

LEVEL 7 ASSESSMENT SPECIFICATION

Student name:	WONG CHI HO	Student ID number:	2119643
Programme:	MBA		
Module:	Change & Stability Management		
Module code:	HKBM7015	Contribution to Overall Module Assessment (%):	25%
Lecturer:	Dr. Joe Leung	Internal Verifier:	Dr. Poon Cheong
Assignment Title:	Assessment 1 Presentation	Word count (or equivalent):	8-10 minutes (maximum)
Submission deadline:	3 April 2022	Return date of provisional marks & written feedback:	2 May 2022
Submission method:	All written assessments, where practical and possible, must be submitted via Turnitin unless otherwise instructed by the Lecturer. (Please DO NOT put this assessment specification into Turnitin or it will match many similarities with other students' submissions.) Alternative submission method (if applicable): Late submission of the assessment will result in a late penalty mark. Penalties for late submission: Up to one week late, maximum mark of 50%. Over one week late, 0%. Only the Extenuating Circumstances Panel may approve a change to submission dates.		
Academic honesty/ referencing:	Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.		

HKBM7015 - Change and Stability Management

Organization Change Management (digital transformation)

Name: Wong Chi Ho, Joe

Student Number: 2119643

Agenda of presentation

01 Introduction

- Why corporate need changes
- Case study and background of chosen company

02 Key Issues for the case study

- Key issue based on external and internal factors

03 Discussion of Key Change Management Model

- Definition of John Kotter change model
- Definition of Prosci Change Triangle (PCT) model
- Discussion of the models and what's has been done and will be used in the chosen company

04 Conclusion

Introduction and case study

- Organizations need to adopt change even though they are in a stable stage.
- Changes is unavoidable because of the general environment, task environment and internal environment changes
- Case study: a stable clinic chain that is required to change in order to achieve sustainable results

UMP healthcare holdings limited (stock code: 722.HK)

- UMP is one of the leading medical and healthcare providers established in HK since 1990 (UMP website, n.d)
- The company has strong B2B relationships with many insurance companies operating in HK, providing healthcare services to their insured members.

General and Task environment for UMP

General Environment

- ▶ Environment factor: COVID-19 pandemics
 - ▶ Virtual Care become in demand (especially in 5th wave)
 - ▶ Shorten patient wait time and improve social distance
- ▶ Technology factor:
 - ▶ Cloud adoption (Tafoya, F. ,2018).
 - ▶ Digitalization to raise patient journey

Task environment

- ▶ Strategic partner:
 - ▶ Insurance company focuses on claims loss ratio control. The profit margin is small (Willis Towers Watson, n.d.)
- ▶ new entrants
 - ▶ DrGo: Connected a pool of doctors through robust remote VC platform (DrGo. ,2022).
- ▶ Competitors
 - ▶ QHMS: increase investment in digitalization
- ▶ Customer behavior changes:
 - ▶ Many consumers preferred online shopping. (B2C)
 - ▶ Raising demand for digital marketing

Internal environment for UMP

Internal factor:

- ▶ Company P & L are mostly based on past success.
 - ▶ Current business model (B2B driven)
 - ▶ Insurance and corporate solution have been running for 30 years.
 - ▶ Although the company has kept positive net profits, the business is difficult to have potential growth.
 - ▶ Even major competitors Quality healthcare medical service (QHMS) is more B2C and patient-driven. (qhms.com, 2021)
- ▶ The company wishes to changes
 - ▶ The company would try to develop B2C so as to widen the products and customer portfolio and de-risk previous business model on B2B
 - ▶ Digital transformation

Internal Environment for UMP (Cont.)

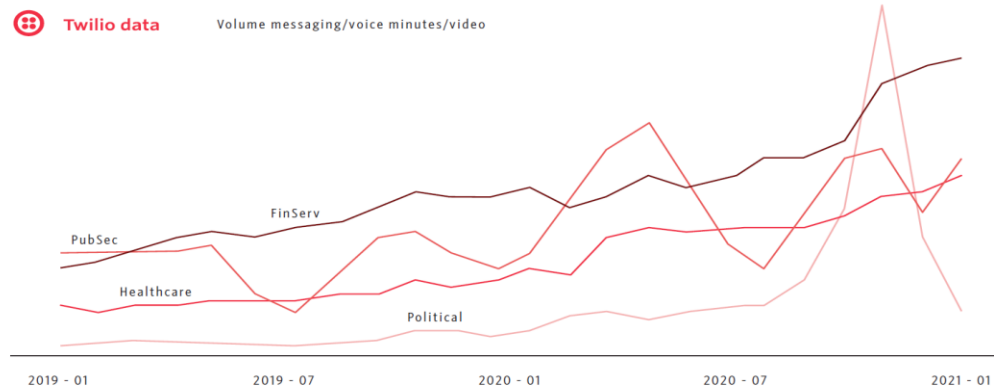
Internal factor:

- ▶ Board of Director support embracing technology
 - ▶ Willing to invest more to enhance patient journey in recent years.
 - ▶ As part of the growth strategy in the 2020 annual report (UMP, 2020)
- ▶ From the 2021 annual report, the company strives to execute of Growth strategy (UMP, 2021)
 - ✓ Extend the senior management team
 - ✓ HK50m for clinical system digitization and expansion projects in Hong Kong
 - ✓ Resources for the organization are expected to increase

Reasons for change in UMP (digital transformation)

► Threat or opportunity

- According to Twilio, digital message and voice minutes has been increasing (Twilio - State of Customer Engagement Report, 2021)
- Virtual care is one of the game changers during COVID19



*Digital engagement defined as messages, voice minutes, video by public sector, healthcare, financial services, and political organizations

► Management challenges

- Diversify income sources of revenue from B2B to B2B2C or B2C
- Adoption of Digital transformation strategy involves challenge (Correani et al., 2020)

Explanation: Key change model - Prosci Change Triangle (PCT) Model (Prosci, 2021)

1. Leaderships/Sponsorship
2. Project Management
3. Change Management



Success

- ✓ UMP has identified Virtual Consultation as one of the game changers and launched Virtual care in the year 2020 immediately.
- ✓ Leaderships/Sponsorship: Direction of Initiative comes from the external environment (COVID-19);
- ✓ Project Management: deliver the new service with booking platform, MS team for Virtual consultation, and new workflow for drug delivery. Also to provide service to insurance plans (AXA, AIA etc)
- ✓ Change Management: Doctors/Pharmacy/Clinic operation
- ✓ This model is effective for team structure is simple for small scale companies like UMP

Explanation: Key change model - John Kotter

(www.cnki.com.cn ,n.d.)

Create a Climate for change

Engaging & Enable the
organization

Implement and sustain the
change

1. Create urgency
2. Form a coalition
3. Developing the change vision for change
4. Communicate the vision
5. Empower action
6. Create quick wins
7. Build on Change
8. Make it part of the culture

Applying John Kotter's model (Create a Climate for Change) (Rose, K.H, n.d.).

1. Create urgency

- a) External environment change on COVID-19 pandemic period
- b) Negative impact on clinic revenue over insurance scheme sector

2. Form a coalition

- a) Form digital committee, e.g representative in business development, marketing, IT, to work out a digital strategy. To ensure a high performing team committed to supporting change delivery
- b) Identify the desire. That is to define the strategic pillars to support the visions before defining how to change

3. Developing the change vision

- a) B2C or B2B2C? (opentextbc.ca, n.d.)
- b) Technology enablement and its link up with business strategy

Applying John Kotter's model (Engaging and enabling the organization) (Rose, K.H, n.d.).

4. Communicate the vision buy-in

- a) Showcase the Virtual consultation platform as a successful case
- b) Recap the annual report mentioned more budget is committed to digital
- c) Building a culture to embrace technology and encourage internal process automation

5. Empower Action

- a) Involve high potential staffs to suggest, identify and implement solutions to solve the issue
- b) Empower the team to suggest how the budget be allocated for better results. E.g create a digital marketing team to position the company with a B2C business model
- c) Include new member of digital marketing into digital committee

6. Create short-term win

- a) Involve more digital initiative that internal department could benefits
- b) Start small, e.g onboarding chatbot to relieve the burden for the customer service team

Applying John Kotter's model (Implementing & Sustaining for change) (Rose, K.H, n.d.).

7. Building on change

- a) Extended to other initiatives which involve more stakeholders, e.g clinical application modernization
- b) Define KPI for the change program

8. Making it part of the culture (Kotter, J.P, 2012)

- a) Highlight the different attitudes and behaviors that will require future
- b) Reward and promote more team members to involve in the change program
- c) Broadcast the successful changes initiative through formal announcement through townhall, employee newsletter
- d) Building a culture for continuous improvement and applying technology to their daily operation

