

Emerging Business Models In Primary Care

**Business Model Innovation & Strategy
In a Rapidly Changing Marketplace**



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Introduction

- Managing Director: DR Solicitors
- Former Partner: IBM & PwC Management Consultants
- Chartered Accountant: Price Waterhouse
- Advanced Strategy : Said Business School, Oxford



Key Questions

What are the drivers for change and their impacts?

How significant is the change?

Who are the players and what are their business strategies

How important are non-market factors?

What trends are emerging?



Summary

- Context and History
- Who is Doing What?
- Change Models
- The Change Journey
- Barriers to Change
- Conclusions & Predictions

Context & History

- 1911 National Insurance Act
- Impact of 1948 NHS Act
- Most trusted profession / satisfied patients
- Why change?
 - Health inequalities & outcomes
 - Inadequate buildings
 - Decline in continuity of care
 - Cost
- GMS, APMS, Darzi etc.

The NHS ¼ Century Of Change.....

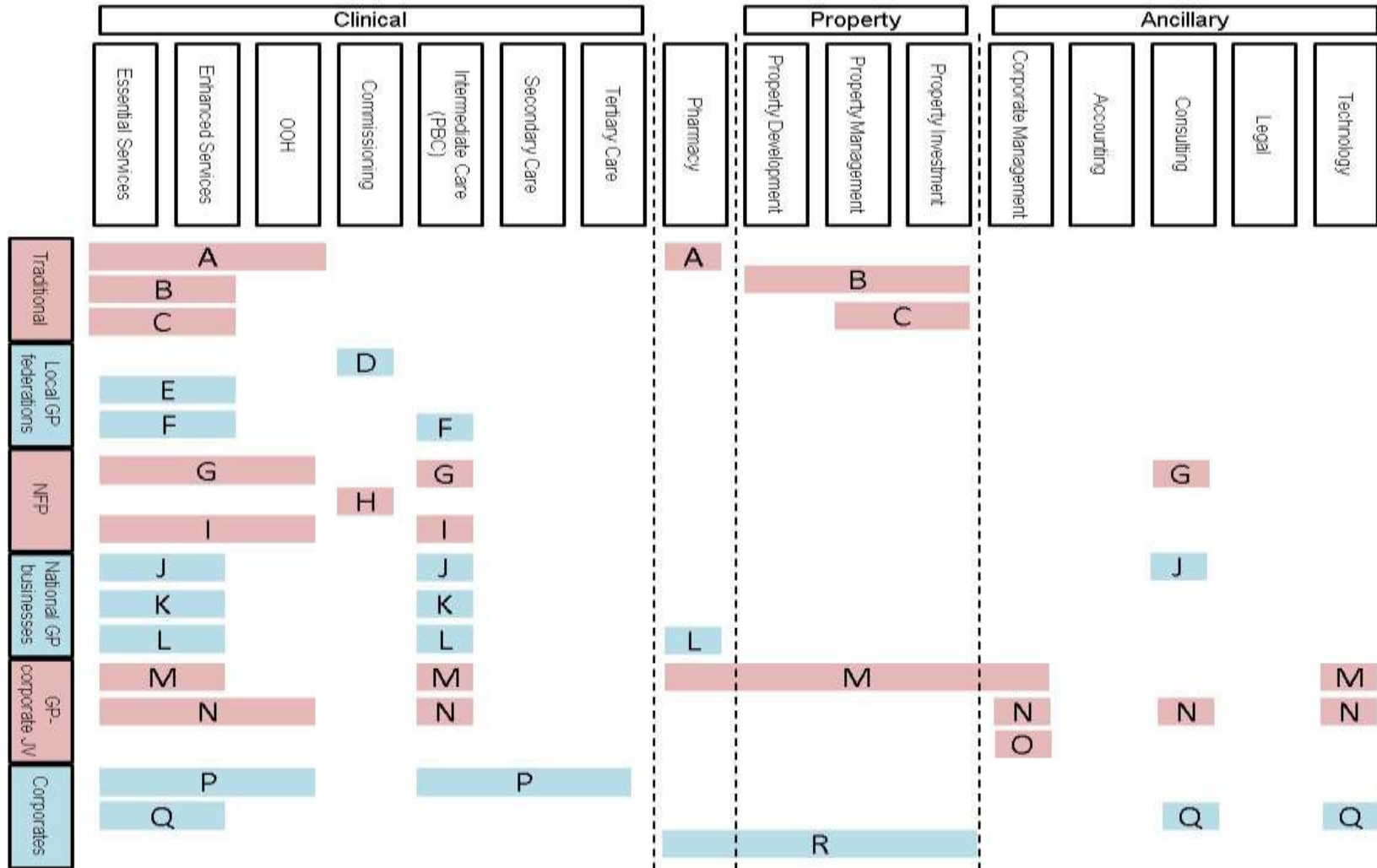
- 1982: Abolition of Area Health Authorities
- 1982-85: Introduction of general management
- 1985: Creation of NHS Board at the Dept of Health
- 1989-93: Establishment of NHS Trusts
