer

HR director

Director of finance

Medical director

Director of strategy

Director of corporate affairs

Non-executive directors

Art in healthcare

Chaplaincy, religion and spiritual care

Complaints and concerns

Electronics and Medical Engineering

Equality and human rights

Library

Patient Advice and Liaison

Pharmaceuticals Manufacturing Unit

Research and development

**Eastbourne District General Hospital**

Conquest Hospital

Bexhill Hospital

Rye, Winchelsea and District Memorial Hospital

**Fig. 3. Organizational structure of the East Sussex Healthcare NHS Trust**

**Table 3**

**Rules for patients in Eastbourne District General Hospital**

|  |  |
| --- | --- |
| **What a patient can expect** | **What is expected from a patient** |
| To be given a clear explanation of patient’s condition and the treatment options available to patient. | To give staff the information we need about patient’s condition, symptoms or medication so we can provide appropriate care. |
| To be asked for patient’s written permission (called “consent”) for any operation or certain procedures after being given all relevant information. | To treat our staff with the same respect patient expect from them. |
| To be told about different aspects of patient’s treatment and what procedures are being carried out. | To let staff know about any special needs patient may have (for example), an interpreter. |
| To be treated with respect and dignity at all times in an environment that is clean. | To help, as far as possible, in feeding patient’sself, keeping mobile and with patient’s personal hygiene. |
| To be confident that the information staff hold about patient in patient’s records will be kept confidential. | To arrange for patient’s own transport home, if possible. |
| To have arrangements made for patient to see patient’s patient records if patient would like. | To arrange with patient’s family and friends to take care of patient’s personal laundry, if possible. |
| Staff would keep relatives or careers informed of patient’s progress if patient want us to. | To be considerate to other patients. |
| If patient have difficulties speaking or understanding English please ask for an interpreter before patient’s appointment. | To reduce disturbance for all patients during visiting times visitors are limited to two per visit on inpatient wards and limited to one person if patient are attending for Day Surgery. |

**Table 4**

**Key medical performance indicators of East Sussex Healthcare NHS Trust for 2016/2017 financial year**

|  |  |
| --- | --- |
| **Performance indicator** | **Value** |
| Number of patients used Trust’s Emergency Departments | 110500 |
| Number of people attended an Outpatient appointments | 456000 |
| Number of people supported with community based services  | 95500 |
| Number of women became mothers | 3144 |
| Number of babies delivered | 3182 |
| Number of patients undergoing elective surgery | 54422 |
| Share of patients undergoing elective surgery who had their operations as day cases and returned home on the same day | 85.39% |
| Number of radiological examinations and therapeutic procedures | Almost 290000 |
| Number of pathology tests carried out | over 6 million |

**Fig. 4. Accident and Emergency 4 hour performance of the East Sussex Healthcare NHS Trust**

**Table 5**

**Dynamics of revenues of the East Sussex Healthcare NHS Trust, 000 pounds**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Indicator** | **2016/2017** | **2015/2016** | **Change** | **Growth rate, %** |
| Revenue from patient care activities | 339788 | 323874 | 15914 | 4.9 |
| Other operating revenue | 39519 | 32278 | 7241 | 22.4 |
| Total operating revenue | 379307 | 356152 | 23155 | 6.5 |

**Table 6**

**Dynamics of income (deficit) of the East Sussex Healthcare NHS Trust, 000 pounds**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Indicator** | **2016/2017** | **2015/2016** | **Change** | **Growth rate, %** |
| Operating surplus (deficit) | -37439 | -40018 | 2579 | -6.4 |
| Retained surplus (deficit) for the year | -44185 | -77019 | 32834 | -42.6 |
| Net surplus (deficit) | -43792 | -47997 | 4205 | -8.8 |

