



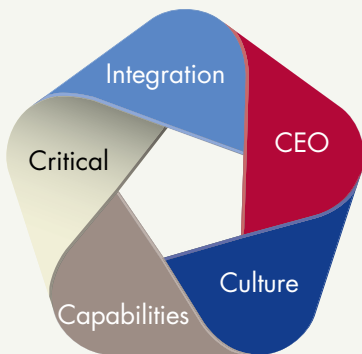
Hospital C-Suites: Leading Disruptive Change

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The playbook for hospital leadership has fundamentally changed. Integrated hospital systems, academic medical centers, freestanding hospitals – no provider is immune from the need to transform its delivery models to become aligned with the Affordable Care Act (ACA). CEOs and hospital leaders are in the hot seat, simultaneously managing traditional volume-based models while reinventing their organizations to meet the demand for a value-based approach.



The Volume to Value Revolution

In working closely with CEOs and executive teams, we have observed wide-ranging responses to the revolutionary changes they are facing since the ACA was passed. In some organizations, the executives are addressing and tackling the tough issues head-on. They are reflective, recognizing they must change if the organization is to thrive. At the other end of the spectrum, there are stagnant executive leadership teams. These teams are not collaborating or holding one another accountable for transforming their organizations to elevate service, quality and performance.

These diverse reactions and approaches to managing the paradigm shift caused us to pause and resulted in the research presented in this paper. Through our conversations with twenty CEOs from a wide spectrum of independent and integrated systems throughout the U.S., we heard first-hand about the complex and somewhat unnerving issues they are confronting. Our discussions proved to be rich in content and authentically honest.

We want to thank all of the participants with whom we met for their time and candid input. Through their insights and our experience, we have started constructing a roadmap for CEOs and C-Suites to help them lead during this time of disruptive change.

Twenty Voices from the Field

While early in the game, we believe there is much to be learned from those tasked with turning recalcitrant and hierarchical systems into proactive, nimble organizations. We heard a number of common issues faced by the CEOs and their organizations:

- Steadily declining inpatient volumes, leading to increased pressure to find new sources of revenue and the continued need to operate with far greater efficiency and less cost;
- Simultaneous migration to an ambulatory model while still needing inpatient volume;
- Complexities associated with building a continuum-of-care, including forming alliances and partnerships across broad geographical boundaries and fostering consistent patient quality and service;

The pressure is on to move quickly to a value-based paradigm, while still operating a volume-centered model.

- Pressure to develop best practices for the patient experience, often using legacy models and talent, which may not be aligned with the new paradigm;
- A critical need for more robust data analytics, which demands an ongoing and sizeable investment in infrastructure within a constrained financial environment;
- An uncertain regulatory and political context where rules and policies change frequently;
- A majority of senior leaders groomed in a hospital-centric model now tasked with leading wholesale change and building a care-centric delivery system; and
- Hierarchical delivery systems that are slow to change and often resistant to disruptive innovation.

These are not favorable conditions for leaders, or the industry in general, due to the velocity with which the business model must be transformed.

According to Dr. Jason Hwang, co-author with Clayton M. Christensen of *The Innovator's Dilemma*:

"It's not that healthcare is doing a poor job. It's improving, but it just doesn't change the way we need it to ... And for that change to happen, what disruptive innovation theory tells us, is that it's almost always a new entrant, or, in this case, many new entrants to the industry that figure out a better way of doing things."

Historically, healthcare has moved cautiously and slowly in making significant change. As a whole, the industry has not faced threatening conditions such as those spawned by reform. Now and for the foreseeable future, the pressure is on to move quickly to a value-based paradigm, while still operating a volume-centered model. This serious challenge is aptly described by Peter Banko, President and CEO of St. Vincent Health System in Arkansas (Catholic Health Initiatives):

"It's like having your feet in two boats at the same time. One is a fee-for-service and the second is in the new infrastructure. The challenge is to make sure the legacy model doesn't drag you down as you shift to the new paradigm. The pacing and timing of the work needed to be done is what is always on my mind."

As evidenced by our research and experience with C-level executives across the country, the leaders who are successfully shaking up the status quo are bold, will accept nothing less than excellence, and believe strongly that transformative change must occur now for their organizations to survive and thrive.