Conclusion

- Change is unavoidable in an organization because external and internal factors change
- UMP has applied the PCT model which is focused on project/change delivery management with the preset objective
- To increase change effectiveness, it's suggested to also adopt John Kotter's model
- To start with a small guiding coalition and then extend to a wider group, making the change stickiness increase
- More systematic approach to enable UMP to have a continuous adoption of digitalization as a company culture
- This helps to facilitate further digital initiatives and formulate a digital roadmap in the organization

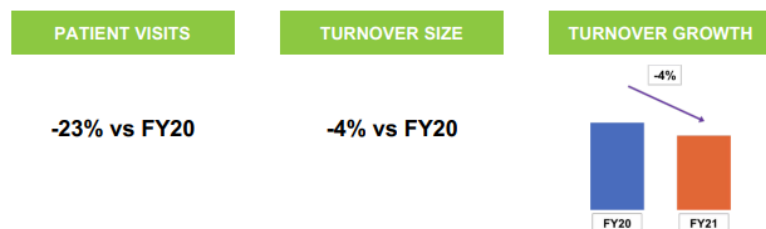
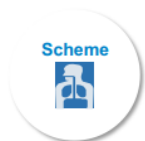
Appendix A - revenue of scheme business decrease FY end at 30 June 2021 compared to 2020

(UMP, 2021)

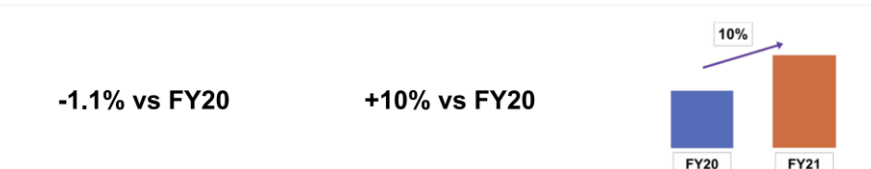
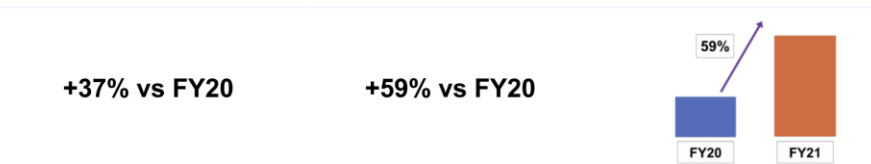
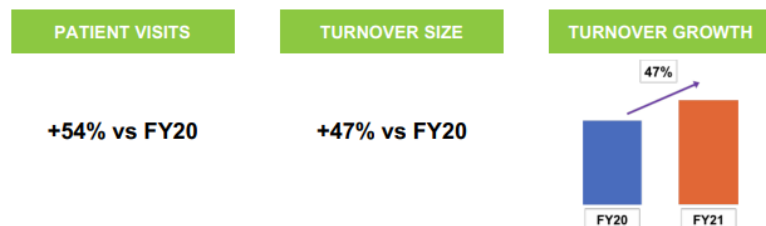


HONG KONG & MACAU:

SCHEME VISIT COUNT DOWN -23% WHILE TURNOVER ONLY FELL -4% W/ PRE-PAID PLAN
HELPED HEDGE BUSINESS RISKS



DIVERSE PORTFOLIO OF SERVICE OFFERINGS TO PROVIDE HOLISTIC PATIENT CARE



Appendix B: SWOT analysis

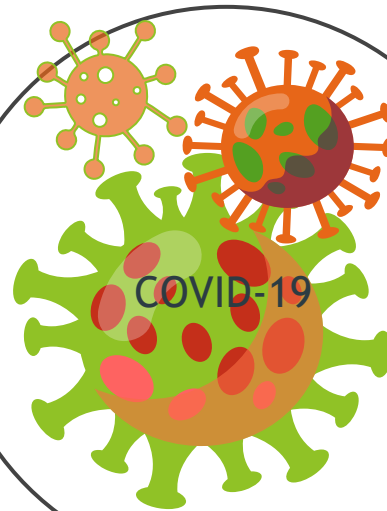
(Kurniawan, K. and Waisarayutt, C., 2019)

UMP

Digital

Major Competitor: Quality HealthCare Medical Services (QHMS) of Bupa Insurance

STRENGTHS WEAKNESSES
S W



OPPORTUNITIES THREATS
O T

- Work closely with insurance companies in HK to provide tailored B2B healthcare services for their customers. Strong revenue comes from this area
- Unique service offers to B2B clients in HK excluding B2C: Virtual Care (Teleconsultation) delivered to AXA, AIA
- IME visa medical examination has significantly increased in the year 2021 due to the trend of immigration starting 2019

- No. of retail medical centre outlets in HK: over 30
- Receive direct support and synergy from Bupa (A parent company)

- Significant increase of public awareness & healthcare needs since the start of COVID
- Overload of patients in offline public healthcare services, especially during 5th wave of COVID19. Resources are partly allocated to vaccination and quarantine programs.
- Long waiting queue for doctors in public healthcare due to insufficient doctors.

