

Value-based management

Value-based [management](#) (VBM) is a business management approach that focuses on creating long-term value for [stakeholders](#), including [shareholders](#), [employees](#), [customers](#), [suppliers](#), and the wider community. VBM aims to align the interests of all stakeholders with the goal of maximizing value over the long term, rather than focusing solely on short-term profits.

The key principles of value-based management include:

Focus on creating long-term value: VBM prioritizes sustainable growth and profitability over short-term gains.

Align interests of stakeholders: VBM aims to create alignment between the interests of shareholders, employees, customers, suppliers, and the wider community.

Measure and manage value: VBM uses a range of financial and non-financial metrics to measure and manage value creation.

Continuous improvement: VBM encourages a culture of continuous improvement, seeking to optimize all aspects of the business to maximize value.

Empowerment and accountability: VBM emphasizes the importance of empowering employees and holding them accountable for achieving value-creation goals.

VBM has gained widespread acceptance as a framework for business management, with many companies adopting VBM principles in their decision-making processes. By focusing on long-term value creation and stakeholder alignment, VBM can help companies build sustainable competitive advantages and deliver sustainable growth and profitability over the long term.

[Quality improvement](#) (QI) tools are increasingly being used to calibrate [healthcare quality](#). Achieving healthcare quality is essential, as there is a movement toward value-based healthcare delivery. Visual management, such as a living [Pareto chart](#), is a strategy for improvement within the QI framework.

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