The experience of the guest (patient) will be the pinnacle difference between those who are successful in the long run and those who don't make it.

Rossabeth Moss Kanter of Harvard University refers to organizations that have transformed themselves successfully as “vanguards.” Kanter suggests they are ahead of the pack because their leadership is visionary in the way they look at society. These organizations have clear value statements and their actions are consistent with those values. Her studies speak to the importance of leading an organization through tumultuous times by defining a clear purpose and set of values that remain consistent and at the core of all key decision-making.

What vanguard-leaders view as both exciting and unnerving is the opportunity to make a material impact on healthcare in the United States. Setting the course for a high performance future is not prescriptive in any way. CEOs and their executive leaders are shoring up talent capabilities, leveraging lessons learned from within and outside the healthcare industry, and stretching their thinking to navigate choppy waters. Simultaneously, they are architecting thoughtful strategies appropriate for their particular circumstances. In doing so, they are encountering tough questions for themselves and their leaders:

- Are we, as a team, mutually committed to stay the course, even when times are tough?
- Do we have the right skill sets and are we bold enough to tackle the tough and necessary changes?
- Can we shed a hospital-centric way of thinking and think as a care-centric entity?
- Can we put egos aside and think as “we” instead of “me”?

As noted by many CEOs in our research, everything is under scrutiny. There are no “sacred cows.” The depth and breadth of reinvention is hard to describe to those outside of the industry. Robert Ritz, President of Mercy Medical Center in Des Moines, Iowa, captures the current state well:

“I believe there is a new phase of healthcare delivery. I believe the healthcare industry needs to be materially different; the experience of the guest (patient) will be the pinnacle difference between those who are successful in [the] long run and those who don't make it. It's easy to make decisions when you stay focused on your missions and who you are. We are unrelenting and fearless about doing what is right and what we stand for. The days of doing something because it is noise in the environment or politically correct are gone.”

A Transformation Road Map

It is our belief that provider organizations committed to building sustainable models must establish executive leadership tiers centered on five dimensions of transformation. Although there are additional components integral to long-term organizational viability, these five strategic elements are central to C-Suite effectiveness in light of the ACA and accompanying requirements.



C-Suite leaders are forming unprecedented affiliations with partners who may have been considered unlikely allies in a care-continuum.

1. *Integration is a Performance Mandate*

Triple Aim, the nation's dominant healthcare framework, has set the course for the future.

Implications of Triple Aim for executive leadership are immense and somewhat unclear due to the continued evolution of reform. Even under this cloud of uncertainty, executives we interviewed expressed a sense of urgency to reshape their futures. What steps are they taking toward that end?

On a macro level, C-Suite leaders are forming unprecedented affiliations with partners who, even a few short years ago, may have been considered unlikely allies in a care-continuum. In support of volume, achieving economies of scale, establishing necessary infrastructure, and managing the health and well-being of a population, former competitors not only are coming together under the same tent, they are inviting in partners – namely, health plans and vendors – whose core lines of business are far outside the traditional realm of provider entities.

Arnie Schaffer, former COO of Providence Health in Washington, articulated a central question facing all leaders:

“Who is going to be your collaborator, partner or competitor? The more aggressive hospitals are choosing their futures as opposed to letting a competitor make that decision for them.”

From small, independent hospitals to the largest healthcare systems, none are immune from the need to integrate if sustainability is the goal.

Richard Liekweg, Group President of BJC HealthCare and President of Barnes-Jewish Hospital in St. Louis, cited the following strategic priorities, which were echoed by many of the 20 CEOs who contributed to our research:

- Continued growth
- Performance improvement
- New care delivery models
- Leading massive, disruptive, system-level initiatives.

Integration requires moving from a hospital-centric to care-centric model.

These challenges relate directly to the migration from an historical emphasis on delivery of post-acute care to the new strategic imperative of managing the health of a designated population across a complex web of delivery systems. Inherent in this journey for Liekweg and his peers across the U.S. is a need for C-level talent fully-committed to and capable of seeing ten years down a murky road, building strategic plans based upon emerging demands and a changing context while concurrently driving down costs, growing revenue, and constructing a coherent organization that can adapt quickly along the way.

