GETTING IT DONE
Experienced Healthcare Leaders Reveal Field-Tested Strategies for Clinical and Financial Success
INTRODUCTION

The practice of medicine began as a cottage industry; physicians practiced their craft as they saw fit. When formal medical school training and professional licensing emerged, medical practice became more of a scientific practice than an art, yet there was no efficient way to promulgate best practices within the profession. As investment in medical technology and knowledge increased, so did emphasis on the business of medicine, which integrates physician practice with administrative practice.

Greater government intervention in healthcare delivery and payment and patients’ demands for lower costs and improved quality of care necessitate greater collaboration not only within an organization but also between organizations. Specialists have to work more closely with general practitioners; hospitals have to work...
more closely with physicians; insurance companies have to work more closely with providers.

This chapter describes the methodology two healthcare institutions used to overcome decades of intense animosity, build trust, and move forward together. The names of the organizations are pseudonyms.

CASE PRESENTATION

Context

The Monroe Clinic, founded almost 100 years ago, consists of 700 physicians in 50 specialties and operates in 60 rural areas. The CEO quips that there are more trees than people in the service area. Many of Monroe’s physicians hold instructor appointments at teaching hospitals. The clinic dedicates resources to research, which has informed innovations in clinical research, rural and agricultural health and safety, human genetics, epidemiology, and biomedical informatics. The organization offers high-quality, efficient medical care and a warm employee culture.

The Monroe Clinic has no hospital facilities. They are provided by the Haddon Healthcare Group, which operates 15 hospitals in the region. Haddon also employs a large physician staff. The two organizations feuded with one another for decades, though no one knew the reason for this conflict. For example, there was no physicians’ lounge in the hospital, only hooks where doctors could hang their coats.

To make matters worse, Haddon hired several key administrators from Monroe, which compounded the animosity between them. Senior leaders of both organizations were concerned that further breaches in their relationship and the deteriorating effect of these breaches on communication might affect not only quality of care but also create an opportunity for a competitor to take some of their market share. Soon to retire, the senior leader at Monroe
Clinic wanted to mend the relationship to prevent these consequences and leave an important legacy from his term in office. Most of the employees of Monroe and Haddon thought that rebuilding this relationship was impossible.

**Approach**

The movement toward more active collaboration began serendipitously. Monroe’s leaders asked me to provide leadership training to the top 25 physician and administrative leaders at the clinic. As part of the leadership development exercise, we examined the organization’s relationship with the Haddon Healthcare Group and determined that it was not a problem to be solved but a paradox to be balanced, in that the organizations had to vigorously compete and cooperate with one another. The paradox concept opened a pathway to new possibilities for a satisfying business and practice relationship.

The 25 leaders of the Monroe group subsequently participated in several scenario-building exercises to develop a deeper understanding of what the organizations could accomplish if they had a stronger relationship, identify the potential risks and rewards of greater cooperation, define the current competitive landscape and project what it could look like in the future, and consider what might happen if they maintained the status quo. Monroe also explored the financial and cultural ramifications of building its own hospital.

By the conclusion of the exercise, the leaders’ appetite for a more collaborative relationship had grown. They realized that a weak relationship between the two organizations could create an opening for a third, more competitive organization to take market share, that the antagonistic relationship with Haddon was unacceptable, and that the decision to build a hospital facility would be ill-advised. Nevertheless, they remained skeptical that better relations were possible.

With great hesitation and concern, Monroe’s leaders asked me to approach Haddon’s senior leaders to determine their willingness
to explore a closer working relationship. The Haddon group responded with openness and appreciation and agreed to participate in a parallel exercise. Twenty-five of Haddon’s senior leaders considered the paradox, looked at the existing and potential market, and created several scenarios. They arrived at a similar conclusion: A healthier, more collaborative relationship would serve the interests of both organizations. These initial communications also revealed the factors underlying the high level of distrust between Monroe and Haddon. Monroe feared that Haddon would take a greater share of its clinical practice, and Haddon feared that Monroe might build its own hospital facility.

Both organizations recognized the potential to improve their healthcare through a more synergistic relationship, but they did not know how to make that relationship happen. Merger was not an option; antitrust regulations prohibited them from joining forces. Had they been permitted to merge, strong independent cultures would have made them incompatible.