- 1989-95: Creation of GP Fundholding & Commissioning
- 1989-95: Setting up NHS Management Executive (later NHS Executive)
- 1990: Replacement of FPCs (Family Practitioner Clinic) by FHSAs Family Health Service Authority
- 1991-97: Reconfiguration of Health Authorities
- 1991: Restructuring of NHS Organisation Boards
- 1994: Reorganization of RHAs (Regional Health Authorities)
- 1994: Abolition of FHSAs & incorporation into Health Authorities
- 1995: Reconfiguration of Acute Services & Trusts
- 1996: Abolition of RHAs, incorporation into NHS Executive
- 1997: Abolition of GP fundholding, replacement with PCGs (Primary Care Group)
- 2000: Abolition of NHS Executive, incorporation into the Dept. of Health
- 2001: Abolition of NHS Executive Regional Offices, move to Regional DHSCs
(Directorate of Health & Social Care) at Dept of Health
- 2001: Replacement of larger health authorities with SHAs (Strategic Health Authorities)
- 2001: Replacement of PCGs with PCTs (Primary Care Trusts)
- 2002: Creation of Foundation NHS Trusts
- 2002: Creation of Health and Social Care Trusts
- 2005: Merger of 300 PCTs into 100 larger PCTs
- 2005: Merger of 28 SHAs into 10 larger SHAs
- 2006: Reorganization of Dept. of Health to split NHS and DH responsibilities

