



HOSPITAL DECISION MAKING

A Medtech Primer - Dan Gibson



Contents

Page 4	Introduction
Page 6	The Healthcare Environment – Five Special Considerations
Page 8	Six Overview Questions for Strategic Opportunities
Page 10	Key Leadership Positions in the Hospital Environment
Page 11	Chief Executive Officer (CEO)
Page 13	Chief Medical Officer (CMO)
Page 15	Chief Financial Officer (CFO)
Page 17	Chief Technology Officer (CTO) / Chief Information Officer (CIO)
Page 19	Chief Nursing Officer (CNO)
Page 21	Director of Surgical Services
Page 23	Infection Prevention Director/Officer
Page 25	Vice President of Supply Chain Management
Page 26	Conclusion



Introduction

It was my first solo day as a medical device rep. I had removed the training wheels as a ride-along observer, and I was ready to steer my own destiny.

I was nervous but excited.

My mission seemed clear – facilitate a limited evaluation for a new injector for foldable intraocular implants for a cataract surgeon. He had a reputation of being demanding, bordering on rude, occasionally combative.

But I realized that this was my new reality. Every personality would be different, and I would need to adapt and align.

He was at the scrub sink, prepping for his operative list. Searching for something to kick-start a conversation, I asked him about his department's impending shift to an ambulatory surgery center... and inadvertently kicked a hornet's nest.

He responded angrily, and he told me (with accompanying colorful language) that we would have a very difficult day in the OR if I chose to continue discussing that topic. Ugh! I had no idea that I was on the wrong side of a highly political topic and had struck a raw nerve. He brushed past me, entered the OR, and gowned for his first case.

I stood outside the door, stunned and trying to strategize my next steps. After the patient was draped, I quietly entered the room and observed the case. For the time-being, I decided that the "speak when spoken to" tactic was probably my best bet for self-preservation.

He didn't speak to me until the fourth case.

"Ok – let's see this injector."

I gave him a highly practiced and scripted in-service, hitting all the key points which our Product Manager had highlighted. He loaded a couple of non-sterile lenses in injectors, but he struggled with delivery.



"Let's try one on the next case. My lens powers are on the whiteboard. I want you to scrub-in."

"Uhh. I've never scrubbed-in."

"Ok. See that nurse over there," pointing to a middle-aged woman across the sterile core, "that's Helen, she'll teach you how. See you in the room."

Naïve, or "keen and green" as an old friend calls it, I approached the nurse and proceeded to get verbally pummeled. "We do not teach sales reps how to scrub, and you will not be scrubbing. Period. You can give Dr. K. that message from me."

I had been punked by the surgeon on my first solo OR day. Nice.

The Healthcare Environment – Five Special Considerations

Punked. Extreme, yet true. My hazing in the sterile core made me aware that I understood very little about the environment where I had landed. I may as well have been on Mars.

Through trial and error over the next 20 years, I developed a blend of analytical and intuitive skills which I needed to navigate the environment successfully. I made many mistakes, but I never failed to learn the associated lesson.

Patient-facing healthcare environments are incredibly difficult to interpret and to navigate. Laypeople really have no idea of the complexity of interactions which are constantly unfolding. If you want to succeed in the medical device industry on the frontline, you need to learn quickly about the landscape and the people. Here are some basic points of reference:

1. As a rule, the healthcare space is justifiably risk averse. Focusing on providing good outcomes to patients and their families, decisions are made deliberately, using evidence as a cornerstone. The threat of litigation makes hospitals cringe. Decision-makers default to saying “no” or “it depends” unless they have a bulletproof reason to say “yes.”

2. The healthcare space is cost-conscious. Conversations need to be framed in the language of value, and administrators have been trained to corral gunslinger clinicians who want to use new technologies on an ad hoc basis. Administrators recognize that a precedent is a dangerous cliff. They need to understand the long-term costs associated with adoption, or “total cost of ownership” with capital items.

3. Decision-making is slow and pragmatic. As cost and commitment increase, the number of decision-makers involved increases, as does the period of deliberation.



The Healthcare Environment – Five Special Considerations

4. The political landscape can be opaque. It takes a great deal of inquiry and networking to understand who makes the ultimate decisions and how they are made. All votes are NOT created equal, and one key decision-maker can scuttle your opportunity if their criteria are not satisfied. Identifying linchpin decision-makers is central to success.

5. There is continuous push and pull between clinical and administrative decision-makers. Smart sales professionals in the medical device industry practice impartiality and avoid appearing to side with one group at the personal, professional, or reputational expense of the other group. Building a rapport is essential because it grants you forgiveness when you make mistakes. Generating approaches that are grounded in clinical AND administrative rationale will provide credibility.