Senior-Level Buy-In

As a first step toward our objective, I brought the two CEOs and two members of their senior leadership teams together. The CEO of Monroe, a former physician, had been in his position for many years. He was well respected by his colleagues and approached his work as a wise statesman. Haddon employees perceived him as someone slow to make decisions and more focused on developing consensus. The CEO of Haddon was a middle-aged, strong administrative leader who was well respected by his employees. Monroe employees perceived him as calculating and less interested in the welfare of patients.

During the initial leader-to-leader dialogue, the leaders expressed their hopes and reservations about a more collaborative relationship. They openly shared their fears about the consequences
of continued conflict and agreed to explore the possibilities of a more collaborative arrangement. Through this discussion, the CEOs discovered that the organizations had common values that could support a healthier bond; they both endeavored to do what was best for their patients and to preserve their hallmark high level of care. Most important, they realized the value of the other.

Both leaders agreed that greater collaboration would not happen simply by official decree. It would require leaders and managers lower in the organization chart to trust their counterparts and develop more effective ways of working together. They, too, had to realize that though the organizations competed with one another, they would also need to collaborate more than they had in the past.

During this initial leader-to-leader session, the senior leaders decided to call a joint forum of 40 managers, directors, and physician and administrative leaders from each organization to create a powerful platform for change. I was appointed as the facilitator. As they worked on the agenda for this one-and-a-half-day forum, I saw the relationships between the senior leaders grow. When they announced the forum, employees of both organizations dubbed the event as nothing more than a “kumbaya” feel-good session, believing that nothing could ever unseat the historically high levels of distrust between them.

The Forum: Building a Platform

Prior to the joint forum, each side separately convened to determine five major characteristics of the other organization that it appreciated and resented. This exercise enabled each group to identify critical areas of conflict, provided an opportunity for people to openly share their concerns within the safety of their organization, and helped each side more fully realize the value of the other. Both groups shared the results of the exercise during the joint session of
Exhibit 10.1 Overview of Appreciations/Resentments Exercise*

| Appreciations | • Commitment to high-quality care |
|               | • High levels of financial investment |
|               | • Commitment to the community |
|               | • Ability to effectively execute strategy |
|               | • High level of ethics |
| Resentments   | • Opportunistic |
|               | • How they do business: Don’t come to the table with us as partners |
|               | • Don’t value physicians |
|               | • Primarily financially/ bottom line driven |
|               | • Inability to act as a coherent system |

<table>
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<th>Monroe Clinic’s Perception</th>
<th>Haddon’s Perception</th>
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| Appreciations | • Desire to advance the quality of healthcare |
|               | • Breadth of physician talent |
|               | • Quality of clinical care |
|               | • Staff-to-staff and clinician-to-clinician working relationships |
|               | • Medical staff leadership |
| Resentments   | • Slow decision making |
|               | • Lack of trust in us |
|               | • Lack of clarity regarding strategic initiatives |
|               | • Lack of follow-through on commitments |
|               | • Shifting objectives (e.g., cost versus quality) |

*Completed separately by each organization in preparation for the forum

the forum. An overview of their appreciations and resentments is featured in Exhibit 10.1.

During the forum, the 80 participants were seated at tables of eight in two configurations. Sometimes they sat with their counterparts from the other organization; at other times, they sat with people in the same organization. The fluid seating arrangements facilitated dialogue across organization boundaries and allowed for internal dialogue as necessary.
Over the course of the next day and a half, participants engaged in the following activities:

• Each leader communicated strategic reasons for building closer working relationships. Examples included greater leverage of each organization’s strengths, provision of outstanding care, reduced costs, and development of innovative ways to deliver healthcare to populations living in shrinking communities where income levels are far below the national average.

• They discussed the appreciations and resentments they identified prior to the forum, witnessed people’s reactions, and explored what they would be willing to do to improve relations.

• They considered ways they could work together to improve healthcare for the communities they served. Project ideas were tested against the following criteria:
  - The project would differentiate them from potential competition.
  - The project would significantly improve healthcare quality, delivery, and efficiency; improve their relationship; and/or reduce costs.
  - The project would reduce unnecessary duplication.

