

Finding a Partner with the Right Cultural Fit: 4 Strategies

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It's healthcare's version of dating: sizing up another organization for a potential partnership or merger.

Seventy-one percent of healthcare leaders expect their organization's merger, acquisition, or partnership activity to increase over the next three years. With continued changes to healthcare's competitive landscape, hospital mergers and acquisitions (M&As) reached a record high last year, with 115 transactions. Globally, healthcare M&A transactions hit a 17-year high in the first quarter of 2018, largely prompted by Amazon's move into the pharmaceutical space.



For healthcare organizations that are seeking the right match, there is one key factor healthcare leaders should be sure to keep top of mind during the vetting process: compatibility with their organization's mission, vision, and values.

WHY CULTURAL COMPATIBILITY IS CRUCIAL

Just as chemistry between two individuals is one sign of whether a relationship is meant to be, connecting the similarities and differences between the mission, vision, and values of two healthcare organizations is crucial to determining whether the organizations are highly compatible for merger or partnership.

When the organizations' purpose and aspirations are highly aligned, the potential for seamless integration increases—and that's good for patients and employees. When stark differences exist, organizations could find that a match that looks good on paper doesn't translate to agreements around decision-making processes, communication approaches, or management styles. If these differences aren't resolved to mutual satisfaction, one or both partners could end up feeling as though they've made the wrong choice.

How can healthcare leaders find the right fit for partnership? There are four strategies to consider.

BUILD A FOCUS ON MISSION, VISION, AND VALUES INTO THE EARLY STAGES OF MATCHMAKING.

Organizations typically evaluate the demographic characteristics of a potential match, like size, revenue, and market strength, from afar long before they connect with an organization's leaders. It's important to dig deeper, looking for signs that a potential partner's values are in line with yours. For example, are either of the organizations faith-based? A faith-based organization may have religious or ethical directives that may not be compatible with the approach of a for-profit partner. How does the partner demonstrate its commitment to the community health needs of its market? This can tell you a great deal about its commitment to community service or reducing disparities in care. Look for both signs of alignment with and divergence from your organization's mission and values, keeping eyes wide open throughout this process.

IDENTIFY THE CULTURAL "MUST HAVES" FOR A MERGER OR PARTNERSHIP.

Determine which aspects of your mission, vision, and values a potential partner must share or reflect and which traits are "nice to haves," knowing your organization likely won't find total alignment. Then, use these key traits as decision points in determining whether to move forward. This action step helps ensure leaders have done everything they can to find the right cultural fit. It also helps to eliminate surprises after a deal has been finalized.

CONDUCT A CULTURAL ASSESSMENT OF BOTH ORGANIZATIONS.

Such an assessment should define each organization's current mission, vision, and values as well as the values that least define each organization. Look for areas of overlap and areas of significant variation, and consider the implications of each. For example, is one organization more committed to transparency, consensus-based decision-making, or autonomy in operations than another organization? This could point to differences in cadence and style of communication that will need to be resolved if a relationship is to be successful.

ASK HOW THE ORGANIZATION WILL HELP YOU ACHIEVE YOUR MISSION OR VISION.

It's important to be direct with a potential partner regarding your organization's needs—particularly, the components of your mission and vision that are most important to your organization. For example, will a potential partner invest locally in certain types of services or help you expand access for specific populations? How will the partner help you keep up with the latest technologies or recruit the best physicians? If your organization is an academic medical center, what investment would a potential partner make in the research component of your organization? The answers to these questions will help you uncover the

level of commitment the potential partner would have to the communities you serve and your organization's most mission-critical areas of focus.

Taking the time to carefully evaluate the synergies that exist between your organization and a potential partner can mean the difference between a healthy, long-term commitment and a relationship that starts strong, but fizzles shortly after it has begun. ●



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