

Newsday (New York)

October 9, 2009 Friday
ALL EDITIONS

Wanted: entrepreneurial thinking; The health care debate sorely lacks innovative ideas and creative destruction

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SECTION: OPINION; Pg. A39

LENGTH: 721 words

While politicians argue the nuts and bolts of a national health care plan, few are tapping into our nation's entrepreneurial strengths to help achieve reform.

Perhaps entrepreneurial thinking has been absent from this debate because we don't want to think of doctors as risk-takers or prescription drugs as "creative solutions." But health care reform involves more than doctors and pills, and fresh thinking and innovative remedies are needed.

Entrepreneurship creates new efficiencies. One way start-ups get a foothold in competitive markets is to do more with less: They offer improved products or superior services at prices that undercut the competition. They can do this because their costs are lower, ensuring them a reasonable profit. And they can lower costs because they've found a more efficient way to meet needs.

But finding innovative ways to be efficient isn't just a challenge for start-ups. To remain viable, established companies also need to be inventive and resourceful. New efficiencies are achieved in a variety of ways - implementing new technologies, outsourcing production or using widely available capabilities, like the Internet, in new ways.

President Barack Obama and other health care advocates have called for new efficiencies as a way to cut health care costs and improve delivery systems. But they've been shouted down by claims that such gains are impossible because the government can't manage anything efficiently.

In fact, government at all levels has made some remarkable advances in efficiency, including being among the first to implement digital technologies to speed transactions and cut costs in everything from public works projects to homeland security.

More important, most of the new efficiencies the president is calling for target the health care industry rather than government. The regulatory reforms central to most health care proposals achieve efficiencies by reining in the bloated insurance industry. And by adding millions of Americans to their rosters, health insurers can spread the costs and risk of coverage over a larger pool of participants.

But the insurance industry itself seems to have little interest in seeking its own entrepreneurial solutions. Indeed, many in the health care industry - including most insurance companies and some hospitals and HMOs - are among those putting up the strongest resistance to health care reform.

These businesses, which you'd hope to turn to for innovative solutions, are instead clinging to outdated practices.

Their dug-in position evokes another entrepreneurial mantra that has been silenced in the current debate: creative destruction. Introduced by economist Joseph Schumpeter, the concept refers to the transformative power of new processes, new technologies and new creative combinations of capabilities to rise up and replace worn-out practices and technologies.

Economic progress requires creative solutions to emerge and unworkable, old ideas to fade away. This is essential to revolutionizing outdated structures.

Lest we forget, there was an earlier era of health care reform in the United States. Wilbur J. Cohen, known as "the man who built Medicare," was a key architect of Social Security and became Secretary of Health, Education and Welfare in the Johnson Administration. His tireless, imaginative and flexible efforts - all characteristics of an entrepreneurial leader - laid the foundations for some of the public health programs we rely on today.

But out-with-the-old-in-with-the-new calls for action have been hard to find among those trying to transform health care now. The loudest cries are from those seeking to restrict reform's scope. Even traditionally pro-business, pro-entrepreneurship legislators seem to have left their entrepreneurial advocacy shoes at the door.

Meanwhile, anti-reform lobbyists in well-heeled boots are threatening to stomp on any sock-footed U.S. representative who threatens their industry's well-being. Entrepreneurship has had no voice in these proceedings because the windows have been shuttered against the gales of creative destruction that are necessary to enact true reform.

Entrepreneurship is integral to the American success story. It's time to open up those windows and let the winds of change refresh the health care debate and invigorate the search for entrepreneurial reform.