WCM

Corporate Transformation

How to make it successful

Coaching is more than a set of tools and techniques.

To be a successful coach you need a highly refined combination of advanced knowledge, technical skills, intuition, self-awareness, and business and entrepreneurial acumen.

Our mission is to promote the powerful and positive impact executive, business and life coaches are having by educating and inspiring the coach and client community worldwide.

We offer an inside view on the methods, techniques and theoretical underpinnings that put coaching at the forefront of best practices for achieving deep structural change in people's lives.

Corporate Transformation

Transformations have become a global imperative across industries. With disruption now the norm, companies need a solid transformation strategy just to compete in today's increasingly complex and volatile business world.

Transformations are comprehensive changes in strategy, operating model, organisation, people, and processes. They aim to achieve a dramatic improvement in performance and alter a company's future trajectory.

Across industries and regions, the need for business transformation is enormous and growing. In today's unpredictable business environment, disruption arises from all angles. This reality leaves public companies with a 1-in-3 chance of ceasing to exist in their current form over the next 5 years, up from a 1-in-20 chance 50 years ago.

In addition, CEOs and senior leaders are under increasing pressure as activist investors and boards push them to do more—faster.

Transformation is a tool that all companies can use to improve their value to shareholders, whether they are trying to catch up quickly or retooling to stay ahead.

Recent studies show that over two-thirds of transformations fail because fear and complexity prevent people from embracing the change, and only one third of employees have the right support to evolve their skills (McKinsey 2016).
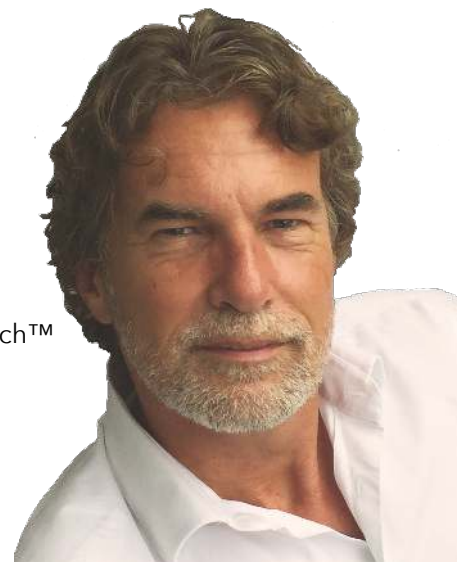
In this edition we focus on corporate transformation and how coaches can help to make it successful.

We hope you'll enjoy it!

Live and learn,

Ton

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Moving Towards Collaboration

By Tracy L. Duberman PhD, MPH, FACHE, PCC

To meet the audacious goal of enhancing community health and wellness, organizations both within and outside of the healthcare sector are engaging in collaborative partnerships.

These partnerships are designed to create "conditions to achieve value-based care that is safe, timely, effective, efficient, equitable and population-focused."

In fact, from 2007 to 2015, provider-provider partnerships nearly doubled among hospitals and health systems. And, in the past decade, the percentage of nontraditional partnerships, such as CVS Health and Aetna; UnitedHealth and DaVita, and Haven (the joint venture between Amazon, J.P. Morgan and Berkshire Hathaway) increased from 7% to 16%.

In addition, today, 84% of Fortune 50 companies have some investment in the health industry, according to a study conducted by PWC.

It is clear that in order to ready itself to deliver on the promise of population health and provide value-based care, all stakeholders – providers, payers, pharmaceutical, public health, etc. – must align and transform.

The challenge is "how?" Our paper focuses on best practices in collaborations, what gets in the way, and how organizations can make the shift from competition to collaboration.

When Collaboration Works
When successful, collaborations result in a level of synergy that no one organization can achieve on its own. The power of successful collaborations is the whole

becomes stronger than the sum of its parts.

