Culture Matters: M&As

Mergers and acquisitions often are made in the hope that business operations can be rationalised so as to provide customers with better products or services.

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To achieve the important benefits of integration, culture is key, says Sue Schade, MBA, FHIMSS, Principal at StarBridge Advisors, which provides consulting, coaching and interim management services. "That means a shared mission and common values. It means showing respect for the uniqueness of each organisation, being willing to learn best practices from one another, and appreciating all the staff," she wrote in a recent blog post.

Small, independent hospitals are often very agile, extremely customer service oriented and supported by a loyal community. In contrast, large medical institutions can be slow to make changes and appear more bureaucratic. They also have to work harder to create a culture of customer service. These different profiles mesh at merger time, according to Schade, also the interim Chief Information Officer (CIO) at Stony Brook Medicine in New York. When a small hospital joins a larger system, the community benefits in terms of access to a broader range of health services. However, there are also tradeoffs, including a perceived loss of control for small hospitals used to being independent.

Furthermore, M&As help transform health systems – i.e., they need to adopt different models that suit the degree of integration, centralisation, and standardisation. Schade points out that health systems "need to be more than just a common name and logo – they need to demonstrate the value of integration." Also, being an IT expert herself, Schade cites the important role that technology plays in a merger. For example, patients will have a single medical record regardless of where they receive care within the health system.

"And through all the negotiations and organisational changes involved in mergers, what's best for patients and the community needs to be front and centre," she adds.

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