Dr. Kevin Tabb, President and CEO of Beth Israel Deaconess Medical Center in Boston, Massachusetts, had a head-start on building and leading an integrated system, given Massachusetts' passage of the first reform law in the United States in 2006. In many ways, he and his colleagues in Massachusetts are prescient about what is forthcoming on a national scale. Dr. Tabb and his team have been hard at work building an infrastructure that ensures integration of information and delivery of care across all settings:

"It's our job to provide excellent care wherever the patient is and whenever care is needed. Many people still believe in the hospital business versus seeing we are in the business of providing care. The model has changed. Kodak is an example of a company that didn't change its understanding of the business it was in - the image business. Management didn't recognize industry threats and wasn't able to change fast enough."

At a micro-level, to be effective, executive teams must align their behavior as a collaborative decision-making unit in order to think about and lead an integrated system. Working across formal structures and boundaries to serve a broad population implies a desire and set of capabilities to act interdependently. This can be a tall order, especially for high-achieving individuals who may have been rewarded in the past for exceptional leadership of their respective business units. While most senior leaders are in the middle or late stage of their careers, they are now being expected to "play" by a different set of rules in support of the new paradigm.

Our observations and experience suggest an executive team's progress along the spectrum of collaboration is largely dependent upon the CEO's expectations. Equally important are the competencies of individual senior leaders, as discussed in greater detail below.

Many of the CEOs we spoke with are investing in executive, team and individual development to help elevate the group's performance. To succeed, some aggressively are reconstituting the C-Suite with those who have the characteristics necessary to lead an interdependent system of care: experts in their respective functional areas; collaborative in style; strategic; and, visionary.



CEOs need to be capable of engaging both the emotions and intellect of their organizations.

2. The CEO is the Primary Agent of Change

By some accounts, the role of today's CEO is more akin to an orchestra leader than administrator. Historically, the CEO had to be a stellar strategic leader, financial guru and great hospital operator. Looking forward, CEOs need to excel at building effective relationships with a vast network of stakeholders, be adroit at building and leading teams, envision a compelling future and ensure highly accountable management of a complex organization. They also need to be change masters, which implies being bold, courageous, and capable of engaging both the emotions and intellect of their organizations.

The emerging profile of the CEO as a change agent is not a new concept. However, it is novel in healthcare. Some regions of the country deeply understand why this is essential to long-term success. Massachusetts stands out in this regard. Dr. Tabb reflected:

"We have seen the future ... Massachusetts is nearly fully consolidated. The old model is gone. Nearly everyone is in an ACO. There is an excess capacity of beds. 60-70% of patients are part of a global payment arrangement. Our job now is to provide excellent care wherever the patient is and whenever they need it."

Another CEO stated:

"CEOs are often very good at fixing things and putting out crises. This is not the best way to spend our time. I ask myself every day, 'What are the things that will affect our long-term survival?' This is what I must keep in focus for the entire organization."

Specific approaches taken by CEOs to transform their organizations vary according to circumstances. What is feasible in a large, integrated academic health center may not work in an independent hospital that is in the early stages of forging an affiliation structure.

Dr. David Feinberg, President of UCLA Health System, Chief Executive Officer of UCLA Hospital System and Associate Vice Chancellor of UCLA Health Sciences, has modified his leadership priorities in support of enterprise-wide change. He now commits 50% of his time to the continual development of his team and most of the remainder to establishing transformational partnerships. When asked how he was facilitating this change he responded:

"My new team runs the 'health system' versus being 'hospital-focused,' as it was in the past. In building an aligned team, I continue to go around to each of them, one-on-one and speak from my heart, sharing the vision and goal for the future of healthcare delivery. To excel in this new world, my role has had to change significantly. The journey continues."

Dr. Feinberg's focus contrasts with the realities facing a CEO of an independent hospital that is starting to build a continuum-of-care. Ginger Williams, MD, CEO of Oaklawn Hospital in Michigan, a highly-valued community asset, has been leading a massive change process by concentrating on restructuring senior leadership, introducing LEAN on a systemic basis, having her team analyze ways to improve efficiencies across the organization, and establishing a new organization-wide culture. Oaklawn's strategic approach is representative of other stand-alone hospitals that are reinventing for a post-ACA context.