Six Overview Questions for Strategic Opportunities

No matter what angle or vantage point, success is always grounded in understanding the people involved.

Opportunities in the healthcare space don't appear every day. Purchases or tendering processes are infrequent and often involve high-stakes decisions which may have lengthy downstream contracts with high compliance requirements, effectively excluding new vendors from multiple sites for many years.

It is essential that medical device professionals ask the right people the right questions at the right time. This takes meticulous preparation. Gaining access to major decision-makers is difficult, and a consummate professional is prepared for those opportunities, hoping to gain knowledge and perspective, as well as establishing rapport.

The earlier that information is harvested, the earlier that you can determine whether it is an opportunity which merits investment of time, money and people. As competition increases in the medical device and medtech spaces and your resources come under pressure, it becomes more important to clearly understand the opportunity costs associated with choosing to pursue individual projects.

Assuming a business opportunity has been qualified by a formal sales qualification framework, there are six overview questions that need to be clearly answered and understood by your team:

1. What is the problem that the customer is trying to solve or the opportunity that they are trying to unlock?
2. If it is a problem, what is the logic-based, outer problem that they want to solve? What is the emotion-based, inner problem that they need to solve?
3. What is at stake if they succeed, or if they fail? Time? Money? Outcomes? Efficiency?



Six Overview Questions for Strategic Opportunities

4. Who is involved in the decision process, and how is the decision made (i.e. consensus vs. majority, group vs. individual, completely internal vs. external consultant input)?
5. What criteria are being used to make the decision? Are they equal, or are they weighted?
6. What hidden agendas do the decision-makers potentially possess? What interpersonal alliances exist?



Key Leadership Positions in the Hospital Environment



As I progressed in my career, I moved from supporting clinical application into areas of commercial and leadership focus. Here is a primer on eight important hospital decision-makers—detailing their responsibilities, key metrics, important risks, and solid probing questions which can be used to understand their needs and wants:

1. Chief Executive Officer (CEO)

The CEO provides overall direction and leadership, setting strategic goals and ensuring operational efficiency. They are responsible for fiscal management, policy development, and representing the organization publicly. With the importance of value-based care, CEOs are stressing strategies that focus on the quintuple aim – ensuring that traditional metrics like patient outcomes and cost containment are addressed, but also driving initiatives that address population health, well-being of their team, and health equity.

Key Metrics

- **Revenue Growth:** Measures financial success and strategic effectiveness.
- **Patient Satisfaction:** Reflects quality of care and operational efficiency.
- **Employee Engagement:** Indicates organizational culture and productivity.

Important Risks

- **Financial Instability:** Poor financial management can lead to operational challenges.
- **Regulatory Changes:** Failure to adapt to new regulations can result in compliance issues.
- **Reputation Damage:** Negative publicity can impact patient trust and revenue.



Probing Questions

1. How do you prioritize strategic initiatives to drive growth while maintaining operational stability and optimal patient outcomes?
2. What strategies do you use to ensure compliance with evolving healthcare regulations and minimizing risk?
3. How do you foster a culture of innovation and adaptability within the organization?
4. What are your top priorities for hospital growth and sustainability?
5. How do you evaluate the return on investment for new medical technologies?
6. What operational inefficiencies currently impact patient care and costs?
7. How do you see technology playing a role in enhancing hospital competitiveness?
8. What are your biggest concerns regarding regulatory and reimbursement changes?



2. Chief Medical Officer (CMO)

The CMO oversees clinical operations, ensuring high-quality patient care while aligning medical strategies with business objectives. They provide leadership to medical staff, develop medical policies, and foster collaboration across departments to enhance patient outcomes. As a physician, they represent an important “bridge” role in leadership, and they need to look at problems through different lenses in a rationale manner.

Key Metrics

- **Average Patient Stay:** Measures efficiency in patient management and resource allocation.
- **Patient Safety Metrics:** Tracks incidents like infections or complications to ensure safety standards.
- **Clinical Pathway Compliance:** Ensures adherence to standardized care plans.

Important Risks

- **Regulatory Noncompliance:** Failure to meet healthcare regulations can lead to penalties and reputational damage.
- **Clinical Errors:** Medical mistakes can harm patients and the organization’s reputation.
- **Staff Burnout:** High stress levels among medical staff can impact care quality.





Probing Questions

1. How do you ensure that clinical staff are current with the latest medical guidelines and technologies?
2. What strategies do you implement to reduce clinical errors and improve patient safety?
3. How do you balance administrative duties with clinical responsibilities to maintain high-quality care?
4. What are the biggest challenges in ensuring high-quality patient care?
5. How do you currently evaluate new medical technologies before adoption?
6. What are the primary barriers to physician adoption of new tools?
7. Are there gaps in patient safety where innovation could help?
8. How do you measure the effectiveness of clinical workflow improvements?