**Fig. 5. Dynamics of the East Sussex Healthcare NHS Trust equity**

|  |  |
| --- | --- |
| **Political context** | **Economic context** |
| 1. Brexit brings negative forecasts for the healthcare financing.2. Coalition Government in the UK with a commitment to cut public spending.3. Doctors are ‘being put in charge’ according to the Health and Social Care Bill.4. Significant reduction in health inequalities and changed role for National Health Service (NHS) in reducing thecurrent gap. | 1. Low economic growth in UK due to Brexit.2. Increasing inflation.3. Reduced funding to NHS and other public sector bodies closely related to healthcare.4. Restricted access to capital and borrowing due to Brexit. |
| **Social context** | **Technological context** |
| 1. Ageing population.2. A more health literate public driving both demands and concerns about healthcare.3. Growing patient expectation of both the quality and experience of care.4. Significantly changing local demographic notably in context of ethnicity profile. | 1. Medical portals development.2. Business intelligence solutions.3. Big data and improved healthcare statistics.4. Genetic engineering.5. New medicines.6. Improved medical services. |
| **Environmental context** | **Legal context** |
| 1. Department of health (DH) directives carry the weight of statute.2. Healthcare regulators are requiring more and more information to license providers. | 1. The ‘Green’ IT agenda (electronic application forms, electronic consultancy).2. Requirement and aspiration to reduce carbon footprint of estate and services. |

**Fig. 6. The East Sussex Healthcare NHS Trust PESTEL analysis**

|  |  |
| --- | --- |
| **Strengths** | **Weaknesses** |
| 1. Competent governing board members.
2. Research excellence in the areas of cancer, cardiac and paediatrics.
3. Satisfied patients.
4. Talented and committed workforce.
5. Improving focus and achievement on all priority performance measures.
 | 1. Weak financial position and negative levels of operating surplus.
2. Poor quality of large parts of estate with impacts on both patient experience and service efficiency.
3. Lack of robust information to support clinical and operational practice particular in relation to workforce productivity and clinical outcomes.
4. An under exploited research potential.
5. Lack of granularity in understanding the costs of the services.
6. Inability to reduced our fixed and semi-fixed cost base quickly.
7. Volatile performance in key areas of strategic importance.
8. Lack of staff.
 |
| **Opportunities** | **Threats** |
| 1. Aging population.
2. Increasing healthcare concern.
3. Developing in IT sector, big data.
4. Improved medicines and medical technologies.
 | 1. Brexit negative impact on financing, investments, salaries and inflation.2. Recent and future market entrants.Desire from commissioners to reduce reliance on secondary care services and estate. 3. Financial constraints in NHS and beyond leading to reduce activity, with associated income loss and reduced unit income associated with tariff deflation / restructuring. |

**Fig. 7. SWOT analysis of Eastbourne District General Hospital**

**Table 7**

**The key policies supporting the recommended Eastbourne District General Hospital quality strategy**

|  |  |
| --- | --- |
| **Policy** | **Description** |
| Learning | Trust need to be a listening and learning organisation to act on findings swiftly to reduce potential for harm and therefore improve quality and safety. Trust will learn from incidents, complaints, claims external reviews, audits, service changes and clinical reviews and act on findings. |
| Leadership | Investment in the trust values and development for trust leaders. |
| Patient and public involvement | Development of an effective Public Engagement and patient experience Strategy that involves patients and public with strategy and ongoing service delivery from the floor to Board. |
| Staff investment and training | Ensuring recruitment and retention effective and provides the right number of staff to deliver safe care. Develop staff across the organisation and embed a positive culture through listening and engagement. Provide staff with improvement skills and support to embed a culture of continuous improvement across the organisation. |
| Measuring progress | Establish robust measuring of quantitative and qualitative data and act on findings. |
| Structures and monitoring | 1. Trust Integrated Performance Dashboard that incorporates key performance indicators within each of the five key area. These are reported to the Trust Board.2. Within the Quality and Safety area the dashboard monitors the same indicators at ward/department, Division and Trust level providing the opportunity to analyse progress and identify hot spots. This is known as the Floor to Board Dashboard.3. An effective committee structure with regular progress reports for all aspects of quality and safety (see the Risk an Quality delivery strategy). 4. Each Division has Risk and Governance meetings with a monthly performance review with the Executive Team to review all their performance data including their quality KPI.5. Collaborative work with Trust Clinical Commissioning Groups with performance and quality groups in place to review and test quality. 6. Tracking and reporting progress through the Quality account priorities and the 2020 high level metrics. |

