



## Health Travel Clusters: Aligning Objectives and Measures of Success

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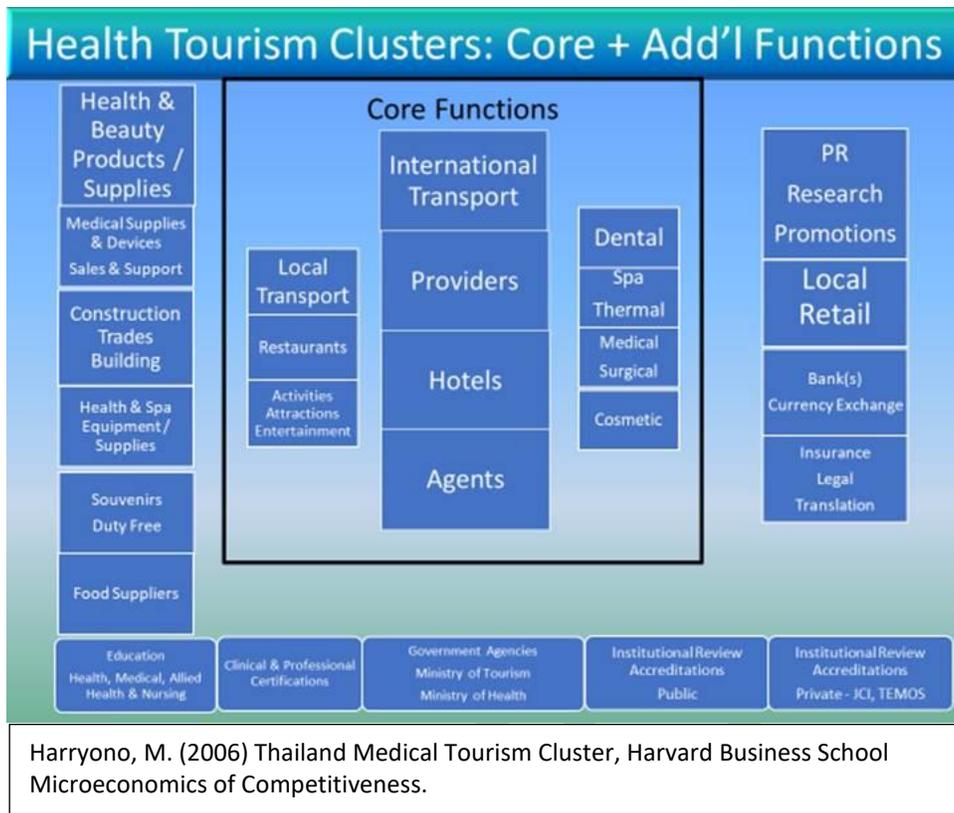
For any type of organization to succeed, it needs clear objectives that deliver its vision and mission. As it implements its strategy and tactics, the organization measures its success in fulfilling those objectives. Many health travel clusters experience a disconnect between what they say they should be doing and what they are measuring, leading them on a path to disappointment or a slow and painful death.

### Objectives that Match Function

A cluster of any type whether for health, health travel or medical tourism, is a specific, well-defined economic entity. The term “**cluster**” has a precise, established description as to what it is, what it can do, its potential economic impact, and other characteristics. The leading global guru of cluster economics is Prof. Michael E. Porter of Harvard Business School.

Prof. Porter defines clusters as “*geographic concentrations of interconnected companies, specialized suppliers, service providers, firms in related industries and associated institutions (e.g., universities, standards agencies, trade associations) in a particular field that compete but also cooperate*”.<sup>1</sup>

The overall objective of any cluster is economic development based on a core set of competing and collaborating entities that offer the same or similar types of services. Other goods and services are offered by secondary and tertiary organizations that assist and support the core entities to operate efficiently and more competitively as a group, much like the adage, “A rising tide lifts all ships”. When a cluster is functioning optimally, jobs are created, infrastructure is improved, businesses are growing, and economic benefits accrue to the community at large.



For health travel and medical tourism clusters, the core functions are transportation systems, health and medical services providers including hospitals and clinics, hotels, and human resources to deliver these core functions. These clusters are designed to ensure that the core and secondary providers are supported to foster economic growth. Given the various components of health travel clusters, it is clear that they are complex entities requiring substantial commitment, resources, strong leadership, and focus over an extended period of time to succeed.