- B2C healthcare services development

- Cloud Adoption with integrated digital marketing approach throughout customer's lifecycle

- No. of retail medical centre outlets in HK: 13
- B2C Healthcare services
- Not owned by any insurance companies, unable to obtain operation synergies through ownership under one roof

Current B2C Healthcare are not too

a) Virtual Care

COVID pandemic make patient visit switched from Clinic to telemedicine

b) Online booking for physicians (GP) at UMP's website

- Contrary to its name, Quality HealthCare, maintaining high quality service consistently is a continuous challenge for private healthcare services in such scale

- Fierce competition in private healthcare sector offering primary healthcare services
- Whether people's behavior will remain the same in a post-COVID environment can be a challenge to businesses. Digitalization on patient journey become the key
- The possibility of living with a new normal in a continuous manner (e.g. Travel restrictions, lockdowns)
- When COVID could come to the end is an unknown. The end of lockdowns represents an increase of face to face interactions. Possibly undermining the return on investments (ROI) in the long term, e.g the investment on Virtual Care

Reference

Correani, A., De Massis, A., Frattini, F., Petruzzelli, A.M. and Natalicchio, A. (2020). Implementing a Digital Strategy: Learning from the Experience of Three Digital Transformation Projects. *California Management Review*, 62(4), p.000812562093486.

DrGo. (2022). [online] Available at: <https://www.drgo.com.hk/index.html> . [Accessed 20 Mar. 2022].

Kotter, J.P. (2012). *Leading change*. Boston, Mass.: Harvard Business School Press.

Kurniawan, K. and Waisarayutt, C., 2019. *SWOT analysis for determining sustainability development strategy of The Local Enablers community, a social business ecosystem at Universitas Padjadjaran, Jatinangor, Indonesia*. [online] ResearchGate GmbH. Available at: <<https://www.researchgate.net/publication/337157303>>.

opentextbc.ca. (n.d.). *Market Segmentation – Introduction to Business*. [online] Available at: <https://opentextbc.ca/businessopenstax/chapter/market-segmentation/>. [Accessed 2 Apr. 2022].

Prosci (2021). *Prosci Change Triangle (PCT) Model Overview*. [online] www.prosci.com. Available at: <https://www.prosci.com/resources/articles/project-change-triangle-overview>.

qhms.com. (2021) *Quality HealthCare*. [online] Available at: <https://www.qhms.com/home/index.aspx?lang=en>. [Accessed 20 Mar. 2022].

Rose, K.H. (n.d.). *Leading Change: A Model by John Kotter*. [online] Available at: http://www.siriusmeetings.com/files/Leading_Change_by_Rose1.pdf.

Tafoya, F. (2018). *What is Cloud Adoption and Why is it Important?* | *iTexico*. [online] Itexico.com. Available at: <https://www.itexico.com/blog/what-is-cloud-adoption>.

Twilio - State of Customer Engagement Report (2021). *Twilio - Full Report*. [online] Available at: <https://www.twilio.com/go/2021-state-of-customer-engagement-1-ty>. [Accessed 21 Mar. 2022].

UMP website (n.d.) *UMP Healthcare Holdings Limited*. [online] Available at: <<https://www2.ump.com.hk/>>. [Accessed 22 Mar. 2022].

UMP (2020). *UMP Annual Results and Strategy Update Presentation (FY20)* [online] Available at: https://www2.ump.com.hk/investment.php?id=7&page_id=11 [Accessed 22 Mar. 2022].

UMP (2021). *UMP Annual Results and Strategy Update Presentation (FY21)* [online] Available at: https://www2.ump.com.hk/investment.php?id=7&page_id=11 [Accessed 22 Mar. 2022].

Willis Towers Watson. (n.d.). *2022 Global Medical Trends Survey report*. [online] Available at: <https://www.wtwco.com/en-US/Insights/2021/11/2022-global-medical-trends-survey-report>. [Accessed 28 Mar. 2022]

www.cnki.com.cn. (n.d.). *PROSCI vs.Kotter's Eight StepsChange Management Approaches-- 《建材与装饰》2016年23期*. [online] Available at: <https://www.cnki.com.cn/Article/CJFDTotal-JCYS201623130.htm> [Accessed 27 Mar. 2022].