**Table 8**

**List of PERT chart activities**

|  |  |  |
| --- | --- | --- |
| **Activity index** | **Activity name** | **Activity duration, weeks** |
| A | Organizing the strategy development | 2 |
| B | Environment analysis | 10 |
| C | Mission and vision review | 2 |
| D | Quality strategy development | 6 |
| E | Financial strategy development | 5 |
| F | Innovation strategy development | 6 |
| G | Learning strategy development | 3 |
| H | Balanced scorecard development | 3 |

B

C

F

D

0

1

2

3

4

6

5

7

A

E

G

H

**Fig. 8. PERT chart of the Eastbourne District General Hospital strategy development**

**Table 9**

**Balanced scorecard of the strategy recommended for the Eastbourne District General Hospital**

|  |  |  |  |
| --- | --- | --- | --- |
| **Perspective** | **Strategic goal**  | **Key performance indicator** | **Target value** |
| Finance | Receive positive net surplus (profit) | Net surplus (profit) | 5 million pounds |
| Increase revenue from patient care activities | Revenue increase | 30% |
| Clients | Increase number of patients served | increase in number of patients | 20% |
| Increase tarrifs | increase in tarrifs | 10% |
| Increase customer satisfaction | Overall score from patients saying that they would recommend Trust’s services | 98% |
| Business processes | Improve Performance of the Accident and Emergency 4 hour service | Performance of the Accident and Emergency 4 hour service ratio | 95% |
| Improve Aggregate score for the Referral to Treatment | Aggregate score for the Referral to Treatment ratio | 95% |
| Learning and growth | Improve employees motivation and engagement | Employees satisfaction index (out of 5) | 4.5 |
| Improve the pay-for-performance practices  | Share of employees receiving bonuses related to their individual performance  | 80% |
| Improve employees qualification | Employees average assessment score (out of 5)  | 4.2 |
| Improve IT systems | Percent of employees having an access to the corporate ERP | 90% |

**Table 10**

**Benefits of the strategy being developed for different stakeholders**

|  |  |
| --- | --- |
| **Benefits to Patients** | **Benefits To Staff, Managers, Board**  |
| 1. Consistently high quality patient experience, characterised by care delivered with dignity, respect and excellent communication.
2. Health outcomes as good as the best.
3. No untoward events such as hospital acquired infections, pressure sores or falls.
4. Services that are easy to access and simple to navigate.
5. Excellent communication from hospital to general population.
 | 1. High levels of job satisfaction and clarity about what is expected.2. Job security with prospects for progression, for those that want it.3. Opportunities to participate and develop research and innovation in practice.4. Positive reputation.5. Financially sound. |
| **Benefits to Partners** | **Benefits to Regulators** |
| 1. Services in the right places, without duplication.2. Services that represent value for money.3. Delivery closer to the patient and delivered in partnership with others.4. Consistent achievement of quality and performance standards.5. A “low maintenance” provider of services. | 1. Compliance with all CQC and Monitor requirements.2. Delivery of NICE guidance.3. Financial health and a positive risk rating.4. Reputationally sound. |

**Table 11**

**Calculation of the economic effect of recommended measures**

|  |  |
| --- | --- |
| **Revenue and expenses** | **Value** |
| Expenses for SAP ERP development and online portal development | 2000 |
| Additional expenses for personnel training | 1600 |
| Compensation for additionally hired quality assurance personnel | 1200 |
| Gross employees benefits in 2016/2017 | 269971 |
| Additional bonuses to employees as percentage of gross employees benefits | 20 |
| Additional bonuses to employees | 53994 |
| Total additional expenses related to the strategy introduction | 58794 |
| Revenue from patient care activities in 2016/2017 | 339788 |
| Expected increase in number of patients, % | 20 |
| Expected increase in tarrifs, % | 10 |
| Expected revenue from patient care activities | 448520 |
| Increase in revenue from patient care activities | 108732 |
| Increase in operational surplus | 49938 |