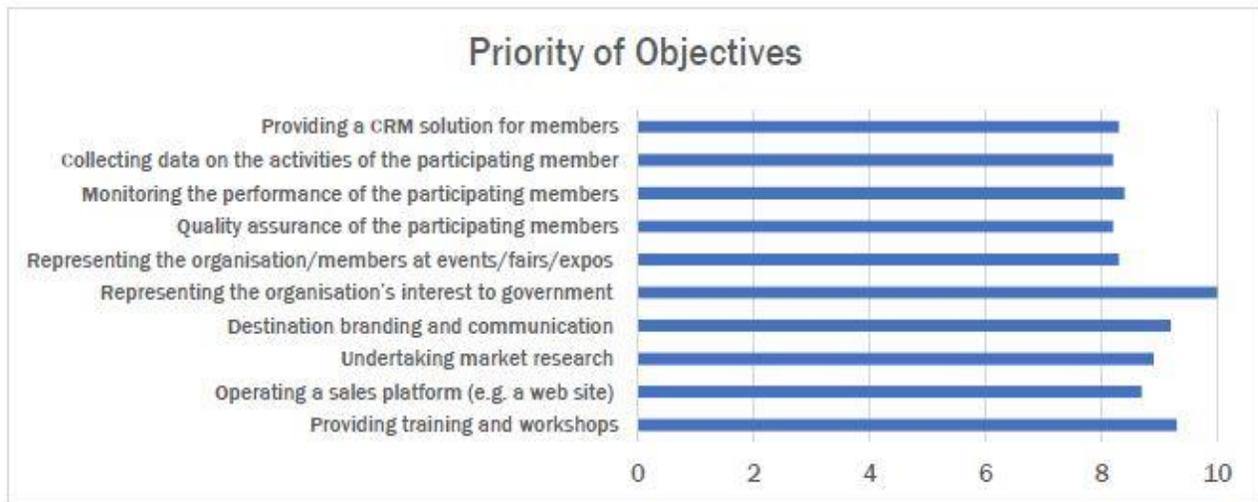
### Clarity of Objectives

The complexity of cluster management and growth requires extraordinary resources to ensure that the time, energy, human resources, and financial support delivers an appropriate return on investment.

During the cluster formation stage, issues are tackled including: identifying the core, secondary, and tertiary goods and services needed for long term grow and success; the roles of the private and public sectors in cluster development; the leadership roles and rules of governance; the sources of financing cluster activities; and more. These foundational structures will guide or hinder a cluster’s ability to succeed.

The heart of all health cluster activities is the following guiding principle: To “support efforts of all actors to build the technical, operational and coordination capacity of national and local health partners”.<sup>ii</sup> A recent survey of medical tourism clusters and associations<sup>iii</sup> identified key objectives from the survey’s respondents.

The two objectives most widely reported in that survey report (now referred to as the “Survey Report”) are (1) representing the organization’s interest to government (lobbying) and (2) providing training and workshops. A summary of all objectives from the Survey Report is provided below.



Note on table: on the scale 1 means not at all important, whereas 10 means most important

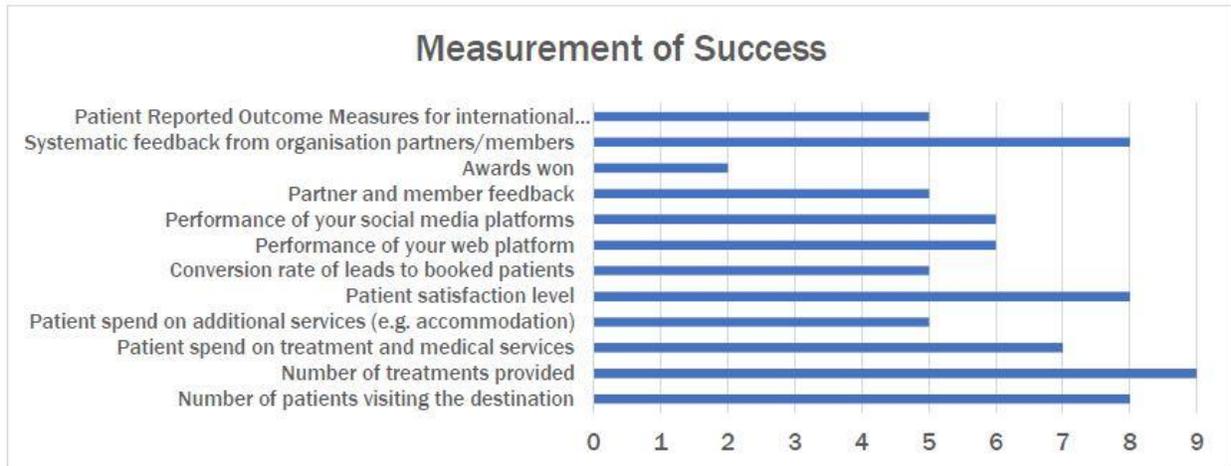
It is interesting to note how these stated objectives do or do not support the essential function of a cluster to build the technical, operational, and coordination capacity of its members. One of the key issues in health travel and medical tourism clusters is the focus on marketing and branding efforts, particularly the trend to establish marketing portals for members of the cluster.