3. Chief Financial Officer (CFO)

The CFO manages financial operations, ensuring fiscal stability and strategic financial planning. They oversee budgeting, forecasting, and financial reporting. The role varies depending on location and the nature of the national health system. In the United States, medicine has a strong profit-driven motive with corporate structures and obligations. In publicly funded systems such as Canada and the UK, the role focuses on deploying public funds responsibly and avoiding deficit conditions, as well as making wise financial decisions on program funding in relation to population health metrics and centralized care structures.

Key Metrics

- **Profit Margin:** Measures financial efficiency and strategic decision-making.
- **Return on Investment (ROI):** Evaluates the effectiveness of financial investments.
- **Cash Flow Management:** Ensures liquidity and operational sustainability.

Important Risks

- **Financial Mismanagement:** Poor budgeting can lead to financial instability.
- **Regulatory Noncompliance:** Failure to meet financial reporting standards can result in penalties.
- **Market Volatility:** Economic fluctuations can impact financial stability.



Probing Questions

1. How do you balance short-term financial needs with long-term strategic investments?
2. What strategies do you use to manage financial risks and ensure compliance with regulations?
3. How do you communicate financial performance to non-financial stakeholders within the organization?
4. What financial pressures are currently affecting hospital operations?
5. How do you assess the financial viability of adopting innovative technologies?
6. What are the biggest inefficiencies in the revenue cycle?
7. How can vendors better align with your hospital's cost-saving goals?
8. What role does technology play in reducing operating expenses?





4. Chief Technology Officer (CTO) / Chief Information Officer (CIO)

The CTO/CIO leads technology strategy, ensuring integration of new technologies to enhance operational efficiency and patient outcomes. They oversee IT infrastructure, data privacy, and cybersecurity. With cybersecurity breaches and ransomware attacks at high profile organizations such as UNH, Broward Health, Banner Health, and Scarborough Health in Canada, increasing resources are being allocated to these functional areas to protect sensitive information and patient outcomes.

Key Metrics

- **System Uptime:** Measures IT reliability and operational efficiency.
- **Cybersecurity Incidents:** Tracks data breaches and security threats.
- **Technology Adoption Rate:** Reflects the effectiveness of innovative technology integration.

Important Risks

- **Cybersecurity Threats:** Data breaches can compromise patient data and organizational reputation.
- **Technological Obsolescence:** Failure to adapt to new technologies can hinder operational efficiency.
- **Integration Challenges:** Poor technology integration can disrupt operations.



Probing Questions

1. How do you ensure that recent technologies are integrated effectively to enhance patient care?
2. What strategies do you use to mitigate cybersecurity risks and protect patient data?
3. How do you stay abreast of emerging technologies to maintain competitive advantage?
4. What are the biggest IT infrastructure challenges your hospital faces?
5. How do you evaluate new health tech solutions for integration?
6. What security concerns keep you up at night?
7. How do you measure the success of technology investments?
8. What are the biggest barriers to achieving full interoperability?



5. Chief Nursing Officer (CNO)

The CNO oversees nursing operations, focusing on patient care quality, staff development, and operational efficiency. They ensure nursing practices align with organizational goals.

Key Metrics

- **Nurse Satisfaction:** Reflects staff engagement and retention.
- **Patient Satisfaction:** Measures quality of care provided by nursing staff.
- **Staff Retention Rates:** Indicates effective leadership and work environment.

Important Risks

- **Staff Shortages:** Insufficient nursing staff can compromise care quality.
- **Burnout:** High stress levels among nurses can impact patient care.
- **Regulatory Compliance:** Failure to meet nursing standards can lead to accreditation issues.



Probing Questions

1. How do you address nursing staff shortages and burnout to maintain high-quality care?
2. What strategies do you implement to enhance patient satisfaction through nursing services?
3. How do you ensure that nursing practices are aligned with the latest clinical guidelines?
4. What are your biggest challenges in nurse staffing and retention?
5. How can technology improve patient safety and workflow efficiency?
6. What are the most pressing clinical workflow inefficiencies nurses face?
7. How do you evaluate the effectiveness of nursing-related tools?
8. What role does data and analytics play in improving nursing care?



6. Director of Surgical Services

The Director of Surgical Services oversees surgical operations, focusing on efficiency, quality, and patient safety. They manage surgical staff and ensure compliance with surgical standards.

Key Metrics

- **Surgical Complication Rates:** Measures patient safety and quality of care.
- **Operational Efficiency:** Tracks time and resource utilization in surgical services.
- **Staff Satisfaction:** Reflects leadership effectiveness and work environment.

