



Financial leadership

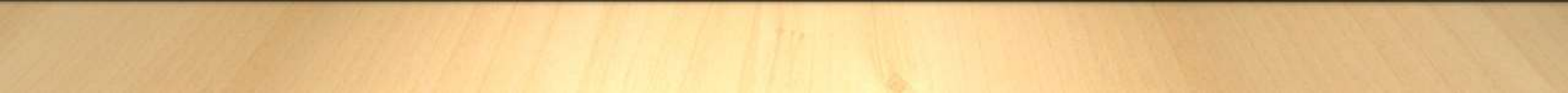
STUDENT NAME

CAPELLA UNIVERSITY

MHA-FPX5012 ORGANIZATIONAL LEADERSHIP AND GOVERNANCE

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Presentation Objective

- Provide an organizational overview of the focus organization
- Conduct an environmental analysis:
- SWOT and PEST analysis
- Provide an organizational directive
- Conduct a gap analysis
- Develop a leadership plan and propose evidence-based team leadership strategies to close the gap and motivate team members



Organizational overview

- The organization of focus is St. Vincent Medical Center (SVMC)
- A catholic medical facility in Bridgeport, Connecticut
- A 437-bed capacity
- 1800 employees and 450 physicians
- Offers orthopedic, bariatric, reproductive health, oncology, and angioplasty services

SWOT ANALYSIS

SVMC SWOT Analysis

Strengths

- The institution has a good reputation and is preferred by most patients due to good patient outcomes
- The institution partners with other institutions, such as learning institutions (including New York Medical College), pharmaceuticals, and insurance agencies
- Institution location- located in a metropolitan area hence accessible to a majority of the community members
- The institution offers diverse healthcare services, widening its catchment population/customer base
- The institution has employed advanced technological resources in this age of technology

Weaknesses

- Inadequate staffing- care providers work overload and risk poor care quality outcomes
- Resistance to change- cultural flaws
- Inadequate funding in the facility
- Hierarchical leadership strategy

Opportunities

- Community demographics- many customers in the region
- Services promotion opportunities available
- Favorable policies allowing resource gathering through grants (from the government) and charity
- Favorable healthcare insurance policies such as the Affordable Care Act Medicaid expansion

Threats

- Rising patient unemployment rates- patients are unable to raise premiums or pay for healthcare services
- High uninsured rates
- High overhead costs
- Competition from established public institutions

Pest analysis

- **Political factors:** the institution operates in a politically favorable environment with policies and regulations promoting its services. Occasionally receives government funding.
- **Economic factors:** high unemployment rates for patients, the overall economic environment is favorable, with patients having average income levels. Economic disparities affecting patients' payment ability
- **Social factors:** high demographics, increasing the need for healthcare services. Patient expectations are affected by changing social trends. Lifestyle changes affecting the healthcare service types demanded
- **Technological factors:** rapid technological change is affecting the institution's ability to provide appropriate care. Institution requires robust data security and privacy mechanisms for health records protection. Healthcare technology regulations and policies

Organizational directive

- The financial targets identified are;
 - Revenue growth target
 - Contain costs while maintaining high-quality of care
 - Patient satisfaction in relation to financial conduct
- The targets' performance indicators and measurements are:
 - Revenue growth- the revenue growth rate and income streams, measured by comparing the revenue within a period
 - Cost containment- operating expenses vs. revenue, measured by the percentage of operating expense relative to revenue
 - Patient satisfaction- indicated by patient satisfaction scores and retention rates, measured by patient satisfaction survey analysis, and rate of patients retained

Gap analysis

- A gap analysis of the financial targets versus goal attainment was conducted
- Gap analysis enables the department to identify the variance between the target and the actual performance (Hanson et al., 2022)
- The gap analysis from the identified financial targets and the actual performance identified the following variances:
 - Reduced revenue growth
 - Increased operating costs against revenue
 - Poor patient satisfaction scores and patient retention



Observations and Insights from the Gap Analysis

- The observations made from conducting the gap analysis in the department include;
- The reduced revenue growth is due to a reduction in revenue streams in the department
- The high rate of lack of insurance has led to an increase in operating costs
- Poor patient satisfaction is leading to low retention and referrals
- Financial gaps may be influenced by internal or external environmental factors (Chen et al., 2020)
- These gaps in financial analysis have been highly influenced by environmental factors, which include the social and economic external factors

Leadership plan to Close Financial Gap

- The leadership plan aimed at closing the financial gap will follow the following steps
 - Team formation
 - Objectives setting
 - Identifying inefficiencies leading to the financial gap
 - Developing action strategies
 - Roles assigning and timeline setting
 - Monitoring, communication, and evaluation (Parast & Golmohammadi, 2019)

Leadership plan (cont.) Evidence-Based Leadership Approach/Strategies

- A leadership style impacts strategy implementation
- A collaborative leadership approach will be used to motivate team members in the department to achieve the financial goals
- Collaborative leadership focuses on working together, sharing responsibilities, and using collective expertise to address an issue (De Brún et al., 2019)
- Leadership strategies to motivate the team include shared decision-making, open communication, shared accountability and continuous learning (Shanafelt et al., 2021)
- Other strategies include change management, recognition and rewards, and leading by example (Schneller et al., 2023)
- The approach and strategies are most appropriate for addressing the financial gaps in the department since different professionals are required to work together.

Conclusion

- The financial targets in the department include revenue growth, cost containment, and patient satisfaction
- The gap was identified and supported by the environmental analysis
- The collaborative leadership approach is best in addressing the gap
- The evidence-based leadership strategies identified above are vital in motivating the team



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