Market Participants

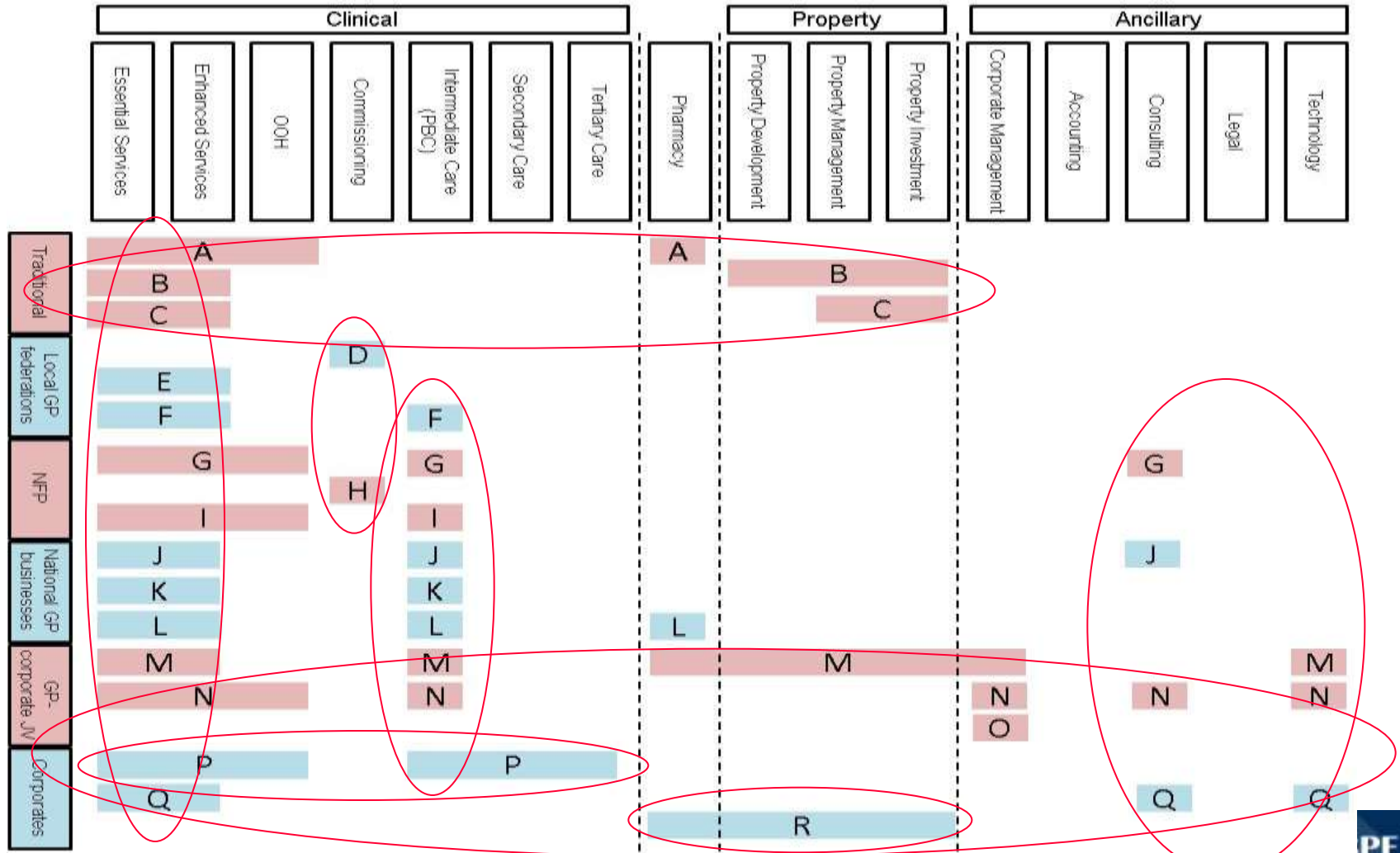
- **Traditional GP Partnerships**
- **'Local' GP Federations**
- **'National' GP Led Businesses**
- **GP – Corporate JVs**
- **Social Enterprises**
- **Corporates**



