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## WHY SOCIETY'S SHIFT MEANS YOUR GROUP NEEDS A NEW STRATEGY

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Neckties get wider, then narrower, then wider again. The tides come in and out and in again. And society cycles round and round from an emphasis on, and worship of, rugged individualism, to an emphasis on, and lauding of, community and cooperation.

I refer to this as the Me-We Cycle. (For an in-depth take on this concept from an historical and marketing angle, read *Pendulum* by Roy H. Williams and Michael R. Drew, released by Vanguard Press in October 2012. I highly recommend it.)

In the grand gestalt, over the past thirty to forty years, physicians have tended to be very “me” oriented.

Accordingly, the work that I've done with radiologists and other physician groups for decades has focused on maximizing my client medical groups' outcomes, both in regard to negotiating with hospitals and other facilities, and in regard to their relationships with other physicians. This has been very “me” type work –

negotiation was almost always win-lose, the arguments were based largely on the need to increase physician incomes, and so on.

### **The Pendulum Swings Back**

However, approximately five years ago, I first began noticing, advising clients, and writing about the rather rapid shift from a healthcare business climate in which individualism was lauded and was the dominant structural pattern, to one in which communalism and cooperation were rising.

And now today, society is heavily affected by “we” think, from notions of shared sacrifice, to paying your fair share, to “giving back.”

As the trend has matured, examples in healthcare include the centerpiece, the Accountable Care Organization, as well as all of the other notions of “physician alignment,” whether it’s tight alignment as in employment of physicians by hospitals, or looser alignment as in MSO type structures and co-management agreements.

### **It’s Not Just Us**

Importantly, this isn’t just a trend in healthcare, it’s a trend in society in general and what we’re seeing in healthcare is simply one set of symptoms, or set of indicators, however you want to look at it, of this larger societal shift.

So, for example, we see icons of “me” thinking, movie stars, showing up at the Academy Awards not in a limousine but in a Prius. Being seen as good for the environment – an element that certainly impacts the

whole community, the world community – is good for the image, even though some non-hybrid cars get better gas mileage and don't have heavy-metal, polluting batteries. It's that action – driving a Prius – that is seen as pious.

And, for example, when I recently went to buy a soft drink at the local, newly remodeled McDonalds, I found this saying attributed to Ray Kroc, an uber-example of a "me" thinking entrepreneur, in huge metal block letters stretching at least 25 feet across the wall: "None of us is as good as all of us."

There's a tide here, a strong one: From Burger King's old "Have it Your Way" to McDonalds almost saying that it takes a committee to eat a hamburger.

As much as you might want to pull your hair out and scream, and even though I still believe that those who say "it takes a village" want to be the mayor, we can't ignore the clear trend.

As the writer Franz Kafka said, "In the struggle between yourself and the world, back the world."

### **How to Respond to the Communalism Trend**

In this new reality, the future of healthcare is not in rugged individualism but, rather, in the "it takes a village" world. Success in this context is seen as being gained through cooperation, through what you can actually do, not just promise, to help achieve communal goals.

I'm not suggesting that you should actually subject your group's economic interests to some sort of communalism any more than a hospital is reducing its interest through the creation of an ACO.

What I am suggesting is that your group's contracting strategy, and your group's overall, grand strategy, must tie into this larger societal trend in order to lead your group to greater success, and, in fact, to continue to exist at all.

On a very related note, the larger communal trend may itself temper the growth of large national radiology groups.

By definition, a national group is not local. For that reason, local and even small scale regional groups have the ability to more effectively tie into communal notions when establishing relationships in the relevant community.

### **Smart Small Groups Can Still Win**

This is directly related to the other crucial advantage that local groups have in competing with large group competitors: Large groups are, well, large. As such they lack the one element that an entrepreneurial smaller group, what I call a Strategic Group, has to offer: the ability to create real and deep relationships with the facilities your group serves and with the referring physicians working at those facilities. I talk of this as creating an Experience Monopoly.

This is one area where a local group is a thousand times better positioned than any national group – in fact, better positioned than any other competitor at all.

The key then is the creation of an Experience Monopoly that incorporates strong ties to the betterment of the hospital, the medical staff and local community, as well as one that links to the larger communal trend sweeping through society.

This requires significant planning and structuring and can't be achieved on a short-term basis. It's not a Band-Aid, it's a long term course of treatment.

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