Important Risks

- **Surgical Errors:** Medical mistakes can harm patients and the organization's reputation.
- **Staff Burnout:** High stress levels among surgical staff can impact care quality.
- **Regulatory Noncompliance:** Failure to meet surgical standards can lead to accreditation issues.



Probing Questions

1. How do you ensure that surgical services maintain high-quality care while optimizing efficiency?
2. What strategies do you implement to reduce surgical complications and improve patient safety?
3. How do you address burnout among surgical staff to maintain a positive work environment?
4. What are the biggest inefficiencies in surgical workflows?
5. How do you evaluate new surgical technologies before adoption?
6. What are the key barriers to improving OR utilization rates?
7. How do you measure and improve patient safety in surgical settings?
8. What challenges do you face with equipment availability and maintenance?



7. Infection Prevention Director/Officer

The Infection Prevention Director oversees infection control practices, focusing on patient safety and compliance with infection prevention standards. They manage infection prevention staff and ensure adherence to safety protocols.

Key Metrics

- **Infection Rates:** Measures effectiveness of infection control practices.
- **Compliance with Safety Protocols:** Tracks adherence to infection prevention guidelines.
- **Staff Training:** Reflects leadership effectiveness and training programs.

Important Risks

- **Infection Outbreaks:** Failure to control infections can harm patients and the organization's reputation.
- **Regulatory Noncompliance:** Failure to meet infection prevention standards can lead to accreditation issues.
- **Staff Resistance:** Staff may resist adopting new infection control protocols.



Probing Questions

1. How do you ensure that infection prevention practices are effective and up to date?
2. What strategies do you implement to enhance compliance with safety protocols?
3. How do you address staff resistance to new infection control measures?
4. What are the biggest challenges in reducing hospital-acquired infections?
5. How do you evaluate and implement new infection prevention technologies?
6. What data or analytics do you use to track and predict infection risks?
7. What are the primary barriers to staff compliance with infection control measures?
8. How do you assess the effectiveness of new antimicrobial or sterilization solutions?





8. Vice President of Supply Chain Management

The VP of Supply Chain Management (Procurement) manages procurement and distribution of medical supplies and equipment. They are also responsible for negotiating contracts with suppliers and vendors, as well as overseeing the responsible use and management of inventory to reduce waste and control costs. Importantly, they ensure compliance with regulatory requirements before allowing new products into the hospital.

Key Metrics

- **Deficits/Surpluses:** Supply cost savings and budget adherence are critical to financial health.
- **Product Availability:** Inventory turnover rate and stock-out incidents can jeopardize patient care.
- **Contract Compliance:** Vendor contract efficiency and cost-per-patient benchmarks demonstrate the value of contracts.
- **Utilization Audits:** Reduction in expired or wasted medical supplies enhances overall cost efficiencies.

Important Risks

- Supply chain disruptions affecting patient care.
- Rising costs of medical supplies.
- Compliance risks related to sourcing and procurement policies.

Probing Questions

1. What are the biggest challenges in maintaining a reliable supply chain?
2. How do you evaluate vendors and their products for procurement?
3. What technologies or innovations are you exploring to improve supply chain efficiency?
4. How do regulatory changes impact your purchasing decisions?
5. What metrics do you use to assess the efficiency of your supply chain operations?



Conclusion:

After almost 25 years, I can laugh about my first day in the OR with Dr. K. and Helen, the nurse who was ready to eject me from the premises. And, she would have been justified based on my sheer ignorance of the environment and my lack of preparation. I learned my lesson, and we eventually cultivated strong relationships in that hospital. We contributed to major strategic planning as an incumbent vendor, and we established tremendous bonds with their residency program. Why? Because we asked good, insightful questions, and we invested time understanding who was who, and what they cared about.

To re-emphasize, remember – it is critically important to understand:

1. The healthcare space is risk averse.
2. The healthcare space is cost-conscious.
3. Decision-making is slow and pragmatic.
4. The political landscape can be opaque.
5. There is continuous push and pull between clinical and administrative decision-makers.

Opportunities can be infrequent and involve high stakes. Preparation is key. Assumptions are deadly.

A smart medical device professional or medtech founder can increase their success rates by identifying the specific decision-maker who they need to engage, developing rapport, and harvesting meaningful information to support strategic engagement. Good luck!

If you would like to book a complimentary 30 minute discovery call to determine if we can support your growth, or if you would like build your skills and knowledge in medtech sales and business development to drive new revenue, please email me at dgibson@gibsongrowthinsights.com , DM my LinkedIn <https://www.linkedin.com/in/dwgibson/>, or visit our website www.gibsongrowthinsights.com