



# Ask An Expert

## The Path to Change

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As healthcare leaders, the stroke of midnight on December 31 was a wake-up call for all of us to break out of our comfort zones and accept that 2011 will bring the unfamiliar and the unknown. Adapting to change will be the standard way of doing business – accepting and embracing the challenges of what may come next, doing more with less, and reinventing ourselves and our traditional practices. As supply chain leaders, we have a responsibility to bring our clinical and administrative staff to the table to address the realities of preference, quality, effectiveness, and real cost reductions.

Like never before, we must question the status quo with the leaders of our medical institutions. Identifying the right product for the right patient at the right time has always been a challenge, but now it's a bedrock reimbursement concept under federal health reform. Change is never easy, especially when patient care is at stake. But as supply chain leaders, we must facilitate change. In difficult times, innovators (which supply executives need to be) are the ones who figure out how to improve productivity, efficiency, and services. Cutting costs is never pleasant, but when thoughtful approaches are applied, the results produce greater value to *all* stakeholders.

History has taught us that true change can be painful, and pain is a major part of the business we are in. When we experience pain, the first thing we usually do is surround ourselves with things that provide comfort – ask for more staff, continuously evaluate until paralysis sets in, ask for more money to change the systems and technologies. But can we really afford to do business this way in the future? Being armed with reliable, detailed information empowers you to communicate clearly where the pain is, and when somebody sees and feels that pain, with your support, you can drive them into action. It is one of the surest ways to bring about change. But we also have to understand the thresholds and tradeoffs of creative cutting so that the slash mentality does not take over. We must remain focused on the best ways to redefine our business processes.

It seems that every article about healthcare also includes at least one reference to reform. We know that supply chain decision-makers rank reform as a top business concern and we are all uncertain about how it will impact our business. While we may fear negative impacts, we need to be open to innovation and better ways to engage physicians and clinicians in cost efficiency and quality. When our medical communities are persuaded that the quality of a product from a clinical perspective will not negatively impact patient outcomes, they will be able to move on to discussions about cost. And we must always remember that the pain we feel at cutting costs is nothing compared to the tangible pain felt by patients for whom our care is their only hope.

As supply chain leaders we will be constantly challenged by the seemingly incompatible goals of working with our physicians and clinicians to improve patient care, focusing on quality, and increasing our market presence while developing innovative strategies to reduce costs. Improving the healthcare supply chain requires physicians, hospitals, and all other healthcare stakeholders to reassess their roles and needs and focus on collaborative efforts for effectiveness – and that can never be achieved without a sobering amount of pain.

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