Current Business Models

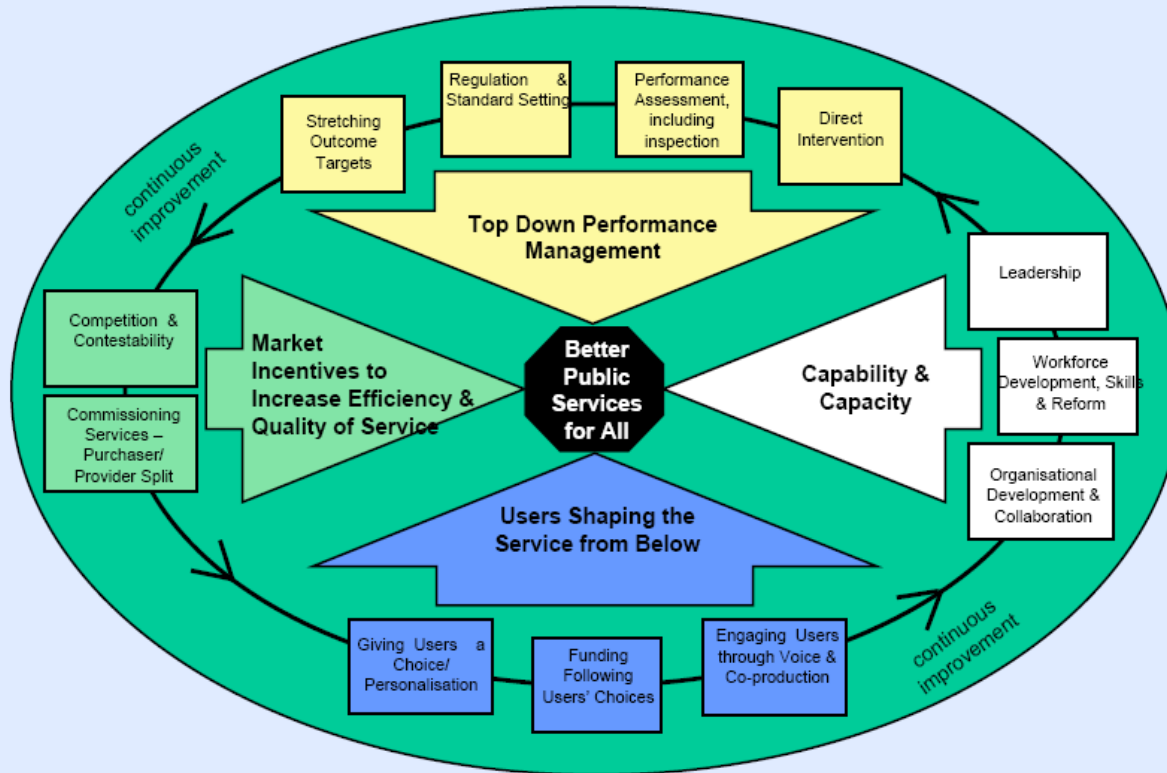


Current Business Models



Public Sector Change Model

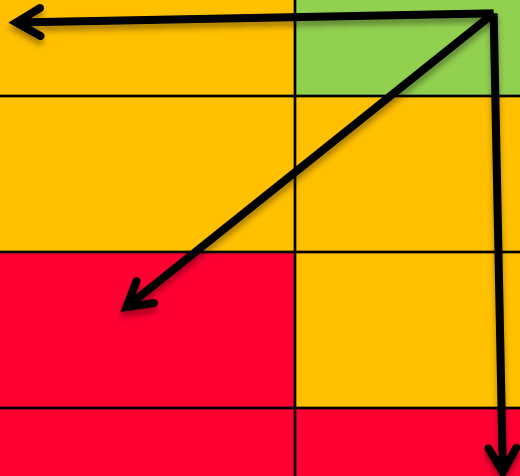
Public Service Reform: Target Operating Model



