

Original article



## STRATEGIES FOR ADVANCE IN DEVELOPMENT OF A HEALTH CARE INSTITUTION FOR SPECIALIZED PRE-HOSPITAL MEDICAL AID

Desislava Todorova<sup>1</sup>, Tsvetelina Mihaylova<sup>2</sup>, Tsvetomir Dimitrov<sup>3</sup> Vlaiko Vodenicharov<sup>4</sup>

1) Department of Preventive Medicine, Faculty of Public Health, Medical University of Sofia, Bulgaria

2) Department of Medical Pedagogy, Faculty of Public Health, Medical University of Sofia, Bulgaria

3) Department of Health Care, Faculty of Public Health, Medical University of Sofia, Bulgaria

4) Department of Hygiene, medical ecology and nutrition, Medical Faculty, Medical University of Sofia, Bulgaria

### ABSTRACT

The healthcare institutions in Bulgaria are independent legal entities in the setting of a regulated market, which brings about a competitive environment for an increase of the quality of services offered. The aim of the study is making evident the recommendatory strategies of a health care institution for specialized pre-hospital medical aid in Sofia City for activity performed in the period from the year 2016 to 2018. The task assigned is an analysis of the opportunities for the widening of the activity, products, and markets of “DCC XXIVth-Sofia” EOOD. The chosen healthcare institution is active in a competitive environment in Sofia City, and in the district that it serves. Data from the health care institution, data from the institutions of National Statistics, and scientific literature on the topic were used in connection with the analysis. Some essential approaches of management were applied - analysis of the market share, and SWOT analysis, for determination of strategy. The conclusions of the analysis performed showed four possible strategies of advance in development and opportunities for activity in each of them. The administration of “DCC XXIVth-Sofia” EOOD had opportunities to all practical purposes for minimization of the negative effects, induced by the weaknesses and threats, and to successfully develop the activity - during the period from the year 2016 to 2018. Both the activity of the healthcare institution and the public health services of the population in the corresponding village/town/city depend on the choice of the administration and on its execution by the personnel.

**Keywords:** specialized pre-hospital medical aid, management, strategies

### INTRODUCTION

The strategic management is based on the long-term outlook for the advance of the development of the corresponding organization by means of comprehensive analy-

ses of the environment. One of the approaches to the strategic management, which can be used for the aims of administration of health care institutions is SWOT analysis. This approach of management represents one of the varieties of competitive analysis in market conditions. The healthcare institutions (HCIs) in Bulgaria are independent legal entities in the setting of a regulated market, which brings about a competitive environment for the purpose of increase of the quality of services offered. This highlights the necessity of strategic style of thinking and activity of the manager in the administration of healthcare institutions. [1, 2, 3]

The Diagnostics and Consultancy Center “DCC XXIVth-Sofia” EOOD (“DCC XXIVth-Sofia” EOOD) is one of the healthcare institutions for specialized pre-hospital medical aid, which serves the population in the different districts of Sofia City. The administration of the health care institution is implemented by a manager, who - under the control of the City Council (owner of “DCC XXIVth-Sofia” EOOD) - must be able to: prognosticate in real time the development of the processes, resulting from the subject of activity of the center; evaluate the probable possibilities for arising of new events on the market of medical services, requiring adequate administrative decisions; and to perform other management activities as well. [4, 5]

The objective assessment of the strengths and weaknesses of the HCI, and their objective comparison with the direct and indirect rivals is a very important element for success. The assessments of the internal characteristics (*strengths* and *weaknesses*), and the environment (*threats* and *opportunities*) enables summarized assessments of the potential of the healthcare institution, and - based on the latter - formulation of the basic strategies, which the HCI may apply according to the environment. [1, 3] It is possible to be made the mistake of overestimating the strengths and underestimating the weaknesses, as a result of which the assessment by the firm for both the overall situation and for its most important elements, may frequently differ from the

assessments by the users. It is exceptionally important for the administration to recognize that what is an advantage at some point, may turn into a weakness or disadvantage upon a change of environment or of the market situation. [2, 6, 7]

### AIM AND TASKS

The aim of the study is making evident the recommendatory strategies of the health care institution for specialized pre-hospital medical aid in Sofia City for activity in the period from the year 2016 to 2018.

A task of analyzing of the possibilities for the widening of the activity, products, and markets of "DCC XXIVth-Sofia" EOOD was assigned. The chosen healthcare institution acts in a competitive environment in Sofia City, and in the district that it serves.

### MATERIAL AND METHODS

Data from the healthcare institution and data from the institutions of National Statistics and scientific literature on the subject were used in connection with the analysis. Main approaches to management - analysis of the market share and SWOT analysis - were applied to determine the strategy.

