# Pivoting to Strategy During COVID-19 and Beyond

*By Ed O'Neil, PhD, MPA*

During *volatile*, *uncertain*, *complex*, and *ambiguous*, or VUCA, times, such as those experienced during the COVID-19 pandemic, it's important to understand how to help the individual and organization develop skills to cope with the dislocations that uncertainty brings. But once past coping, it's important to pivot to strategy. This issue focuses on how to pivot to develop strategies that thoughtfully guide organizational response in the coming months.

**About the Quick-Takes Series**

This miniseries, part of the Medicaid Leadership Exchange podcast, provides guidance to help Medicaid leaders during the COVID-19 crisis. The series, which includes companion videos and tip sheets, is developed in partnership with the National Association of Medicaid Directors and the Center for Health Care Strategies through support from the Robert Wood Johnson Foundation. For more information, visit **www.chcs.org/quicktakes**.

The development of strategies is intimately tied to the mission and vision of the organization, and the environmental challenges and opportunities it faces in making that vision come to life. One school of strategy development sees them as **intentional**, that is the product of thoughtful, carefully crafted efforts to take advantage of the environment. This is a more traditional strategic planning process. In contrast are **emergent** strategies that are drawn from the inherent strengths of the organization, natural responses that have occurred to shifts in the environment, and knowledge of experiments conducted more out of necessity than intention. This type of planning is probably more adaptive when the environment is shifting dramatically. Clearly, a good dose of emergent planning sensibility is called for now, but all good strategy development should allow for both orientations.

Another framework that can be helpful in thinking about strategies is to realize that a healthy set of strategies will vary in type, time, and complexity. The types of strategies can be broken into internal and external. The mix is probably driven by careful assessment of the fit of internal capabilities and core competence with the best understanding of the impact of external changes on the organization. Sometimes it is possible to change an external reality that is being reshaped, for instance a dramatic shift in the demand for long-term care services and only needs direction and attention by a Medicaid agency. At others it is easier to access internal changes as a strategy, such as changing the reimbursement for long-term care services to drive change. The smartest strategies work across internal and external drivers and mix other types of strategies including finance, regulation, demonstration, new partnerships, and consumer education and incentives.

Smart strategists also recognize that strategies vary in length. It's best to have some across the continuum of short (now to six months) to long term (beyond two years). The time horizons of strategies also raise issues of the complexity of the strategy measured in technical, political, and cultural terms.

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Earlier in my career I led an effort to design a strategic framework for change in health professional education and practice. I think the construct is still a useful tool to help leaders think about and make decisions on strategies. It builds on the time and complexity axis described above and suggests four categories for strategies.

1. **Scramble** — If you want to know what scramble strategies are, it is what you have been doing for the past five months. In stable times, these strategies are what you do to keep the doors open. In chaotic times, it is what you do desperately to keep the enterprise afloat. They are short term and often not as complex as their future companions. In today's environment, your challenge as a leader is not letting these eat up all available resources, particularly time.

2. **Improve** — These are the things that you are currently doing that could have a bigger impact — meaning some combination of faster, better, cheaper, more – on some essential work. Some of these are things you have done forever and could be improved; today you may have the leverage to change things that have met a dead end in the past. I would put telemedicine in this category. Or, they may be brand new accommodations to the pandemic that have legs beyond this crisis. I think the prime example here is how teleworking can make an impact on where and how we serve clients.

3. **Reinvent** — This is different from improve. These are the possibilities that we did not recognize in the past, but now could be possible. For example, the collaborative work across state agencies and the nationwide protests for racial justice might point to a strategy where Medicaid serves as a backbone for reconsideration of the role of state welfare agencies in ensuring social justice and equity. As well, experiments with provider payments may present opportunities for reinvention.

4. **Start Over** — We were caught so fundamentally unprepared and incapable of quickly responding to the COVID-19 crisis. This experience raises issues about how public functions at the state level will fare in future health crises that a changing climate will bring. How do the public and private sectors integrate and support each other? What role do individuals and local authorities have in a more effective system of response? What can be done to address the inherent fragmentation in our public health and health care delivery system that have resulted in such severe disparities? Beyond health and welfare policy, what have we learned that should impact transportation, housing, and public safety? None of these are immediate transactional issues, but they have deep strategic value for the health of our society and need to be advanced and advocated by social welfare leaders at the state level.

Distributing the balance of effort among these four is a noble task. The tendency is to let the scramble consume all. My measure for heroic leaders is those who can keep scramble below 60 percent. A balance of 15 percent each on improve and reinvent seems a good start. Start over gets put off because it is not pressing but doing so means we arrive at the future without due consideration or preparation. If you want to know what that looks like, think about the past five months.

## About Ed O'Neil

Ed O'Neil, PhD, MPA, is the owner of O'Neil & Associates, a management consulting and leadership development firm focused on change and renewal in the health care system. He was previously professor in the Departments of Family and Community Medicine, Preventive and Restorative Dental Sciences, and Social and Behavioral Sciences at the University of California, San Francisco, and director of the Center for the Health Professions, a training institute that he created in 1992. His work across three decades has focused on changing the US health care system through improved policy and leadership. To learn more, visit www.oneil-and-associates.com.

## About the National Association of Medicaid Directors

The National Association of Medicaid Directors supports Medicaid directors in administering the program in cost-effective, efficient, and visionary ways that enable the over 70 million Americans served by Medicaid to achieve their best health and to thrive in their communities. To learn more, visit www.medicaiddirectors.org.

## About the Medicaid Leadership Institute

The *Medicaid Leadership Institute*, an initiative of the Robert Wood Johnson Foundation led by the Center for Health Care Strategies, helps Medicaid directors develop the skills and expertise necessary to successfully lead their state programs in an ever-changing policy environment. To learn more, visit www.chcs.org/medicaid-leaders.