Regardless of the location or size of their organizations, CEOs agree their role has changed significantly and must continue to evolve to achieve the business transformations for which they are responsible. Those who are moving ahead with urgency appear to be setting the stage for others. They may even be at an advantage in their marketplaces as they form alliances and strategic relationships ahead of potential competitors.

Learning and Innovation

To break through a traditional culture of insularity to catalyze new thinking and action, CEOs increasingly are accessing the expertise and lessons learned from diverse industries known for performance excellence in service, innovation, leadership and complex change. Patrick Fry, President and CEO of Sutter Health, took his leadership team to GE University several years ago. In his words:

"I couldn't think of a more complex and large organization that has done such a good job at achieving performance excellence. We took what we learned and implemented the most important lessons."

He also led a multi-functional team of physicians and clinical and non-clinical staff on visits to several high-achieving healthcare organizations to further promote "outside-in" thinking. Upon their return, they identified six key lessons to implement immediately at Sutter.

Some CEOs, including Mr. Banko of St. Vincent's Hospital, Dr. Feinberg of UCLA and Robert Curry of Citrus Valley Health Partners, are recruiting senior talent from outside the healthcare industry to introduce fresh, and sometimes unfamiliar, perspectives. Reaching into the talent pool of C-Level leaders groomed far outside of healthcare reflects a growing realization that achieving results in the future demands mental models and behavior that borrow from industries that have successfully experienced disruptive change or are exemplary in their ability to achieve high levels of performance in an efficient, service environment.

Introspection and Performance

It is a well-accepted principle that successful transformation and innovation is achieved when leaders face the facts that define their respective organizations and industries, pose challenging questions, look through unfamiliar lenses for new solutions, think creatively and don't allow past experiences to define future behavior.

CEOs are recruiting senior talent from outside the healthcare industry to introduce fresh, and sometimes unfamiliar, perspectives.

The raw input we received from many CEOs succinctly communicates the imperative that, for the organization to change, the CEO must change, too:

"I ask myself the same questions I ask of my team. I need to expand my mental models to lead effectively through such uncertain times. I wonder if I have created a big enough space for us to do what we need to do."

Ginger Williams, MD, CEO, Oaklawn Hospital

"We can no longer rely on what we knew in the past. We have to be vulnerable and open to new ways of thinking and leading if we're going to be successful."

Kenneth Westbrook, President/CEO, Integrated Healthcare Holdings, Inc.

"We're on a fast moving train. We can stay on it, make selfless decisions and do what's right. Or get off. I couldn't have done this job when I was younger. In today's world, I need to be fully present, not distracted, and humble."

Darlene Stromstad, President & CEO, Waterbury Hospital

Exceptional leaders have an inherent need to connect who they are and how they lead.



What we found most striking in our conversations was the number of CEOs who talked about the introspective, personal journeys they are experiencing as a result of leading turbulent organizations. While a personal quest is not a job requirement, in our experience, exceptional leaders have an inherent need to connect who they are and how they lead. When faced with leading in highly uncertain times, those who are introspective and committed to continual personal development are far better equipped to be a transformational leader, connect to the emotional life of the organization, and support other leaders in their quests for personal development.

3. Culture is a Business Imperative

Culture, once viewed as the “soft” side of business, has finally migrated to the list of delivery-system strategic priorities. As underscored by our research, executives acknowledge that, without changing the culture, they will not fulfill the demands of a post-ACA world. Transforming a culture within a small, relatively simple organization can be daunting enough. This journey in a complex, large and distributed organization, typical of many delivery systems today, requires executives who appreciate how daunting it is to transform the “DNA” of an organization, practice patience throughout the journey, and demonstrate steadfast support to “stay the course,” even in tough times.

Most of the CEOs in our research spoke candidly about the challenges they continue to face in the transformational process. Those who embrace culture as a requirement to achieving performance results are unrelenting in communicating its importance. And, they ensure culture transformation is woven into the strategic priorities of the future-oriented system of care.

In a fast-changing environment where rules and regulations shift almost on a daily basis, people in the organization need a clear picture of the targeted culture and a belief-system to serve as the “glue” binding their actions. As evidenced in our conversations, organizational values are an essential component of large-scale culture change. Values must be actively integrated into the fabric of the organization in order to help shape the way in which individuals think and act.