To this point, industry research reveals that organizations which participate in cross-sector partnerships are able to form a more holistic view of their customers and lower readmission rates by more accurately influencing health and wellness outside of acute care. The benefits of effective collaboration are high, as demonstrated by a few impressive organizations throughout the industry
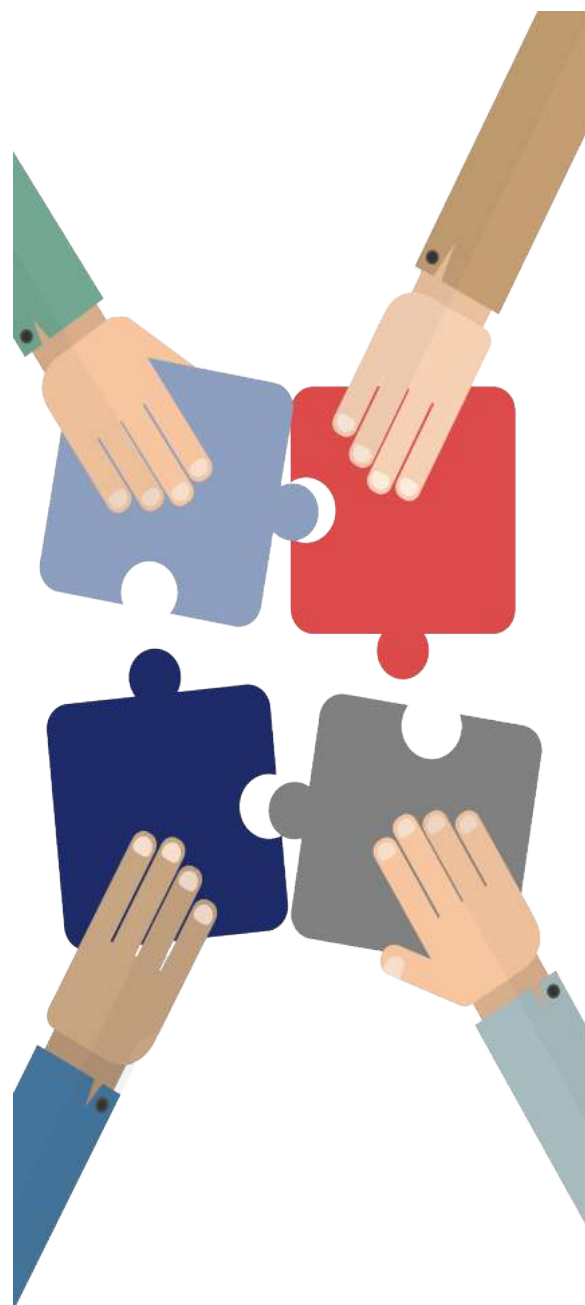
who are perfecting collaboration to increase quality and care.

Haven

In January of 2018, Amazon, Berkshire Hathaway and JP Morgan Chase created quite a stir when they announced their plan to combat rising health care costs and minimal improvement in care. While still in its infancy, the resulting organization, **Haven**, is a collaborative risk-based clinically integrated network.

Haven has been designed to bring together the resources and capabilities of the three companies to deliver simplified, high-quality, and transparent health care at a reasonable cost to their employees.

Haven intends to leverage the power of data and technology to drive better incentives, a better patient experience, and a better system. While Haven's focus is the U.S.-based employees and families from Amazon, Berkshire Hathaway, and JPMorgan Chase, in time, they intend to market to others.

Intermountain Healthcare

Intermountain Healthcare, the Utah-based integrated health system, has a long history of successful collaborations. Just

this past year, the health system announced a partnership with IT company, MDClone, with the shared goal of transforming patient's data into actionable insights.

The collaboration is focused on identifying and preventing the progression of chronic diseases such as end stage renal failure. MDClone's ability to identify the non-medical factors that influence health (housing instability, food insecurity, transportation, etc.) will enable Intermountain Healthcare to design programs to meet the specific psychosocial needs of their patients which will in-turn enhance the overall well-being of the communities served.

Pueblo, Colorado Coalition & ReThink Health

ReThink Health, a thinktank organisation that works to change the focus of today's health systems toward the health and well-being of local communities, centers their work around coalescing unlikely partners to galvanise collaborative efforts in communities across the country.

ReThink has been touted as one of the most innovative organizations in healthcare given its original approach to enhancing population health from the ground up and offers tools and resources to help communities champion these change efforts.

One such example is the effort that took place in Pueblo, CO. In a community where more than 40% of the residents are in poverty and unemployed, Pueblo county had some of the worst health outcomes in the state. In 2010, a group of health leaders from the community took action to provide better care, better health, and lower per capita costs.