• Mixed table groups of managers and leaders developed specific ideas on how they could support collaboration.

• The entire group reviewed each mixed table group’s work and came to a consensus on which agenda items were most critical.

• The senior leaders then reviewed the outcomes and formulated an action plan.

Timeline of Events

A timeline summarizing the events leading up to the forum appears in Exhibit 10.2.
### Exhibit 10.2 Timeline of Events

**Who** | **Event Outcomes**
--- | ---
25 leaders of Monroe Clinic | Held leadership training session on how to balance paradox
25 leaders of Monroe Clinic | Completed strategic and scenario-building exercises to determine whether to approach Haddon
25 leaders of Haddon | Examined the paradox and completed strategic and scenario-building exercises
Top three leaders from both organizations | Met with me to determine how to foster a closer relationship
Top three leaders from both organizations | Prepared the agenda for the real-time strategic forum
40 leaders and managers from each organization | Held real-time strategic forum

- Group realized it must manage relationship with Haddon to proactively create greater competition and greater cooperation
- Determined that collaboration was in their best interest and to explore the possibility with Haddon’s CEO
- Decided to meet with senior leadership of Monroe Clinic
- Agreed to hold real-time strategic forum over 1.5 days with 40 leaders and managers from each organization (80 total participants)
- Developed closer working relationships and trust
- Developed greater trust and created a list of objectives that could be accomplished by working together
CASE DISCUSSION

Real-Time Strategic Change

In the case just described, Monroe and Haddon participated in real-time strategic change, a field-tested, community-building methodology an organization can use to work systematically on issues of greatest importance. The methodology encourages large numbers of people from all organization levels and departments to develop more comprehensive solutions and thus reduces resistance to change. By involving critical stakeholders, it increases engagement and reduces time to implementation.

Principles incorporated into the real-time strategic change process used by the two healthcare systems and their impacts are listed in Exhibit 10.3.

Results

In the real-time strategic change forum held seven years ago, participants learned that they shared values and intent to a degree far greater than they had imagined. They grew to understand one another as people and professionals with a common cause. They learned more about each other’s culture and why some of each organization’s characteristics had bred resentment in the other. Most important, they discovered ways they could cooperate and compete at the same time.

Several years following the forum, the two organizations completed construction of an integrated campus that has become known for having the latest medical technology and delivering high-quality care. The jointly planned facility is so well integrated that patients cannot tell which part of the campus belongs to which organization. Physicians from both organizations routinely collaborate to deliver care. Reviewers such as The Leapfrog Group, Commonwealth Fund, Health Insight, and Hospitals & Health Networks...
Key Concepts 10.1: Guidelines for Handling Significant Relationship Challenges with Another Organization

1. Determine whether the relationship hampers your ability to accomplish your objectives and whether you are willing to put forth the effort to achieve a different kind of relationship and outcome.

2. See the other party from multiple perspectives. What do you appreciate about it? What do you resent? Why do you resent it? What does it appreciate and resent about you? What could be a basis for exploring alternative possibilities?

3. Initially focus on and develop the support of individuals who are motivated to see possibilities rather than try to convince those who see no alternatives to change their minds.

4. Focus on the possibilities rather than the liabilities.

5. Engage a neutral, third-party intermediary when necessary to explore possibilities, facilitate discussion, and bridge relationship challenges.

6. Create a team of two or three people from each organization and an internal or external facilitator to design and monitor the process. Plan for regular communications, evaluations of progress, and new opportunities to work together in a more collaborative manner rather than see the process as a onetime event.

The magazine gave the organization high marks for its performance. The new facility, now in its fifth year of operation, is ranked in the top 10 percent of best hospitals in the nation with respect to quality. Patients rank performance in the top 90 percent of US hospitals. The new hospital’s performance results are a strong indicator of the lasting effectiveness of the relationship between these two organizations.
LESSONS LEARNED

• New language and leadership tools are necessary to reframe the way people see an issue.
• Competing parties must address issues directly to reduce friction and facilitate implementation.
• Participants and their organizations must share overarching values.
• Careful planning and good facilitation are critical to the success of an intervention.
• Senior leaders must create the platform for change but cannot do the work by themselves.

SUGGESTED READING