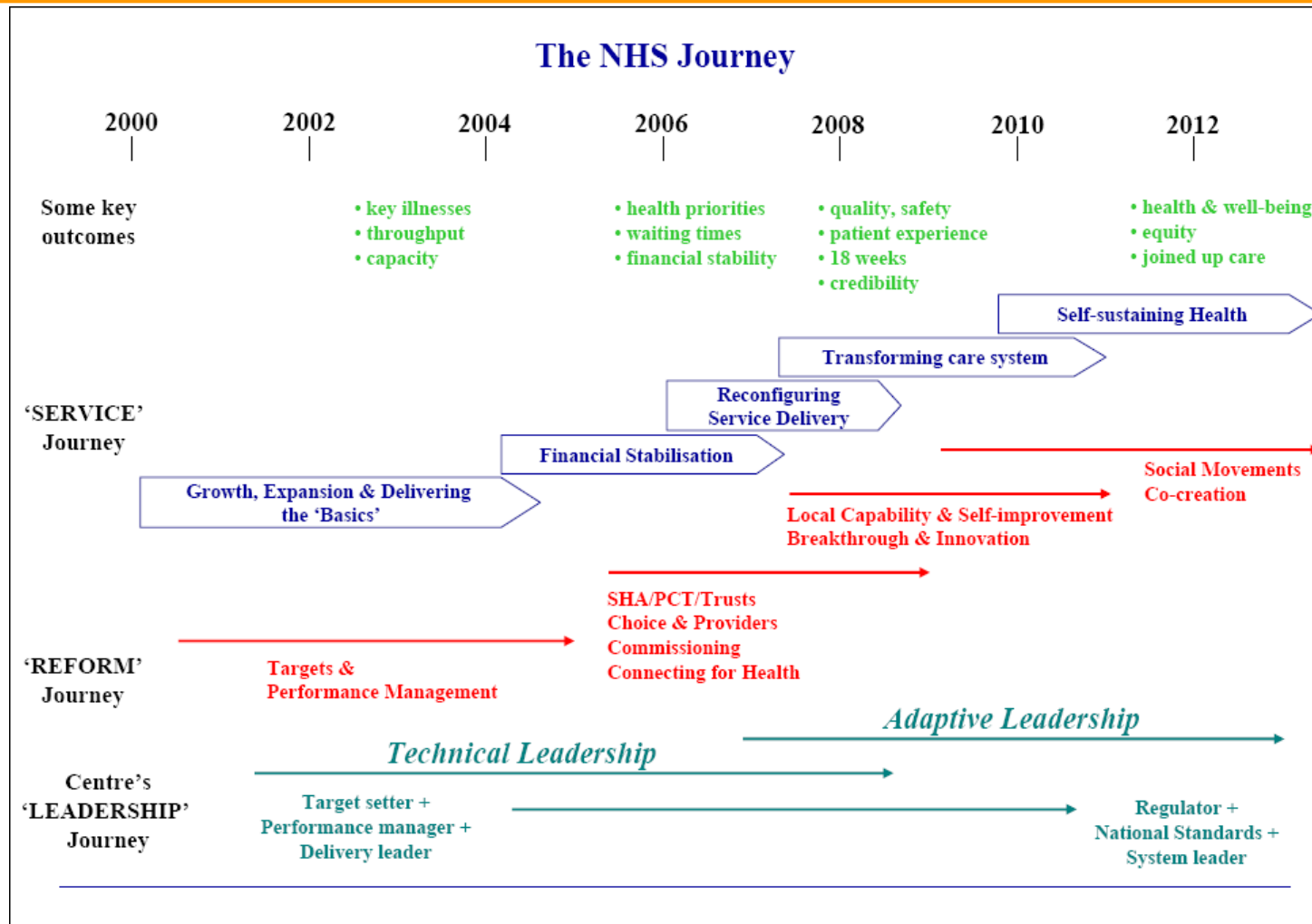
Each of the core delivery dimensions has significant organisational and people implications... Fleshing these out will give us the core of the People Strategy

TMO/RACE Analysis

	Technology	Markets	Organisation
Recognition of Opportunity	Red	Yellow	Green
Appropriation of Value	Red	Yellow	Yellow
Control of Assets & Growth	Red	Red	Yellow
Exploit	Red	Red	Red