### RESULTS AND CONSIDERATION

#### Analysis of the anticipated "market" share

The population of Metropolitan Municipality numbers 1 316 557 residents (about December 31, 2014). On the territory of Metropolitan Municipality act 416 healthcare institutions for pre-hospital aid, of which 43 diagnostics and consultancy centers (DCCs), and 116 medical centers (MCs) (about December 31, 2014). At present, the pre-hospital specialized medical aid on the territory of Nadezhda and Vrabnitsa districts is implemented by "DCC XXIVth-Sofia" EOOD, "DCC VIIIth-Sofia" EOOD, and another eight MCs. [8, 9, 10]

"DCC XXIVth-Sofia" EOOD is a health care institution for specialized pre-hospital medical aid, which serves the population in Nadezhda and Vrabnitsa districts, as well as the residents of villages of Trebich, Mirovyane, Voluyak, and Mramor in relation with diagnostics, therapy, expert opinion on temporary loss of working ability, physical therapy and rehabilitation, prophylaxis and health promotion. Main sphere of influence of the DCC is Nadezhda and Vrabnitsa districts in Sofia City. The potential number of patients (clients) is 121 984. [4, 8, 10]

In connection with the analysis of the market share, several characteristics should be taken into account:

- ✓ DCC XXIVth has a very wide range of influence and market share;
- ✓ Developing competition on the market of medical services for attracting more patients, and opening of units, which cover the market share of other HCIs;
- ✓ Expected development of private structures, which offer the same kind of services.

#### SWOT analysis

*SWOT analysis I.* Analysis of the strengths and weaknesses, of the opportunities and threats.

##### A. Strengths

In its development "DCC XXIVth-Sofia" EOOD may promote competitive positions by usage of its strengths as follows:

- ✓ The good material provision with devices and equipment, which allows effective diagnostic process;
- ✓ The localization of the health care institution in a very well-kept building stock with low energy intensity;
- ✓ Good territorial localization (including infrastructure and possibilities for communication);
- ✓ Good financial security of the healthcare institution and absence of long-term debts to creditors and suppliers, due to stable market positions for medical services in the region;
- ✓ Good image in the public space (well-prepared cadres; team work; simplified organizational and administrative structure; availability of ensured number of health professionals in 17 different medical specialities);
- ✓ High quality of the produced pre-hospital product;
- ✓ Good relations with the general practitioners, and institutions for hospital care in the region.

##### B. Weaknesses

The weaknesses, on which the administration of DCC should work, are:

- ✓ Incomplete capacity of charging of some medical specialities and equipment;
- ✓ Amortization of equipment and delay in its renewal;
- ✓ There is no sufficient participation in screening programs - independently and together with other healthcare structures in order the relative share and severity of diseases, significant for the region, to decrease - insufficient activity on promotion and prophylaxis of socially significant diseases;
- ✓ Absence of web page and poor advertising activity;
- ✓ Absence of an elevator and/or a loading platform for disabled between the floors of the health care institution;
- ✓ Non-functional distribution of the workplaces of health professionals;
- ✓ Not sufficient work on the overall program for an increase of the health culture of the population in the region.

##### C. Favorable opportunities

The favourable opportunities, which are opened up, are as follows:

- ✓ Increase of the work capacity of "DCC XXIVth-Sofia" EOOD with 4% annually;
- ✓ Possibilities for offering of medical services to foreign citizens.

This approach may be taken into consideration by means of:

- Development of the international tourism within the borders of European Union and beyond them;
- Significant difference in the prices of medical services offered.

The prices of medical services in Bulgaria are considerably lower compared to those in Greece, Turkey, and Macedonia, while the quality of the service is the same or better.

- ✓ Sale of medical services of other health care insti-

tutions (HCIs), due to the vacancies, which exist at the moment in the equipment of a great part of the HCIs;

- ✓ The utilization of reserves of the private sector in relation to purposeful study of the market of medical services and, mostly, the health insurance, especially the voluntary one;

- ✓ Development of unified protocols for work with the purpose of complete and adequate service to patients and clients;

- ✓ Performing of accreditation of the health care institution;

- ✓ Work for realization of clinical studies;

- ✓ Attraction of patients from other districts;

- ✓ Establishment of different types of “subscription systems”:

- Complete or partial (according to the medical sets offered) outpatient servicing and/or home visits of subscripive patients;

- Prophylactic examinations - general and objective-oriented;

- Outpatient registration according to a certain problem.

#### *D. Threats*

The following threats, deriving from external factors, may be stated:

- ✓ Continuing increase of the risk factors for the health of population;

- ✓ Established steady stereotypes in the behaviour of citizens in relation to healthcare system and responsibility for personal health;

- ✓ Increase of the socially significant diseases;

- ✓ Changing needs and likings of the client;

- ✓ Increase of the competitive pressure of the environment and absence, still, of strict market mechanisms, managing the market of medical services (disloyal competition);

- ✓ Monopoly of the National Health Insurance Fund in relation to persons with health insurance - medical services and examinations of unreal value given; presence of regulatory standards; change in the regulatory base related to the activity of HCI;

- ✓ Lack of unified health card;

- ✓ Growing worsening of the diseases among elderly.