As Alan Yordy, President and Chief Mission Officer of PeaceHealth, aptly stated:

“[The team] need[s] to look at how to measure the goals and meet the mission. The expectations are you have to act or think differently. What needs to remain the same is a clear set of values – we spend a lot of time on this; this is the basis of decisions. We continue to spend money and time on improving our ability to make decisions and develop the team around the values. Culture matters.”

Reinventing culture falls on the shoulders of the entire C-Suite, which must demonstrate the organization’s commitment to change. Throughout the good and difficult times inherent during transformation, the C-Suite becomes a sentinel for the rest of the organization as people watch for signals about the importance of culture. Anything short of complete team alignment sends a strong signal that culture change is nothing more than a marginal initiative.

One CEO, in the midst of radically changing a culture from benevolently paternalistic to one based upon transparency, accountability and high performance, stated it this way:

“We have protected our employees from the truth for too long. We have operated with an implicit belief that being ‘nice’ is the standard; that it is not OK to speak up and challenge ideas. We, at the top, have to proactively change these standards. It starts with my behavior as the CEO and the executive team.”

Another CEO spoke about the journey of building an entrepreneurial culture and implications for the C-Suite. She described their unrelenting focus on quality, the patient experience, and relationships with physicians in achieving their vision and mission. Her clear expectations for the executive team include taking personal responsibility, never engaging in negative energy, speaking the truth, having each other’s backs and meeting the agreed-upon metrics. Nothing less. As she described:

“The culture here is tough. We have a high bar. We expect everyone to step up and be accountable. The change we’re going through is not for the faint of heart. If you can make it here, you can make it anywhere.”

Reinventing culture falls on the shoulders of the entire C-Suite, which must consistently demonstrate the organization’s commitment to change.

Monthly management review where every patient experience rated below 100% is discussed and analyzed in the spirit of learning and seeking root causes for key variances.

Large System Challenges to Culture Change

For CEOs leading hospitals that are part of large, integrated systems, the process of guiding their organizations through culture change often is complicated by the requirement to inculcate the culture of the parent entity. This imperative will continue with the on-going trend to consolidate the industry. Being a part of a larger entity can constrain the hospital's ability to put its unique, local imprint on the organization. It also means that the CEO and C-Suite of the community asset must assert the efficacy of the parent organization's overarching vision, mission, values and culture. We did hear of a few instances in which hospital CEOs were encouraged to adapt the corporate culture to fit the local situation.

Keith Granger, President and CEO of 534-bed Trinity Medical Center in Alabama, part of the Community Health System, discussed what he and his team have done to build a culture that both supports the parent corporation while also having Trinity's unique imprint. Granger spoke with passion about his longstanding belief that he and his team have to win the "hearts and minds" of the employees to successfully lead. He underscored this as his number one priority:

"The only reason we exist is to serve patients. Our job is to make sure we do everything we can to align with the employees emotionally and help them understand that everything we do is about taking care of someone. If we're not doing that well, we don't deserve to be here."

Granger's philosophy sets a high performance bar. One tactical approach he supports is a monthly management review where every patient experience rated below 100% is discussed and analyzed in the spirit of learning and seeking root causes for key variances. One could challenge this tactic as excessive. Yet, perceived through a lens of excellence, it can just as easily be argued that this practice reinforces what is really important – the patient, quality care and a disciplined approach to learning. Granger clarified the process:

"Everyone knows to come with answers. It's not about blaming. It's about figuring out how we are letting our patients down and what we will do to remedy this. It's all about taking care of someone. To do that well, we have to change our mental models and align everyone emotionally around our purpose."

Patience Paves the Road to Success

Transforming an organization's culture requires patience. Just as it took decades to build the current DNA, it can take many years for an entity to adapt and get comfortable with a new "normal." The constant to getting there is commitment and perseverance, starting with the CEO and C-Suite. When asked if attention should be paid to changing the culture in even financially strained hospitals, one CEO who guided a system through a financial restructuring answered with:

"It's the only way. How else can you change the organization if you don't create a culture that engages people and improves performance?"