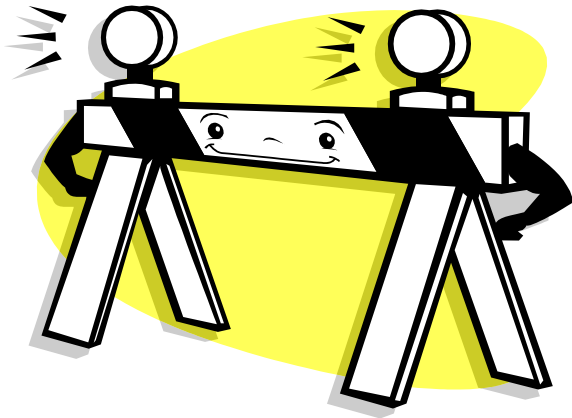


The Change Journey



Source: Ruddle 03/07 The NHS Journey

Barriers To Change



Macro Political

Micro Political

Economic

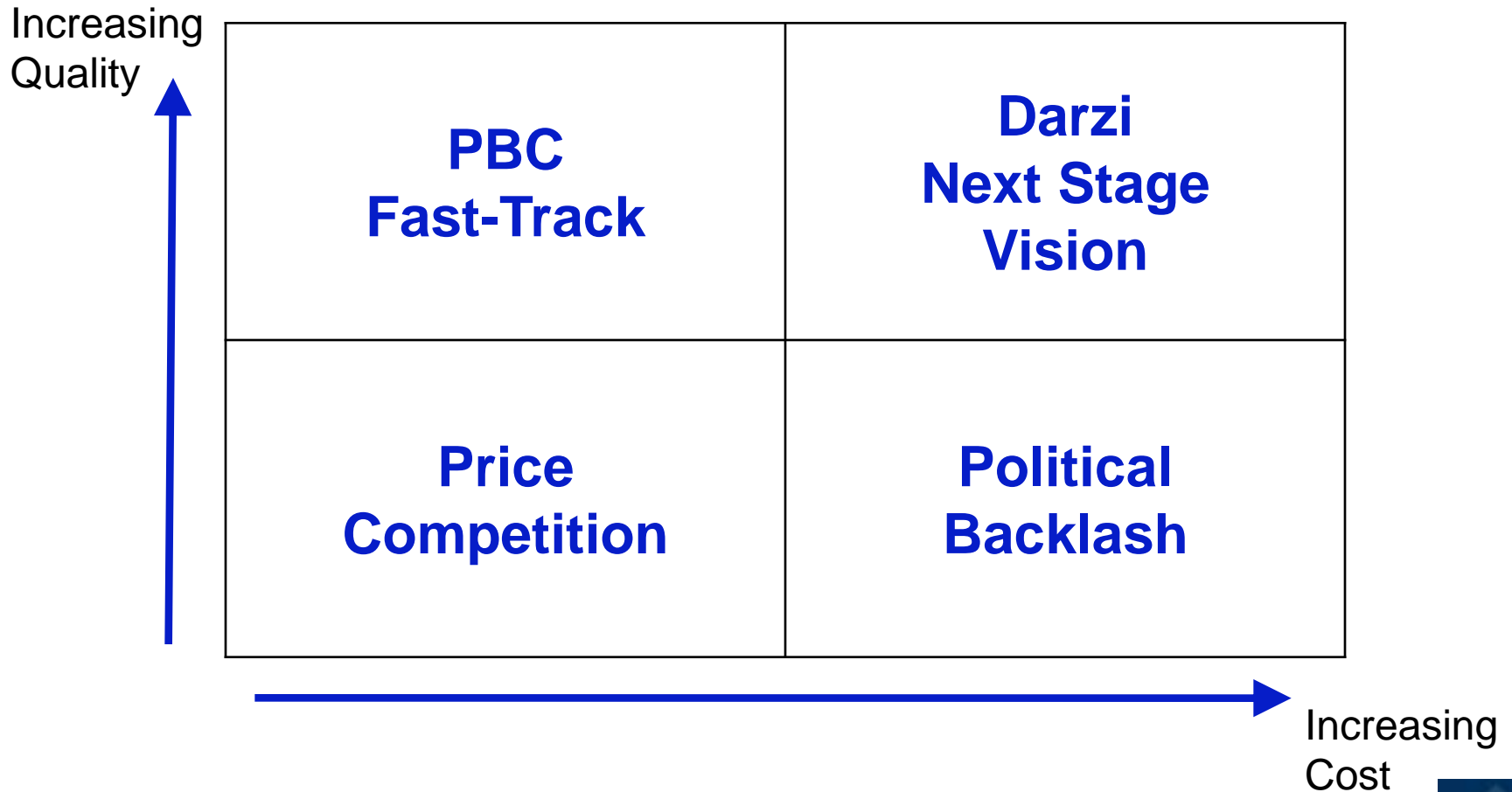
Demand Side Failures

Commissioning Constraints

Conclusions

- Evidence of 'system building'
- 2 phases of change: expansion then transformation
- Top-down vs bottom-up
- The adaptive change challenge
- Non-market factors

It's tough making predictions, especially about the future*



*Yogi Berra

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