



January 29, 2016

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Sam Walton's Failure Is A Lesson For Medical Groups

Sam Walton has a lesson for you. No, it's not buy low and sell low. It's something very different.

Before Walton founded the Wal-Mart chain, he operated variety stores. (To anyone under 50, see Wikipedia.)

His first store was wildly successful. That is, until he realized that he had signed a short-term lease with no renewal option. At the end of the few year term, the landlord not only took back the space, he took over the operation of the store.

Has your medical group made the equivalent mistake? Many have. They've put themselves in the position that the hospital or another medical group can take over their business as legally, easily, and cheaply as Walton's landlord took over his store at the end of the lease.

For example, a hospital-based group, let's call it Trusting Falls Medical Group, has a three-year exclusive contract with St. Mark's Community Memorial Hospital. Its leaders spent scores of hours recruiting physicians to the group. They've developed trust with the referring physicians, with the medical staff at large, and maybe even with the local community in general.

Then, towards the end of the contract term, the hospital announces that it's not going to renew the contract with Trusting Falls. Instead, it's going to send out a request for proposal to four large, national groups. How will the "winning" group staff the facility? With most of Trusting Falls physicians.

You can do much to avoid this type of situation by taking to heart what Walton did next. He made sure that he always held very long term lease rights. I'm not saying that you can get a 99-year exclusive contract, but you can build protections into your current contracts with facilities and physicians alike that diminish the economic burden in the event of non-renewal and that make your "store" less likely to be shifted to new ownership. And, you can develop a business that's broader than any one hospital or hospital system, a business that's truly independent.

Note that this issue, in slightly different dress, also impacts office-based practices. For example, you wouldn't be the first cardiac surgery group to find that the hospital has recruited more than half of your surgeons to become the "poster docs" for the hospital's new cardiac care center. Your position in the new regime? There isn't one.

Upcoming Webinars Announced

Stay tuned for two upcoming webinars with Mark Weiss:

"Understanding The OIG Advisory Opinion Process"

"Is Your Medical Group A Business or A Club"



Wisdom. Applied. 84 - Why Let Your Competitors Control Your Future?

You, not your competitors, control your future - why would you think otherwise?

All Things Personal

Don't get your medical group or healthcare business lost in big data.

Bureaucratic sorts are drawn to numbers because numbers can be gathered and processed and manipulated, all with the goal of lifetime employment for those doing the counting.

I'm not saying that numbers aren't important (like those following a dollar sign), but only that very little of what's important for your success is capable of numerical measurement in any meaningful way.

Consider the advice of W. Edwards Deming, the man credited by the Japanese as revitalizing their manufacturing economy following World War II, and the namesake of the Deming Prize. A numbers and process man if there ever were one. Yet Deming said that over 97% of the events that affect a company's results can't be measured.

That leaves a mere less than 3% capable of measurement at all.

And, for those things that can be measured, what does their measurement mean?

To paraphrase H. Thomas Johnson, the professor and accounting historian, quantitative measures describes something, they do not explain anything.

IS AN ASC OR OTHER OUTPATIENT CENTER RIGHT FOR YOU?

IN COORDINATION WITH OUR STRATEGIC PARTNER, HDA ENTERPRISES, ONE OF THE MOST EXPERIENCED AND SUCCESSFUL DEVELOPERS AND MANAGERS OF PHYSICIAN-OWNED OUTPATIENT FACILITIES, WE'RE OFFERING A LIMITED NUMBER OF INITIAL ANALYSES.

CONTACT ME TODAY IF YOU'RE INTERESTED IN KNOWING YOUR POTENTIAL FOR PROFIT.

NEW BOOK OFFER

The Impending Death of Hospitals



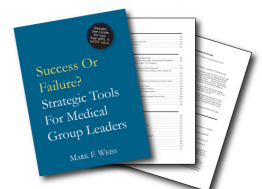
COMPLIMENTARY BOOK DOWNLOAD

Having fallen for the fallacy that there's profit in market share, hospitals have gorged on acquisitions and on employment and alignment of physicians. But it's becoming evident that physician employment leads to losses and that integrated care delivers neither better care nor lower costs. And now, technology is about to moot many of the reasons for a hospital's existence. How can your practice survive and even thrive in the post-hospital world?

The Impending Death of Hospitals is available for download below.