*SWOT analysis 2.* General assessment of the potential “Internal Opportunities” (organizational potential) is established in connection with a comparison of strengths and weaknesses. The expectations of the administration for the influence of the factors for the development of the company are optimistic. The HCI has the potential to build stable prerequisites for its own development and may successfully solve its internal problems by means of application of systems and programs for management, and assurance with cadres by means of its very good positions in relation to the material security, and high grade of utilization of resources. Summarized assessment of “the external environment”, and possibilities provided by it, turn out in connection with a comparison of the favorable opportunities and threads. The analysis shows that the expectations of the administration for influence on the environment, and changes caused by the latter on the development of HCI, in connection with

the execution of the objectives and tasks, has, as a whole, an optimistic character.

During the period from the year 2016 to 2018, the administration can build the development of HCI by means of the internal opportunities, which are successfully combined with the total influence of the external environment factors.

In connection with scenario 1 (aggressive strategy), the manifestation of the favorable opportunities of the environment is combined with the utilization of the strengths of HCI. While that scenario is applied, the DCC can develop its activity by means of choosing the strategies for intensive and integrated growth:

- Still greater perfection of the currently offered medical services, based on the application of new medical technologies;

- Offering of new medical services;

- Widening of the volume of work and enveloping of wider objective-oriented groups within the borders of districts of influence and extension of the latter.

In connection with scenario 2 (“vertical diversification” strategy), the internal weaknesses of firms decrease the favorable influence of the factors of the environment. The positive net result shows that the HCI has potential to overcome the problems by means of precisely formed managing programs and strategies. The risk in connection with that scenario results from the fact that the company may also not be able to utilize completely or partially the favorable opportunities due to internal weaknesses. In connection with scenario 3 (protective strategy), the combination of the threats and weaknesses offers a policy of “preservation” of the HCI and focuses the attention of the administration on the key task for exercising of strict control on the damages with the purpose of their minimization. In connection with the latter scenario, the company must develop its activity by means of strict control of expenses with the purpose of realization of economies and shrink of activities, which are not economical or have fallen under the strong unfavorable influence of external threats, and - as noncompetitive - endanger the development of HCI.

In connection with scenario 4 (“horizontal diversification” strategy), the environment, in which the company shall work, is determined by a combination of the strengths and threats, and it highlights the stability of the organizational potential, which is imposed - in that connection - in the setting of an “unfriendly” for the DCC environment. A greater cautiousness in connection with the assessment of the influence of the external environment and more categorical formulation of the external opportunities minimize the threats from not considered risks about “how the company will develop and what will the administration rely on in connection with the expected manifestation of the factors of the threats”.

The company will rely on the positions, conquered in connection with overcoming of the threats, while the risk results mainly from “abrupt jump” in the prognosticated development and influence of the unfavourable external factors.

The strategic choice in connection with that sce-

nario is:

- ✓ Broadening of the collaboration with other health care institutions and organizations;
- ✓ Offering of medical services, corresponding the confirmed qualities of HCI (good financial, technological, and resource security; confirmed standards of quality of the medical services provided).

The integration of all those factors determines the overall advance in the development of “DCC XXIVth-Sofia” EOOD.

The difference between the completely optimistic scenario and the one of survival shows some good opportunities for future development. The absolute value in connection with that integral assessment is greater in scenarios 1 and 4, which shows that the company has real opportunities for minimization of the negative effects, induced by the weaknesses and threats.

### CONCLUSIONS

The analysis shows four possible strategies of development and establishes opportunities for activity in connection with each of them.

During the period from year 2016 to 2018, the ad-

ministration of “DCC XXIVth-Sofia” EOOD has real opportunities for minimization of the negative effects - induced by the weaknesses and threats - and for the successful development of its activity.

Both the activity of the healthcare institution, and the public health services of the population in the corresponding district of the city, depending on the choice of administration, and on its execution by the personnel.

### FINAL STATEMENT

The strategic prognosis and the choice of suitable strategy by the healthcare institutions in the setting of changing the environment (political, economical, medical and demographic situation, etc.) are aided by means of the SWOT analysis. The activity of the healthcare institution depends on the changing external and internal conditions, due to which the strategic management is to be a continuous process. The periodical operative analysis of each organization (healthcare institution) is to include, as well, strategic analysis with a repeated assessment of the external and internal environment of that organization and the strategic alternatives.

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### Address for correspondence:

Assoc. Prof. Dr Desislava Todorova, MD  
Department of Preventive Medicine, Faculty of Public Health, Medical University of Sofia,  
8, Bialo more Str., 1527, Sofia, Bulgaria  
E-mail: [d.todorova.dm@gmail.com](mailto:d.todorova.dm@gmail.com)