Working together with ReThink Health, an analysis of the governance, structure, and strategy of the care system revealed missed opportunities in process alignment across the local health system, a rift between potential allies who could contribute to a shared solution, as well as a brittle primary care infrastructure that led to delays in care.

To achieve their goals, the coalition brought key stakeholders together, engaged in extensive data collection across the care system, and developed a strategy to meet their goals. As a result, the coalition implemented measures to coordinate care, increase post-discharge planning, increase adherence to treatment, recruit safety net primary care providers, support healthier behaviours, reinvest savings, and share savings with providers. These efforts have resulted in a number of improvements in care delivery and health outcomes.

Baylor Scott & White Health

Dallas-based provider Baylor Scott & White Health teamed up with the city of

Dallas to provide fitness and nutrition services that have helped cut hospital admissions by nearly 40% over five years. Baylor Scott & White works with city-owned recreation centers to coordinate physical activity plans and partners with local churches that offer healthy foods and nutritional advice at farm stands in food deserts.

What's Getting in the Way of Collaboration?
Improving population health hinges on the ability of organizations from diverse sectors to collaborate. In a recent survey conducted by ORC International and Change Healthcare, which included 120 payers across the country who worked with providers to integrate value-based models, nearly a quarter of them reported savings as high as 7.5%. Almost 80% of these payer organisations also cited the

quality of care improved, while 64% reported better provider relationships, and 73% reported improvements in patient engagement. A Commonwealth Fund analysis demonstrated that value-based models lead to fewer emergency hospital visits and downstream cost efficiencies relative to similar markets.

With such promising outcomes, we wonder why partnerships and collaborations aren't increasing at a faster pace. The simple answer is that it's tough work. So, what's getting in the way….

EXTERNAL FACTORS

While most organizations within the health industry understand the benefits of collaborative partnerships to deliver on the triple aim of improving the patient experience of care (including quality and satisfaction); improving the health of populations; and reducing the per capita cost of healthcare, many find collaboration difficult.

Outside of the health system, three environmental factors constrict the ability of health systems to begin the necessary transformation to meet these goals. These factors are discussed below:

1. Lots of Talk, Little Action

When asked what is keeping payers and providers from entering into mutually beneficial relationships, Dr.Craig Samitt, CEO of Blue Cross and Blue Shield of Minnesota remarked "We're good at admiring our problems…I'm not sure that the incumbents in the industry have been forceful enough or brave enough to pursue a lot of change."

Indeed, in a recent Change Healthcare survey completed by 185 healthcare executives, 17% indicated that they believe it will take five or more years for their system to make the switch to a value-based system, while 6% indicated that it will never happen.

This perpetual state of delay prevents systems from acquiring new partners that may bring about creative solutions to common problems, and ultimately postpones advances in quality of care for the patient.

In his article which covers the factors that are preventing transformation in healthcare, Mark Britnell suggests that myopia (near sightedness) as one of three reasons providers and payers resist change. "Organisations tend to think they

are basically good but the health system in which they operate is poor at supporting them."

A view of transformation which relies on the other party to change, will only result in stasis and further perpetuates the problem.

2. Giving up Control

Payers and providers have historically been at odds in the way data is collected and shared – with the underlying motive that data is power, and power is a competitive advantage.

While addressing the need for payers and providers to share information, Dr. Samitt remarked "each of the key stakeholders work in silos, or in opposition. If we do share information, we need to share it for good, not for proprietary agendas."

Obstacles in data sharing, lack of agreement on outcome measures, and misaligned incentives for both parties to work together have thwarted collective efforts to deliver low cost and high-quality care.

In addition, both payers and providers seek to protect their data to retain privacy for their business and patients, but in doing so, both parties withhold valuable information that is key to speeding up throughput, reducing the cost of care, and increasing value.

3. Aversion to Risk

In a value-based model, providers are at financial risk for producing lower cost / higher quality patient outcomes. In the same Change Healthcare study mentioned above, 58% of payers reported that they find it extremely difficult to generate interest among providers to engage in value-based models where providers would incur a great amount of risk.

