Team Assignment 1

CHRISTUS Health is an international, not-for-profit health system that encompasses over 60 hospitals and long-term care facilities, 350 clinics and outpatient centers, and many other health ministries and ventures. CHRISTUS Health has facilities in Texas, Louisiana, Arkansas, Georgia, Iowa, Missouri, New Mexico, in six states in Mexico, and one in Chile. CHRISTUS Health is a large organization that employs 45,000 associates and more than 15,000 physicians and other medical staff that provide care to patients. CHRISTUS is a Catholic, faith-based health system, and its core values are dignity, integrity, compassion, excellence, and stewardship.

CHRISTUS Health prides itself on having ethical business practices, meaning that it is committed to maintaining honest business practices and has processes in place to avoid conflict. CHRISTUS recognizes a patient’s right to health care treatments and/or services and is willing to provide these health care treatments and/or services as long as it is in agreement with the Catholic moral tradition. In addition, CHRISTUS strives to provide a safe and hazard-free environment to its associates and patients that adheres to national standards and established federal, state, and local regulations. The company is also careful to safeguard sensitive information provided by its patients, physicians, payors, and others engaged in business to protect the confidentiality of all CHRISTUS information. CHRISTUS is able to do this by accurately maintaining the data, records, and reports of all patients within the organization. Lastly, CHRISTUS Health has procedures and policies put in place to aid accurate cost report completion that they then submit to the appropriate governmental agency.

As a Catholic, not-for-profit healthcare ministry, CHRISTUS Health’s mission statement is to extend the healing ministry of Jesus Christ. CHRISTUS fulfills this mission through the services its associates provides through hospitals, ambulatory care centers, and clinics to populations across the southern United States, Mexico, Chile, and Colombia. CHRISTUS CEO, Ernie Sadau, has identified its three most important strategic initiatives in its Compass 2020 vision. The first of these strategic initiatives is clinical integration, which encompasses physician alignment, evidence-based practices for care, the CHRISTUS Health Plan, and population health management. The second strategic initiative is asset growth, which means increasing efficiency of current assets as well as continuing to grow assets in the US and internationally through expansion. The final strategic initiative is culture with a strong focus on diversity and inclusion.

Because of the dynamic nature of the healthcare environment in the United States, CHRISTUS has a business strategy that resembles that of the **analyzer**. As a larger, multinational organization, CHRISTUS is a matrixed organization that is broken up into several defined regions that are made up of markets. Today CHRISTUS has a Northeast Texas region, Southeast Texas Region, South Texas Region, New Mexico Region, Louisiana Region, and an International Region. Within each region, there are markets; for example, the South Texas Region is comprised of the CHRISTUS Santa Rosa Market in San Antonio and the CHRISTUS Spohn Market in Corpus Christi. Each region and market have their own different nuances and competitive environments that necessitate the **analyzer business strategy**, which exhibits aspects of both the **defender and innovator**. CHRISTUS is currently focused on labor management across the organization, which could be considered a defender strategy. That said, CHRISTUS is also looking at new models of care and ways to further integrate the healthcare system in order to better provide services to populations, and this is more in line with the innovator strategy. Through maintaining a close eye on the competition and changing market dynamics, CHRISTUS succeeds as an analyzer.

CHRISTUS Health’s competitors vary by region and market; however, larger for-profit competitors include HCA, Tenet Health and Community Health Systems. The three competitors generate more revenue than CHRISTUS Health; HCA is leading in total revenue with $41.49 billion reported in 2016. CHRISTUS Health reported revenues of around $3.6 billion in 2015, but with its recent growth both domestically and internationally, total revenues exceed the $5 billion mark. In order to remain competitive in today’s healthcare environment, organizations must continually seek to grow through acquisitions, and consolidations is thus a major trend in healthcare. CHRISTUS Health, along with its competitors, is continuing to grow through acquisitions and efficient alignment of assets.

The business environment has changed significantly over the past few years. CHRISTUS will have to remain open minded in order to sustain its operations in the current dynamic environment. There is significant opportunity for CHRISTUS Health to become more efficient in the future. Because of its faith-based mission and not-for-profit status, the organization has lagged behind some more strict for-profit competitors who are constantly attempting to satisfy shareholders. It will be important for CHRISTUS to continually seek to operate more efficiently in the labor management area so that it can achieve a stronger operating margin. By reducing its labor cost, CHRISTUS will be able to increase its revenue per employee and increase total revenue. The firm’s CEO needs to improve his management style to enhance performance against its competitors. It is the duty of the CEO to continue to formulate the firm’s long-term strategies to enable it to achieve the set goals and live to its mission. Strategic management involves the management of the available resources within the firm to achieve the organization goals and objectives. Therefore, the CEO should continue to inspire the management team to come up with strategies that will provide CHRISTUS with a competitive advantage.