Check These Vital Signs Before Innovating

This article provides a standardized way to describe, evaluate and compare health innovation, using a 360-degree assessment tool that takes account of all stakeholders.

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If you were about to undergo major surgery, where would you prefer to have the operation: in the hospital with the best technology or the hospital with the best management practices?

Though technical expertise is important, a study by McKinsey and the London School of Economics of nearly 1,200 hospitals in Canada, France, Germany, Italy, Sweden, the United Kingdom and the United States discovered a strong correlation between hospital management practices and health outcomes. Those hospitals that scored higher on specific management practices related to operations, performance and talent had better clinical outcomes, including lower mortality rates from emergency heart attacks, as well as higher levels of patient satisfaction and better financial performance. Such findings might make you think twice about the best place to have surgery.

In all sectors, whether public or private, there is mounting pressure to do more with less, not just for reasons of fiscal austerity, but because certain ways of doing things have become unsustainable or obsolete. In the case of health care, it's a question of making better use of available resources through innovation.

Innovation is not just about scientific and technological breakthroughs. Recent years have seen plenty of those, leading to better patient treatment, longer life expectancy, preventive medicine, personalized treatment and more sophisticated diagnoses. Yet, no breakthrough is sustainable without rational management. As the physician and Harvard professor Richard M.J. Bohmer has pointed out, some of the most important innovations are those that aren't technological, but rather change the way in which services are organized and care is delivered.

For this reason, more and more of today's innovation efforts are aimed at reorganizing existing processes and resources. Particularly in health care, clinicians are being encouraged to seek out entrepreneurial opportunities, not just in the realm of technology, but in transforming the entire system through a deeper engagement with the end user. In addition, ever more limited resources mean that any innovation initiative needs to be rigorously measured and prioritized.

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