Attempting to market and/or brand cluster members as an objective ignores the role of competition and collaboration of members within the cluster. Individual cluster members are tasked with marketing, differentiating, and branding their own products and/or services. Clusters may undertake activities to promote the cluster overall but not for the respective cluster members. By taking on this role, health travel clusters are distracted from the core functions that they should be providing.

Experience has shown that clusters that focus on marketing and branding their members fail to deliver the essential functions of a true cluster and, instead, simply function as a provider of external marketing services, - a role for which most clusters are poorly suited.

### Measuring What Matters?

The Survey Report provides insights into what respondents stated as their core objectives as well as the key measurements of their success.



*Note on chart: number of mentions for each measure*

According to this survey, the most important measure of success for the health travel clusters is the number of treatments provided by cluster members; followed by systematic feedback from partners/members; patient satisfaction level; and number of treatments provided.

These top measures of success reveal a lack of separation between the core functions of the clusters themselves and their individual members. Because of this blurred distinction, clusters are ignoring measures of their own success and focusing on measures that should be the domain of the member organizations. For example, a core function of clusters is to represent the cluster itself to the government and other third parties; however, there is no measure of that critical role upon which to determine the effectiveness of the cluster. Instead, there is an emphasis on collecting data that should be the focus of individual members such as “patient satisfaction” or “number of treatments provided”.

The disconnect between what clusters should measure as opposed to what is being measured is also reflected in experience working with clusters. The lack of alignment indicates problem areas that should be addressed by the cluster’s management team to clarify its “job description” versus the role of members. Without such clarification, the cluster is likely to continue to struggle or completely lose the support of its members.

#### Failure to Self-Assess?

When survey respondents were asked what, if given the opportunity, they would change anything about the way the cluster was launched. In other words, if they could start over again, what would clusters do differently based on what they have learned since the cluster was started. Amazingly enough, respondents reported that they would not change anything!

This response is challenging to interpret. First, health travel clusters routinely report struggles with their budgets which are often very small, tying the hands of cluster managers to execute their responsibilities. Survey respondents did not address the issue of better financial support as something they would change if they could turn back the hands of time.

Second, the survey response indicates that the clusters have not identified for themselves the disconnect between what they should be doing as opposed to what they are measuring. This blind spot does not auger well for the future health of the clusters. The ability to identify and correct weaknesses

within any organization is essential to success. If an organization cannot perform this function itself, an independent third party can be brought in to help the cluster operate more effectively. Budgetary restraints may prevent outside assistance from being brought in to help.

### The Road to Success

Successful health travel clusters are based on a solid understanding of their functions as well as the role of their association members. Measures of success for the cluster itself as well as separate measures of success for its members should be aligned with each other and more importantly, aligned with their distinct roles within the cluster. The failure to align objectives and measures results in a weak and probably ineffective cluster, frustrating its leadership, members, governments, and the people they serve. These problems can be solved by accurate self-assessment or assessment by an independent third party to get the cluster back on track.

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<sup>i</sup> Porter, Michael E. (2000). Location, Competition, and Economic Development: Local Clusters in a Global Economy. *Economic Development Quarterly*, Vol. 14. No.1. February 2000, 15-34.

<sup>ii</sup> <https://www.who.int/health-cluster/about/work/strategic-framework/GHC-strategy-2017-2019.pdf>, p. 12. accessed 19 May 2019.

<sup>iii</sup> Medical Tourism Survey 2018: Medical Tourism Clusters and Associations. LaingBuisson & Resources for Leisure Assets, September 2018.