Consumerism, disruption, innovation, retail, transformation, big data. A new set of words is dominating the healthcare lexicon. The vocabulary reflects the fact that smartphone-connected consumers have catapulted healthcare delivery into the Internet-based on-demand economy.

**What is the consumer-centric imperative?**

The imperative involves making the consumer central to:

- Development of your delivery model and capabilities
- Answering key business-development and investment questions
- Developing new growth and retention strategies

Meeting the imperative enables providers to define and then deliver on their value proposition to consumers, and by extension then to payers, employers, and other stakeholders.

Achieving consumer-centricity is not an "initiative," a "program," but a foundational organizational competence requiring in-depth information about consumer preferences and expectations. It is a continuous effort to develop consumer-centric capabilities and deliver in-market solutions that build over time.

**Why is this important for healthcare?**

The role of the individual in healthcare is quickly moving from passive patient to active consumer. Individual consumerism is being driven by:

- More frequent and meaningful out-of-pocket cost considerations due to the rapid growth of high-deductible health plans and other benefit design innovations
- New, and varied care delivery competition (retail drug chains, telehealth companies, and others)
- Transparency of cost and quality data, which offers actionable consumer information
- Technological innovation, which is fueling rapidly expanding consumer expectations

**Why is this critical for us now?**

These market forces are beginning to impact the strategic and financial performance of organizations that are not moving quickly. Forward-thinking health systems are starting to make the investments needed to address consumer expectations. But most healthcare providers have significant catching up to do relative to experienced, consumer-savvy retailers that are investing in and delivering low-acuity healthcare services, which previously were the domain of hospitals and physician practices.

"Informed intuition" will not be enough to guide providers' approaches going forward. Organizations that don't begin now will be at a significant disadvantage.

**What do we need to do about it?**

Putting the consumer at the center of answers to key business questions requires real data, advanced tools and techniques, analytics, and insights. Significant investments will be needed, and providers should start now to build their capabilities over time.
A consumer’s lens filters key healthcare decisions in new ways. Early work is required to understand consumer behavior related to healthcare purchasing and usage decisions, and in developing smart customer relationship management strategies. Understanding of the healthcare consumer’s path to purchase and preferences by segment will be critical. Hospitals will need answers to new questions. For example, which consumers prefer retail clinics, physician office visits, virtual visits, or other new access alternatives, and for which kinds of conditions?

Consumer insights should inform all strategies, providing the fact-based foundation that enables change in health/care delivery. As the common foundation, consumer-centricity should inform the development and implementation of key strategies related to population health management, virtual/telehealth services, and other growth strategies and innovations.

How do we get started?

Top leadership commitment and alignment provides the impetus for the first step. A formal assessment of organizational readiness for consumer-centric healthcare can provide that alignment and shared understanding of what’s required.

Leadership then also guides subsequent steps to build needed competencies and deliver care based on consumer needs and wishes.

Organizational readiness can be assessed through a careful examination of strategic pricing, products and services, care experience, access, delivery model and offerings, and other considerations. The assessment includes both qualitative and quantitative assessment of the organization’s capabilities and market position relative to what’s needed.

In forthcoming Consumer Strategy Insights, we’ll address how organizations move through a Consumer-Centric Roadmap, which includes the elements indicated in the Figure.

In the meantime, please contact us if you would like assistance assessing your organization’s readiness for consumer-centric healthcare, or have questions about specific issues that are arising.

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