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THE PROFIT CENTER: PART 26 -- RADIOLOGY AND THE "ME-WE" CYCLE

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As I've written before, just as the tides come in and out, society cycles round and round from an emphasis on and worship of rugged individualism, to an emphasis on and lauding of community and cooperation.

I refer to this as the "me-we" cycle. (For an in-depth take on this concept from a marketing angle, read *Pendulum* by Roy H. Williams and Michael R. Drew, just released by Vanguard Press in October 2012. I highly recommend it.)

Society today is becoming increasingly affected by "we" think, from notions of shared sacrifice, to paying your fair share, to "giving back."

In concert with this larger societal trend, physicians are told that the future of healthcare is not in rugged individualism, but rather in the "it takes a village" world. Success in this context is seen as being gained through cooperation, through what you can actually do -- not just promise -- to help achieve communal goals. For example, consider the notions advanced as the underpinnings of accountable care organizations (ACOs).

I'm not suggesting that you should actually subject your group's economic interests to some sort of communalism any more than the hospital is reducing its interest through the creation of an ACO.

What I am suggesting is that your group's contracting strategy and overall grand strategy must tie into this larger societal trend to lead the group to greater success -- and, in fact, to continue to exist at all.

On a very related note, the larger, communal societal trend may itself temper the growth of large national radiology groups.

By definition, a national group is not local. For that reason, local and even small-scale regional groups have the ability to more effectively tie into communal notions when establishing relationships in the relevant community.

This is directly related to the other crucial advantage that local groups have in competing with large group competitors: Large groups are, well, large. As such, they lack the one element that an entrepreneurial smaller group, what I call a strategic group, has to offer: the ability to create real and deep relationships with the facilities your group serves and with the referring physicians working at those facilities. I talk of this as creating an "experience monopoly."

This is one area where a local group is 1,000 times better-positioned than any national group -- in fact, better positioned than any other competitor at all.

The key, then, is the creation of an experience monopoly that incorporates strong ties to the betterment of the hospital, medical staff, and local community, as well as one that links to the larger societal communal trend.

This requires significant planning and structuring and can't be achieved on a short-term basis. It's not a Band-Aid, it's a long-term course of treatment.

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