Culture eats strategy for lunch every day: 
the art and science of sustainable 
healthcare innovation

Prof. Dr. Katharina Janus
What’s on the menu? Culture is hungry!

• Innovation in healthcare
  • What’s new? Who’s playing? Who’s paying?

• Context
  • Define the playing field to innovate

• Culture
  • It’s about more than just another passport…
The healthcare value chain

Straightforward: three key sets of actors & two sets of intermediaries in between
What do innovation centers focus on?

<table>
<thead>
<tr>
<th>Topic</th>
<th>Percent</th>
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<tbody>
<tr>
<td>Care coordination</td>
<td>90%</td>
</tr>
<tr>
<td>Disease-specific outcomes</td>
<td>87%</td>
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<tr>
<td>Access</td>
<td>87%</td>
</tr>
<tr>
<td>Patient engagement</td>
<td>84%</td>
</tr>
<tr>
<td>Workflow efficiencies</td>
<td>77%</td>
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<tr>
<td>Population health</td>
<td>77%</td>
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<tr>
<td>Clinical decision support</td>
<td>74%</td>
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<tr>
<td>Intraprofessional communication</td>
<td>71%</td>
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<tr>
<td>Utilization</td>
<td>68%</td>
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<tr>
<td>Home-based care</td>
<td>65%</td>
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<tr>
<td>Wellness</td>
<td>65%</td>
</tr>
<tr>
<td>Patient safety</td>
<td>61%</td>
</tr>
<tr>
<td>Devices</td>
<td>61%</td>
</tr>
<tr>
<td>Community-based services</td>
<td>55%</td>
</tr>
<tr>
<td>Price transparency</td>
<td>35%</td>
</tr>
<tr>
<td>Other responses</td>
<td>29%</td>
</tr>
</tbody>
</table>

Notes: Percentages based on 31 innovation center respondents. Other responses include spending reductions, the uninsured, helping seniors age in place, teaching/education, data mining, and data analysis.
Which groups do innovation centers partner with in their work?

- Frontline providers: 100%
- Software developers: 100%
- Patients: 91%
- Product designers: 91%
- Entrepreneurs/startups: 85%
- Private payers: 70%
- Foundations: 64%
- Pharma/device makers: 61%
- Venture capital firms: 52%
- Public payers: 45%
- External accelerators: 39%
- Other innovation centers: 36%
- Other: 18%

Notes: Percentages based on 33 innovation center respondents. Responses reflect collaboration with group at any stage or phase of work (ideation, development, testing, or spread). Other partners include higher education, biomedical researchers, the National Institutes of Health, nonprofits, and public companies not specifically focused on health care as their core business.

Percent of innovation center survey respondents
Sequence of elements for successful change

ENIRONMENT

Suppliers  
Professional Associations  
Consultants  
Research Literature

Customers  
Competition  
Legislation  
Regulation  
Labor Force

ORGANIZATION

1. Ideas

2. Needs

Internal Creativity & Inventions

3. Adoption

4. Implementation

Perceived Problems or Opportunities

5. Resources

Innovation in healthcare – evolution in context?

Everett Rogers's Diffusion of Innovation Model

Innovation 1

Innovation 2

Innovation 3

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Innovation: an art based on science (just like medicine…(Sir William Osler))

The business of innovation: Thomas Edison’s Menlo Park Lab (first dedicated research and development facility)

- Inventions were the results of networks that link people, ideas, and objects together in ways that form effective and lasting communities and technologies
Artist or craftsman?

“Innovation in the economic system – and indeed the creation of any sort of novelty in art, science, or practical life – consists to a substantial extent of a recombination of conceptual and physical materials that were previously in existence.”

Nelson & Winter 1985
What’s new in healthcare innovation: context is changing

• New **people** – payers and providers
  - Private equity shifts the healthcare marketplace; other players enter which changes the power map
  - Diagnostics become less expert dependent/human-bound

• New **regulations** driven by macro-economic developments
  - Reimbursement & pricing
  - General expenditure and priority setting
  - Attitude to risk & responsibility

• New (broader) **concept** of healthcare
  - More and more people need support for smaller problems of a less fundamental nature that, in principle, could be taken care of by that person him/herself.
  - Inclusion of positive aspects of healthcare, not just a “repair shop.”
Making innovation sustainable: managing the context

• Innovation can happen by accident, however there are two key mechanisms at work
  • Moments when people, ideas and objects from different cultures come in contact
  • Minds that are prepared to exploit these moments
• Both must be managed with care and understanding → cultural sensitivity & competency
Culture

• Culture has many different dimensions
  • National believes, norms and established ways of interaction and communication (language being the most distinguished expression of a culture),
  • Modes of operation of an organization or the acquired norms and socialization of a profession.

