Eight Tech Trends
David B. Nash, MD, MBA

Regular readers of this column know that I enjoy perusing management literature, including such classics as Harvard Business Review and The McKinsey Quarterly. A recent piece in the Quarterly by James M. Manyika and his colleagues caught my eye. The authors name eight emerging trends that are transforming many markets and businesses, and they suggest that we explore these trends to shape outcomes rather than just react to the environment. The trends are divided into these broad areas: (1) managing relationships, (2) managing capital and assets, and (3) leveraging information in new ways.

MANAGING RELATIONSHIPS
Within the first category are four key trends:

Distributing co-creation. This trend is defined as outsourcing innovations to business partners working together in networks. The authors claim that by distributing innovations, companies may be able to reduce their costs and bring new products to market faster by “eliminating the bottlenecks that come with total control.” An example relevant to P&T committees might be how device manufacturers work closely with suppliers to expeditiously bring new products to market. If we listen to suppliers, they often have a lot of interesting things to say.

Using consumers as innovators. The authors believe that consumers can co-create with companies; for example, nurses might give feedback on how a new device could be used at the bedside. If we could view nurses as consumers of new technology, we could probably involve them in the design, testing, and marketing of new equipment such as catheters and the like. It is possible that if we listen to the end-user, who might also be a clinical expert, we might help promote product loyalty and, in turn, speed up the cycle of product development.

Tapping into a world of talent. The authors suggest that companies could outsource specialized aspects of their work and still maintain coherence in the organization. By parceling out more work to specialists, free agents, and talent networks, they’d be decentralizing innovation and reaping benefits more quickly (e.g., as with a centralized institutional review board or even a centralized technology assessment performed by off-site experts).

Extracting more value from interactions. McKinsey experts have coined the term “tacit interactions” to mean that a growing portion of the labor force in developed economies engages primarily in work that involves negotiations, knowledge, judgment, and collaboration. For instance, P&T committee members can create value and ensure that they have the right information for evaluating new drugs through tacit interaction with experts overseas. I can envision the day when every P&T committee reaches out to “super-specialists” who are available online and eager to aid committees in negotiating new studies of potential pharmaceutical agents.

MANAGING CAPITAL AND ASSETS
The McKinsey team outlines two trends within this category.

Expanding the frontiers of automation. The team believes that companies still have room to automate many repetitive tasks that haven’t yet been taken over by computers. It is certainly true that great opportunities exist in medicine when electronic medical records in a doctor’s office are linked to computerized physician order entry systems in the hospital. In this way, we might finally have up-to-date and accurate medication lists that can be accessible from a doctor’s home and that reduce the incidence of drug interactions and other adverse events.

Unbundling production from delivery. Technology helps companies to use fixed assets more efficiently by breaking down monolithic systems into reusable parts. Mobile virtual network operators provide wireless services without investing in a network infrastructure, and anyone can buy fractional time on a jet or even a high-end sports car. For example, one could create standardized formulary applications for new products that might be available on the Internet and that might even come directly from manufacturers. Several major organizations, such as the Academy of Managed Care Pharmacy, have promoted these standardized formulary applications, but I am calling for broader dissemination by using this unbundling technology.

LEVERAGING INFORMATION IN NEW WAYS
The last two trends fall under the category of leveraging.

Putting more science into management. The authors note that ever greater amounts of data are helping us make smarter decisions that lead to creating competitive advantages. For example, Google stimulates innovation through an internal market whereby employees submit ideas and other employees decide whether an idea is worth pursuing and whether they would be willing to work on it full time. The hospital of the future might ask all employees, from service workers to attending physicians, how processes in the workplace might be improved. I am sure we would be pleasantly surprised by the scope and quality of the feedback received.

Making businesses from information. I believe that the health care industry is already leading in this endeavor. In our business, information is not always available and decision makers are often unable to obtain all relevant data about new marketing opportunities; that’s why we have global firms like Intercontinental Marketing Services (IMS) and others. These companies can take seemingly fragmented information about individual physicians’ prescribing behavior, lump it together for many markets, and then resell it to the pharmaceutical industry and other businesses. In health care, information is our lifeblood.

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In my view, it’s a good management practice to evaluate literature from fields outside our own. Not everything is directly applicable, but I am confident that we have a lot to learn from our colleagues in different industries. I hope that becoming familiar with some of these business trends will be helpful to your P&T committee.

As always, I am interested in your views. You can reach me at my e-mail address, david.nash@jefferson.edu. Be sure to also visit my blog at http://departmentofhealthpolicy.blogspot.com.

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