Studies on the topic consistently indicate that providers and payers have difficulty agreeing on risk/gain sharing or performance metrics. Josh Ofman, SVP of Global Value, Access, and Policy at Amgen commented that information-sharing may, in fact, be the key to change. "Priority

demands more collaboration, more information sharing, more interoperability, and more integration. In short: more convergence." The key to helping physicians, providers and payers improve quality of care and reduce cost may start with freeing up data where appropriate.

INTERNAL FACTORS

A review of 35 research studies revealed two main factors that support long-term collaborative success within an organization, culture and leadership. For collaboration to take place, leaders have to relate to the need for it, be empowered to shape it, and, challenge the status quo.

1. Culture

Culture is defined as, "an interlocking set of goals, roles, processes, values, communications practices, attitudes, and assumptions that fit together as a mutually

reinforcing system and combine to prevent any attempt to change it."

Cultural alignment between partnering organizations is a key factor to consider to ensure collaborations are successful.

Mohamed Diab, MD, former Vice President of Provider Transformation at Aetna, had this to say on the valuing the structural elements of collaboration "When you bring two large organizations together around a common mission, it takes a lot of time to truly grasp the concept and understand what each organization is going to bring to the table.

It's important to look at the capabilities of each organization and collectively decide which services will be provided by each…" Without alignment on these factors, work behaviours can be counter-productive resulting in a reinforcement of the status quo.

2. Leadership

Plenty of evidence makes it clear that individuals' leadership characteristics and behaviours influence the success or failure of collaborations. Leadership skills are necessary to promote collaboration among leaders and their teams, establish a supportive work culture, engender a sense of psychological safety, and promote a sense of fairness among employees.

While discussing the importance of leadership, Nicolette Sherman, Vice President of Global Leadership Development at Sanofi remarked, "When working to align cultures, it's really about identifying what is at the core of your culture – and where you are going. So, leadership competencies and values become very important, and making sure

you have the voice of your people, as well as your leadership along the way."

This requires a great deal of communication within and across levels of a health system.

Creating the Conditions for Success

1. Engage in Collective Sacrifice

In order to create value and promote wellness, both payers and providers need to engage in disruption by driving reinvention across the healthcare ecosystem.

Commenting on the need to expedite this process, Dr. Samitt remarked, "We have to look at alternative models that challenge ourselves to do better and be more distinct…. we believe that getting bigger will make us better, but getting better will make us better."

To make the leap out of the suspended conversation on improvement that has not made much progress, Dr. Samitt directs healthcare leaders to look to companies in different industries that have managed change well, and to do so with the customer in mind at all times.

As healthcare leaders work toward their vision of collaboration, both payers and providers will need to take on short-term loss to invest in solutions that optimise value for the consumer down the road – a

term Dr. Samitt deemed as "collective sacrifice."

2. Embracing Risk

By their very nature, new partnerships carry with them risk. For an industry that is risk avoidant, providers, payers, and others need permission to be innovative and a safety net to fail when new ideas don't work.

Commenting on the need to embrace risk during a podcast with TLD Group, Dr. Steven Klasko, CEO of Jefferson Health said, "How do we change the paradigm of how people look at care? We've gotta think globally about improving the health of our community.

In a shared model, we need to 'share resources so that people aren't disincentivized to cling to an old system, especially if that's the only way they can see themselves making a living…the key is being honest that change inevitably will happen, and we need to prepare our ourselves for that."

Starting small is a great way to do this. Providers can begin by identifying where they can provide service that delivers equally high outcomes at the lowest cost.

Changing practices that have a minimal effect on operational costs are the best areas to test change; processes that have material impacts on quality of life, quality

of outcome, and total cost of care, but are small and manageable.

3. Cultural Alignment

When workforces are aligned, there is a stronger likelihood of achieving collaboration goals. When asked what an organisation can do to support collaboration during times of change, ReThink Health President, Laura Landy remarked, "It's how people talk one on one and how they build relationships….When people have a codependence it's possible for them to create structures so they can come together and cooperate."

Identifying and leveraging co-dependencies (the same goals, objectives, or 'means to an end') is a common strategy Landy uses to build stewardship and create a shared vision that people can rally around.

