

## Exhibit 4–2: Description of Value Chain Components

<b>Value Chain Component</b>	<b>Description</b>
<i>Service Delivery</i>	
Pre-Service	The activities in the value chain that are directly involved in ensuring access to, provision of, and follow-up for health services
• Market/Marketing Research	Determine the services that create value prior to the actual delivery of health services, determine appropriate target market
• Services offered/ Branding	Information dissemination to present and prospective patients and other stakeholders regarding the range and location of available services
• Pricing	Charge schedule for available services
• Promotion	Activities that ensure all the elements needed to deliver health services are available at the appropriate place at the appropriate time
• Distribution/Logistics	Activities and systems that facilitate patient/customer entry into the service delivery system, including appointments and registration
Point-of-Service	Those service delivery activities that create value at the point where services are actually delivered
• Clinical Operations Quality	The activities that convert the human and nonhuman resources into health services
• Process Innovation	Actual provision of health services to the individual patient
• Marketing Patient Satisfaction	Activities and groups of activities that are designed specifically to improve the quality and quantity of health services
After-Service	Activities to offer new products, seek new customers, provide better services delivery, and cause services to be perceived as higher value
• Follow-up Clinical Marketing	Activities that create value after the patient has received the health services
• Billing	Activities designed to determine the effectiveness of or the patient's satisfaction with health services received
• Follow-on Clinical Marketing	Activities that assist in determining what other services need to be delivered
	Value creating activities that ensure more understandable and efficient billing procedures
	Activities that facilitate entry into another value chain (from hospital to home care, etc.)
<i>Support Activities</i>	
Organizational Culture	The activities in the value chain that are designed to aid in the efficient and effective delivery of health services
• Shared Assumptions	The overarching environment within which the health services organization operates
• Shared Values	The assumptions employees and others share in the organization regarding all aspects of service delivery (e.g., needs of patients, goals of the organization)
• Behavioral Norms	The guiding principles of the organization and its employees. The understandings people in the organization have regarding excellence, risk taking, etc.
Organizational Structure	Understandings about behavior in the organization that can create value for patients
• Function	Those aspects of the organization structure that are capable of creating value for customers/patients
• Division	Structure based on process or activities used by employees (e.g., surgery, finance, human resources)
• Matrix	Major units operate relatively autonomously subject to overarching policy guidelines (e.g., hospital division; outpatient division; northwest division)
	Two-dimensional structure where more than a single authority structure operates simultaneously (e.g., interdisciplinary team with representatives from medicine, nursing, administration)
Strategic Resources	
• Financial	Value creating financial, human, information resources, and technology necessary for the delivery of health services
• Human	Financial resources required to provide the facilities, equipment, and specialized competencies demanded by the delivery of health services
• Information	Individuals with the specialized skills and commitment to deliver health services
• Technology	Hardware, software, and information processing systems needed to support the delivery of health services
	The facilities and equipment required to provide health services