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Success Or Failure? Strategic Tools For Medical Group Leaders



COMPLIMENTARY BOOK DOWNLOAD

Today's medical groups must confront multiple challenges, including the impact of Obamacare. Increasing commoditization. More competition, not just from other physicians and medical professionals, but also from hospitals, investor-owned groups and also

Your success depends on a myriad of interpersonal relations, on hiring the right staff, on doing the right thing the humanities side of business, not the bean counting side, not the easy side.

Why is such-and-such a measure for incentive payment? What does being in the 75% percentile mean? Does a medical staff satisfaction survey reveal what caused the satisfaction?

Don't be seduced by numbers. The truth is that Peter Drucker never said, "If you can't measure it, you can't manage it."

Someone else made it up.

Don't allow your performance to be measured by meaningless measurements.

Don't manage by meaningless measurements.

Speak truth to numbers.

Recently Published Blog Posts

Thursday, January 28

[Picking Off The Fruits Of Your Success](#)

Wednesday, January 27

[The 4 "P's" of Medical Group Success](#)

Tuesday, January 26

[Should We Sell Our Medical Group? Pre-Planning Strategy And Actions](#)

Monday, January 25

[Avoid This Error Of Measuring Leadership Success](#)

Thursday, January 21

[Franchising As A Healthcare Business Model](#)

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Whenever you're ready, here are 4 ways I can help you and your business:

1. Download a copy of *The Success Prescription* Book.

My book *The Success Prescription* provides you with a framework for thinking about your success. Download a copy of the e-book [here](#).

2. Be a guest on "Wisdom. Applied. Podcast."

Although most of my podcasts involve me addressing an important point for your success, I'm always looking for guests who'd like to be interviewed about their personal and professional achievements and the lessons learned. [Email](#) me if you're interested in participating.

3. Book me to speak to your group or organization.

I've spoken at dozens of medical group events, healthcare organization events, large corporate events, university-sponsored events, and private, invitation-only events on topics such as The Impending Death of Hospitals, the strategic use of OIG Advisory Opinions, medical group governance, and succeeding at negotiations. For more information about a custom presentation for you, [email](#) my Santa Barbara office staff.

4. If You're Not Yet a Client, Engage Me to Represent You.

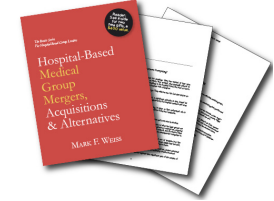
If You're Not Yet a Client, Engage Me to Represent You. If you're not yet a client, and you're interested in increasing your profit and managing your risk of loss, [email](#) me directly. I'll contact you to set up a call or meeting.

disruptive ventures. Yet at the same time, the future of healthcare offers medical groups tremendous opportunity.

This small book is a collection of essays, of thoughts as tools for your success. Read. Think. Succeed. Repeat.

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Hospital-Based Medical Group Mergers, Acquisitions & Alternatives



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Some days, it seems as if everyone, from anesthesia or vascular surgery practices, is talking about selling their larger group, to private equity investors, or to a hospital.

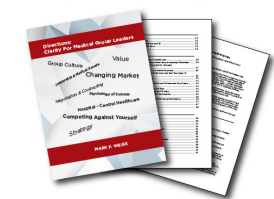
The reality is that some practices can be sold, some can't, and some have nothing to sell.

The reality also is that there are a number of strategic a practice sale.

A perfect storm of factors is accelerating the market for based medical group mergers and acquisitions.

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Directions: Clarity For Medical Group Leaders



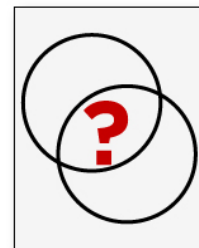
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The healthcare market is changing rapidly, bringing new problems.

How can you find a solution, how can you engage in the development of strategy, and how can you to plan your, group's, future without tools to help clarify your think

Directions is a collection of thoughts as thinking tools, to instruct, inform, and even more so, cause you to give instruct and inform yourself.

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Recent Interviews and Published Articles

Mark's article **Impending Death of Hospitals: Will Your Anesthesia Practice Survive?** was published in the winter 2016 volume of *Communique*. Read or download [here](#).

Mark was quoted in the article **Practice Patterns Change While Outcomes Remain Steady Among Older Anesthesiologists**, published in the December 2015 issue of *Anesthesiology News*. Read or download [here](#).

Mark's article **Anesthesia Group Mergers, Acquisitions and (Importantly) Alternatives** was published in the summer 2015 volume of *Communique*. Read or download [here](#).