• “Codes of cultures” are crucial when it comes to the sustainability of an innovation – be it in management, medicine or a social innovation that will shape the future.
“Culture eats strategy for lunch every day” (Janus 2003)

Even the most sophisticated strategy can turn out to be totally dysfunctional when implemented just because the established “culture” prescribes a different “code.”
Shaping context: cultural sensitivity

• Cultural sensitivity - a set of skills that enables us to learn about and understand people who are different from ourselves, thereby becoming better able to serve them within their own communities.

• Although the culture debate has been going on for decades it is as important today as it has been 30 years ago, in particular when developing strategies in different markets.
Shaping context: cross-cultural sensitivity

• Cross-cultural sensitivity: the knowledge, awareness, and acceptance of other cultures (national, professional, organizational).

• On the individual level, it allows people to successfully navigate a different culture that they are interacting with whereas it is considered one of the primary factors that drive the way organizations behave.

• The toolbox of cultural sensitivity relates to comprehensive research (hard facts) and human behavior in context (soft facts). However, very often “Hard (numbers/plans) is Soft” and “Soft (relationships/culture) is Hard” (Peters, Watermann 1982).
Shaping context: cultural competency

• In the age of social media cultural sensitivity and its sophisticated application “cultural competency” have gained new relevance because face-to-face exchange has become less frequent.

• It is essential to tackle the “small world problem.”
The small world problem

• Much interaction within cultures (small worlds).
• But little interaction between these small worlds.
• Cultural competency is needed to see how the resources of one world could be used to solve problems in another.
Breadth over depth – manage increasing specialization of professional cultures

• Anybody who acquires deep expertise does so at the expense of breath.

• The challenge is to understand how much depth is enough and how much is too much.

• Diversity of work builds a more flexible mind-set – a willingness to try new perspectives and to search for new combinations.
Small world solutions

• Innovation is less technology-driven and more people-driven than previously.
• Face-to-face exchange exchange regains importance in multi-cultural contexts.
• Social innovations are key: Small group roundtables facilitate change.
Examples from my work

• Doctors’ motivation in San Francisco, USA, and Hanover, Germany: just the same!

• Everybody wants to perform well and know how they measure up? The impact of different performance cultures in the US and Germany on the adoption of monitoring and compliance technology.

• Online training for HCPs & sales in France and Germany: let’s have lunch first.
Another example: medical cannabis in the UK

• Yes, evidence counts, but the culture of the NHS will be the crucial driver for implementation.

• Medical education has many facets: Knowledge, skills & attitudes – aspects of medical professional culture.

• Definitions and joint language of various cultures.

• Again: small groups change the context and understanding.
8th Business Forum (September 11-13, 2019 in Paris)

- Keynote Panel: Culture eats strategy for lunch every day – the art and science of sustainable healthcare innovation
  - Ray Marsella, Vice President, Strategic Relations, Medimpact, San Diego, USA
  - Axel Paeger, CEO AMEOS, Zurich, Switzerland
  - Mark Ware, Chief Medical Officer, Canopy Growth, Canada

- Cultural sensitivity in an international context – the rule changer for drugs, devices and other innovations. People and their cultures in various healthcare markets are at the core of this discussion.
So what?

• “Culture isn’t just one aspect of the game — IT IS THE GAME” (Lou Gerstner)

• It is about cultural sensitivity because sustainable innovation depends on the sophisticated use and implementation of sensitivity for and of national, professional and organizational cultures.

• In this context listening is the ultimate mark of respect. We should listen more to understand, not necessarily to respond. “Personal relationships are the fertile soil from which all advancement, all success, all achievement in real life grow” (Ben Stein).

• Have empathy for the world around you if you would like to do business globally because “Culture eats strategy for lunch every day” (Janus 2003).
Our 8th Business Forum “Money and people – the currencies of healthcare” will take place from September 11–13, 2019 at the Columbia University Global Center in Paris. More information on our website. Come and join us!

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