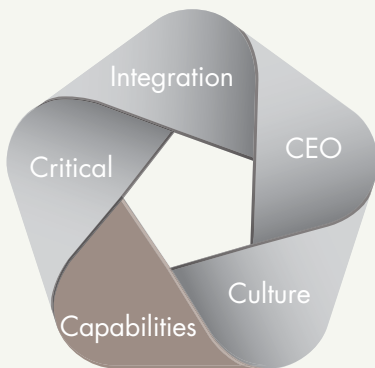
4. A New World Calls for New Executive Capabilities

The CEOs who are aggressively leading hospital transformation underscore the importance of building an executive team of individuals who are broad thinkers, operate well with ambiguity and have deep analytical and relational skills. Traditionally, most of the seats around the senior table have been occupied by highly-successful hospital operators or functional experts. While these capabilities remain important, they are insufficient in light of the new business model. Finding people who can expand their thinking from a hospital- to a care-centric framework, handle the volume of work plaguing all provider organizations, and act collaboratively is a challenge. Yet, these skills and cognitive capabilities are exactly what is needed.

Robert Ritz of Mercy Medical Center proposed:

"The talent we need for tomorrow will actively engage with the people in our organization. We need people who can mobilize our mission. Our industry lost a lot of goodwill when we 'went to the office and came off the floor.' We need men and women who are really engaged, in order to perform at the highest level."

Ritz's comments echo what most of his peers are seeking in their top tier. Because collaboration is the means by which relationships, affiliations and partnerships can be successfully built, there is great demand for people who can excel in the new landscape. The implication is the best performing executive teams will measure high on their emotional quotient in addition to a litany of other intellectual and analytical capabilities. Developing such a team seems to be happening one person at a time. As CEOs identify C-Suite members failing to fit the new model, they are ushering them out and searching for seasoned team players who offer fresh perspectives, are adaptable but firm, and possess a range of intellectual, interpersonal and emotional strengths.



Collaboration now is a critical capability in leading complex, integrated systems of care.

Some people will no longer fit into the changing organization and there is no time to waste in building the right leadership team.

Due to the difficulty of finding the “right” talent and impinging factors such as compensation constraints, a few CEOs spoke of their efforts to place senior leaders into stretch roles, hoping they will grow into transformational leaders. Frequently, this approach is paired with a coaching process as a way to accelerate professional development. At the time of our research, many of the individuals holding these stretch roles were too new for CEOs to gauge whether or not the approach will yield positive results.

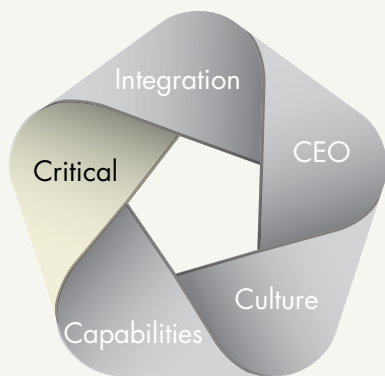
While we discovered both progress and productive activity underway within nearly all of the hospitals we researched, there is a simultaneous sense of frustration among some CEOs. They are challenged by many senior leaders who continue to exhibit a hospital-centric way of thinking, are inconsistent in their ability to collaborate with peers, or may not communicate as effectively as needed. We heard numerous comments about the need for urgency to boost performance, accompanied by a low-tolerance for C-Suite behavior that is not aligned with the business needs, vision, mission and values. The common refrain was some people will no longer fit into the changing organization and there is no time to waste in building the right leadership team. Reflecting the sentiments of many of his peers, one CEO said:

“We’re going to work collaboratively. We’re going to work as a team. I expect everyone to take full responsibility for getting the work done and in this manner. If this doesn’t work for you, then it’s best to leave.”

The Physician-Executive

Pat Fry of Sutter Health strongly believes the next generation of healthcare leaders will be heavily represented by physicians. In fact, Sutter has developed both succession planning and leadership development programs for physician candidates. In our research, we learned of other integrated healthcare systems successfully recruiting physicians into positions historically populated by non-physician leaders. For example, physicians are leading information technology, mergers and acquisitions, medical foundations, population health management and innovation centers. These evolving opportunities are valuable for the organization in that the “voice” of strategic, clinical talent is added to the executive conversation. For physicians, their paths are expanding to new professional options that align with the future.

