

What Radiology Can Learn From the Management Consulting Industry

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WHAT IS THE CURRENT STATE OF RADIOLOGY?

Radiology is at the cusp of reinvention. In this age of accountable care organizations and bundled payment models, radiologists are seeking ways to demonstrate value to patient care [1,2]. A myriad of approaches have been proposed, including those relying on technology or proposing new clinical responsibilities. All approaches have one goal in common: to render radiology an indispensable part of clinical care.

By definition, we radiologists are consulting physicians, similar to our colleagues in medical and surgical specialties. We survive on referrals and are valued predominantly on our ability to provide consultative expertise. However, unlike our colleagues, we are typically disconnected from our patients and may become increasingly distanced from them in new care delivery models [3]. As radiologists seek to optimize their position within this brave new world, we may benefit from understanding experiences in analogous industries outside of health care.

WHAT IS MANAGEMENT CONSULTING?

Management consulting is designed to improve the performance of companies, via systematic analyses and development of solutions by specially trained professionals.

Consulting engagements are sometimes temporary but often longitudinal, as consultancies grow to become CEOs' crucial adjunct for problem solving and decision making. Management consultants typically operate wholly independently of their clients and are most valued for a unique combination of expertise, insight, and speed. For example, a consulting firm may be hired to uncover drivers of declining profitability, rethink a strategic plan, or advise on a multibillion dollar acquisition.

Management consulting has its origins in the late 1800s, along with the advent of scientific management. Firms such as The Boston Consulting Group (BCG), McKinsey & Company, and Bain & Company lead the market and serve many of the *Fortune* 100 companies, commanding \$300,000 to \$1 million in monthly fees [4]. Each consulting firm brings specific expertise and reputation to engagements. BCG rose to prominence for its work in strategy—for instance, development of the BCG growth share matrix—and more recently for work with social impact organizations such as the Bill and Melinda Gates Foundation. As a result of continual value creation for clients, BCG's revenues grew from \$3.1 billion in 2010 to \$4.6 billion in 2014 [5,6]. Similar

success stories can be told for its competitors.

HOW IS RADIOLOGY LIKE MANAGEMENT CONSULTING?

Radiologists assist primary providers in the diagnosis, treatment, and follow-up of patients, just as consultants work with companies to identify reasons for declining profitability or poor consumer engagement. Radiology remains of high clinical value and is often at the fulcrum of clinical care; consultants are often present in the corporate suite when key strategic decisions are made. Radiology groups strive to offer services across specialties and modalities. Similarly, successful consultancies service clients across business disciplines (eg, change management, mergers and acquisitions). Radiologists are vehicles for risk sharing, allowing the spreading of clinical decision risk from primary providers [7]. A cynical view of consultants is that they are hired to take the blame if a strategy fails; in reality, their ability to be culpable is indeed a desired feature. Ultimately, the best radiologists mimic the best consultants and serve as chief assistants to clinicians in the management of disease. As such, we must remember that our most valuable role may be the one we're already playing: that of a consultant.

WHAT CAN WE LEARN FROM THE MANAGEMENT CONSULTING INDUSTRY?

Know Your Clients and What They Need

Consultants know their clients so well that they frequently predict client needs, often before the clients themselves realize. Consultants devote seemingly infinite energy to delivering for their clients, no matter the time of day, time zone, or geography. When specialized expertise is required, consultants do not hesitate to convene an international team. By remaining vigilant of client needs, consultants remain relevant and vital.

Furthermore, the relationship between consultants and their clients evolves over time (as depicted in Fig. 1) [8]. Consultants initially serve clients in a task-driven model but eventually move along the y axis into a collaborative relationship. Along the x axis, consultants grow from providing only content or technical expertise to uncovering valuable insights. The ideal evolution of consultants can be understood in Figure 1, starting from the bottom left-hand corner as “experts to hire”

and subsequently “steady suppliers,” with the ultimate goal of pivoting into the “trusted adviser” role. At this point, consultants and clients enter the “client value zone” (shaded in blue). The client then derives maximal value from longitudinal guidance, and the consulting firm reaps the financial benefits of repeat engagements as well as professional benefits of knowledge synthesis.

Many physicians function as consultants. Business researcher Robert Duboff [9] described medical professionals as consultants who vary in two important dimensions: client contact and degree of customization. This is adapted in Figure 2 as the medical consultant matrix. Although this framework is designed with direct patient care providers in mind, the analogy holds for radiologists as well. Although pharmacists might function independently and provide simple consultations, neurosurgeons, albeit fleetingly, provide highly customized services. In the current state, radiologists are most like pharmacists, providing a low-contact, low-customization approach not only for patients but also for referring clinicians.

As radiologists, our true clients are almost exclusively physicians. If we are to achieve a seat at the proverbial table, our colleagues must view us with a sense of essentiality. Just as *Fortune* 100 CEOs have consultants on speed dial, we too must be on speed dial with our referring clinicians. To achieve this, we must move beyond simply providing high-quality imaging services and also offer customized and specialized imaging that will enhance our referring clinicians’ ability to deliver optimal and efficient care. Radiologists should aspire to move away from the right lower quadrant of the consulting matrix and instead mimic neurosurgeons in providing relatively low contact but highly customized expertise. And as we do, we should become trusted advisers to our referring clinicians.

Adapt and Invest in Growth Intelligently

Management consulting firms have adapted, invested in, and reinvented themselves many times. Early consultants were hired predominantly for analytics, whereas today’s consultants integrate with client teams to both identify and implement solutions. More recently, after the great recession, client needs evolved. Consultancies reacted by changing service offerings, which meant, in some cases, creating brand-new capabilities. Simultaneously, consultancies have avoided significant capital investments, with very little in the way of fixed assets on their balance sheets. Finally, consultancies have focused on deepening core client relationships such that, in a single *Fortune* 100 company, a consultancy may have multiple projects running in tandem across disparate business lines.

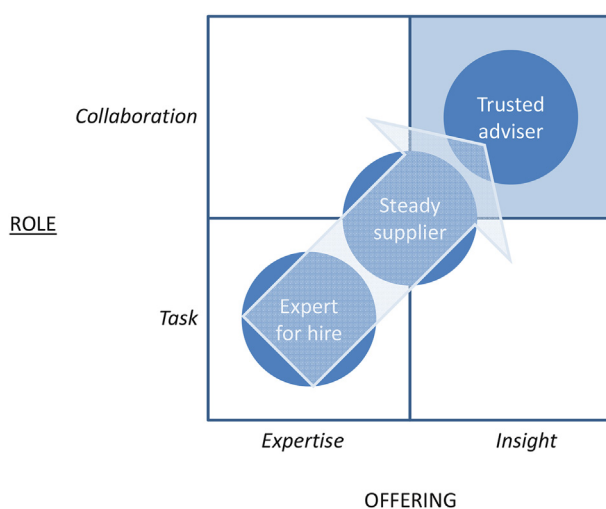


Fig 1. Evolution of management consultant and client relationships.

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