

HEALTHCARE TSUNAMI

**The Wave of Consumerism That Will
Change U.S. Business**

DEAN HALVERSON and WAYNE GLOWAC

1 What Is a Tsunami?

Today's technology allows little in the world to go unnoticed. The media and Internet unite even the most remote corners of the world. World events are now accessible to all of us at any time. Many of us have heard of tsunamis, the giant waves that hit Japan and other Asian countries. The media easily bring visual proof of the devastation into our homes, and we understand the awesome power and fury of nature.

The scientific definition of a tsunami is an ocean wave produced by a submarine earthquake, landslide, or volcanic eruption. Traditionally an earthquake occurs when two massive plates of earth come together, often moving in opposite directions. This movement builds pressure and eventually results in the tsunami. Tsunami waves start as ripples and eventually can reach enormous dimensions and have sufficient energy to travel across entire oceans.

Tsunamis are an interesting phenomenon. They can wipe clean the landscape or carry along a grass hut and land it safely on a new shore. While some victims are devastated by the impact, others may be swept along to a new life on higher ground because of their ability to ride the wave. Knowing of an impending tsunami can allow potential victims to prepare, keep safe, seek high ground, and set a course for the future.

The same can be said of the business environment. We submit that a business definition of a tsunami is a wave of change produced by subtle changes in business philosophy and consumerism. Such an event would quietly build energy under the surface and then suddenly explode into a wave of change that sweeps through an industry, forever changing the face of business in its wake. As in nature, these events are rare and require several factors to come together perfectly in terms of both direction and timing.

We believe that a tsunami has been building in the health-care industry for 20 years or more. While the pressure has been clearly visible, much of it went unnoticed or was viewed without concern by the key players in the industry. Lack of action by all involved has led to excessive pressure buildup and the potential for a tsunami-type event has grown.

We believe that today the perfect set of conditions is coming together to trigger a business tsunami. Employers have reached their limits and are shifting costs to employees at an exponentially increasing rate. A fundamental shift in the

healthcare market is putting more power into the hands of consumers. As this happens, consumers are quietly taking an active interest in their use of healthcare, working to become better consumers. This new trend will continue to grow as consumers spend their own money on care. Thus, the healthcare delivery system as we know it will be forever changed.

As true consumerism comes to the healthcare industry, we will see significant changes in the way healthcare services and products are consumed, delivered, and paid for. This shift to consumerism will generate a wave of change that will impact many key industries in the U.S. economy and shift billions of dollars in the process. As the tsunami builds, a few visionaries are already working to position themselves in the new reformed landscape. Understanding what is going to happen and planning for the future will allow you to do the same.