Dr. Feinberg of UCLA has had great success at recruiting physicians into a myriad of roles, including Chief Innovation Officer and two newly created positions: EVP, Health System, focused on the implementation of vision for the organization; and Chief Quality Officer, focused on improving quality to match UCLA’s reputation. All of these positions exist to support a broader systemic vs. hospital-centric approach to positioning for the future.



The C-Suite's responsibility is to help the organization remain focused on what is most important, turning down the noise or diminishing distractions.

5. Focus on the Critical

Without exception, every CEO in our research spoke about the volume of work underway in their organizations as critical to achieving transformation objectives. Even highly experienced CEOs emphatically stated they never had witnessed such dramatic and rapid change in the course of their careers. A metaphor offered by one individual was, "It's like taking a checkerboard and turning it into a 3-D chess match." Another stated, "We are building a brand new airplane, while we're flying it." These characterizations capture the practical and emotional weight many leaders are experiencing while, in most cases, concurrently feeling a sense of excitement by the enormous opportunity to make an impact.

The unintended by-products of today's change are numerous. Topping the list is the continual challenge to diminish "noise" and distractions so leadership and the organization as a whole can remain focused.

Numerous large systems are intentionally shifting the executive team's focus to oversight of strategic agendas, moving responsibility for operational issues to the next level of regional or business unit leadership. In these cases, the executive team's weekly meetings include in-depth reviews of enterprise-wide issues, strategic priorities, status, barriers, talent issues and metrics. These are then cascaded through the next levels of management to enhance alignment of purpose and performance.

A tangential risk of increased demand on the executive team is burnout. Nearly every CEO in our research spoke about the enormity of work to be accomplished and the fact most executives are wearing multiple "hats." Regardless of an organization's size and apparent resources, the list of priorities is unending.

Kenneth Lukhard, President of Advocate Christ Medical Center in Oak Lawn, Illinois, described Advocate Health System's corporate shift to a value-based performance measurement model linked to every hospital within the system. Metrics are transparently reviewed regularly, and a daily performance scorecard must be achieved. His team is well-equipped to execute on these hyper-focused scorecards, but he worries about the accompanying strain to perform and its effects on retention of key talent.

When asked what keeps them up at night, CEOs bluntly shared:

- "Aligning all the stakeholders to support the organization without bleeding them dry."
- "I worry about losing good people at every level. Am I doing enough to support people? I see how hard people are working and am concerned they will burn out."

Invest in building the knowledge of and acumen in coping within a high stress, service environment.

Are these concerns growing pains, or are they the new paradigm for CEOs and C-Suites? We believe today's demands will continue to flourish in healthcare delivery. While there is no magic solution for alleviating the pressure executives and others are feeling, there are ways to mitigate discontent and burnout. Developing, espousing and modeling a transparent, compassionate culture is an essential foundation to building a rewarding workplace while also supporting an enhanced patient experience.

Fatigue and burn-out may be unintentional consequences of radical change and they are unlikely to diminish in the near-term. Hence, it would be prudent for the C-Suite to invest in building the knowledge of and acumen in coping within a high stress, service environment. The options for skill building are many and include a range of interesting possibilities including mindfulness, meditation and empathy training. To assist the rest of the organization, executive leaders would be best served by demonstrating effective coping behavioral and cognitive tactics, resulting in a more focused and less frenetic work setting.

This is only the beginning of the conversation.

Tomorrow's CEO

Our research was intended to begin an exploration of how the external demands prompted by the passage of the ACA are impacting executive leadership of hospitals across the United States. We learned through the lens of twenty esteemed CEOs what is currently capturing their attention as they reinvent systems for the future. The CEOs who stand out, from our point of view, are those who appear to be operating at full throttle, all the time. Their attention to excellence is unrelenting, as is a palpable sense of urgency. Those who are doing so with humility and a sense of humanity offer a leadership profile proving to be advantageous to patients, employees, physicians, and partners who, too, wrestle with revolutionary change and all that this implies.

Today, time is not on the side of CEOs and executive leaders. They are compelled to think about uncertain future scenarios while staying laser-focused on improving current performance. They work on multiple fronts concurrently... the board, the C-Suite, physicians, the community, patients, employees and a host of external stakeholders. They are outcomes-driven, and demonstrate a depth of care and concern for doing the right thing. These men and women appear to build relationships with ease while they demonstrate a tough-minded approach. This is core to why CEOs may be, without intent, participants in building a view of transformational leadership in healthcare – an industry in need of disrupting old ideas, being open to diverse points of view, and creating a “space” for an entirely new conversation.

With sincere thanks to our survey participants:

Peter Banko	CEO, St. Vincent's Health System
Cornelio Catena, MD	CEO, Wilkes-Barre General Hospital (Commonwealth Health)
Robert H. Curry	CEO, Citrus Valley Health System
David Feinberg, MD, MBA	President of UCLA Health System CEO, UCLA Hospital System and Associate Vice Chancellor, UCLA Health Sciences
Patrick Fry	CEO, Sutter Health
Keith Granger	CEO, Trinity Medical Center, (CHS)
John Heydt, MD	Senior Associate Dean, Clinical Affairs, Physician Medical Group, UC Riverside
Thomas E. Jackiewicz	Senior Vice President and Chief Executive Officer for USC Health
Bernard Klein, MD	CEO, Providence Holy Cross (Providence Health)
Richard J. Liekweg	Group President, BJC HealthCare; President, Barnes-Jewish Hospital and Barnes-Jewish West County Hospital (BJC Health System)
Kenneth L. Lukhard	CEO, Advocate Christ Medical Center (Advocate Health)
Steve Moreau	CEO, St Joseph's Hospital (St. Joseph's Health System of Orange)
Robert P. "Bob" Ritz	CEO, Mercy Medical Center (Catholic Health Initiatives)
Arnold Schaffer	Managing Director, Alvarez & Marsal; former System COO, Providence Health
Darlene Stromstad	CEO, Waterbury Hospital
Kevin Tabb, MD	CEO, Beth Israel Deaconess Medical Center
Maureen Tarrant	CEO, HealthOne Cares – Sky Ridge Medical Center (HCA)
Kenneth K. Westbrook	CEO, Integrated Healthcare Holdings
Ginger Williams, MD	CEO, Oaklawn Hospital
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Carol Geffner, President of Newpoint Healthcare Advisors, guides and coaches CEOs, executive teams and boards of directors of hospitals and health systems through the complex changes necessary to succeed in today's evolving healthcare delivery paradigm. She advises and consults on optimal strategies for building high performance, customer-centric organizations that can successfully change to achieve a competitive advantage in the marketplace.

Dr. Geffner has devoted her career to helping leaders of complex businesses utilize the workplace as a vehicle for improving quality of life while enhancing productivity. Carol's research and consulting interests are in creating new forms of leadership that allow individuals to embrace new ways of thinking and be more open to change, both of which are essential in creating strategic visions, undergoing scenario planning and leading through times of great uncertainty. Dr. Geffner is the former Chief Learning Officer and President of Shared Services for a \$1.5 billion media enterprise. She has held faculty appointments at the Peter F. Drucker and Ito Masatochi Graduate School of Management at Claremont Graduate University and Chapman University. Carol speaks across the country on topics related to executive leadership and transformation.

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Chris Corwin, a consultant in Witt/Kieffer's San Francisco Metro office, has vast expertise in healthcare executive search, including high-profile C-suite placements of CEO, COO, CFO and CHRO, as well as CMO and other clinical leadership positions for healthcare provider and payer organizations. Her primary areas of specialization are academic medicine and physician executive leadership.

Ms. Corwin has more than twenty years of healthcare industry experience, having served as a healthcare practitioner, consultant and business development expert. Prior to joining Witt/Kieffer, she specialized in senior executive and board placements for two leading nationwide search firms and as an independent consultant. Her search practice focused on working with leading academic medical centers as well as not-for-profit healthcare organizations. In addition to conducting C-level search, she took an active role in leadership training and development for hundreds of executives, helping them to acquire new skills, take advantage of mentorship and team-building programs, and transition smoothly into new positions and expanded responsibilities. A particular emphasis was working with and developing physician leaders.



Newpoint Healthcare Advisors improves hospitals and health systems' growth opportunities and performance by facilitating strategy development, operational transformation, executive team performance, and affiliations and mergers. Clients appreciate our deep, practical experience, resulting in sustainable performance strategies to better serve patients, employees and communities.

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