We offer the following for leaders to begin addressing cultural alignment:

1. Identify the vision of the partnership and the underlying competencies that the organizations will need to achieve it.
2. Identify specific skills and behaviours that should be exhibited by everyone from senior leaders to frontline employees to support the competencies.
3. Reinforce the shared culture with a collaboration operation model –

change the structure, accountabilities, governance mechanisms and ways of working where needed.

4. Leadership

Addressing today's most pressing challenges requires developing the capacity to lead collaboratively and to effectively work across sectors. A qualitative review of expertise from over 30 executive leaders across the health ecosystem demonstrates that leaders who exhibit the ability to envision a new future, align diverse stakeholders, manage obstacles, and continuously act and learn are most prepared to galvanise support for, and manage effective collaborations.

1. **Envisioning the Future.** Leaders must have a clear vision of the direction their organization is heading and what it hopes to achieve. Thinking with an ecosystem view allows leaders to generate solutions they may not have otherwise considered.

2. **Align Stakeholders.** As organizations bring stakeholders from other sectors into the conversation, leaders must allow these stakeholders to build on their original vision and incorporate their inputs and interests to develop a shared solution. Relationships built on trust, respect, and open dialogue can reduce tension and resistance to moving forward.

3. **Manage Boundaries and Obstacles.** To overcome inevitable obstacles, it's important that leaders focus on opportunity, and remind themselves why the partnership was developed in the first place. By having difficult conversations among stakeholders, partners can resolve points of tension, clarify roles, and re-align on ways to interface effectively.

4. **Act and Learn.** It is critical to openly give and receive feedback in order to evolve the vision, benefitting all parties. Leaders may need to act under uncertain conditions to advance the shared vision that was created at the onset of the collaboration.

Concluding Thoughts

The road to population health is paved with partnerships within, between, and among the various sectors that impact health and wellness.

Releasing constraints that exist between competing sectors, both internal and external, to allow partners to innovate will allow for new models that support the broad goal of high quality, cost effective care.

Moving toward a payment model where all partners are incentivised to work

towards the best outcomes for the patient is a way to catalyse this process. In turn, external changes can be supported at the organization-level with effective leadership and a culture supportive of collaboration.

Call to Action

The complex, emergent, and interdependent challenges the health industry faces require transformative and collaborative leaders.

By developing personal and organisational leadership capacities and by engaging with others practicing cross sector leadership, we invite leaders to explore various approaches to utilise shared knowledge to meet the audacious goals of population health with innovative, sustainable, scalable, collaborative solutions.

To learn more, contact us at info@tldgroupinc.com or call +1-973-722-4480
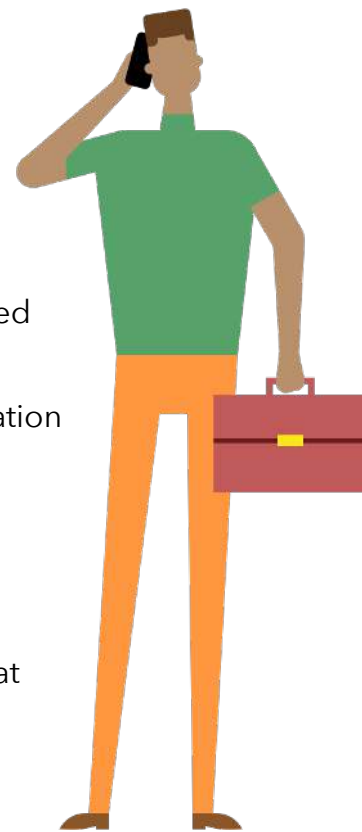
For a list of references please visit: tldgroupinc.com

ABOUT TLD GROUP

The Leadership Development Group (TLD Group) is a global health industry talent development consultancy. We develop leaders to take on the myriad challenges facing the industry to position their organizations and the industry as a whole for success. Our targeted solutions are designed to engage and empower leaders from within, between, and across the health ecosystem – and include coaching, consulting, leadership academies, and our speaker's bureau. Our worldwide faculty of over 400 organisational development practitioners, academicians, coaches, and consultants with deep expertise across the health industry, enables us to offer targeted insights and deliver highly impactful results.

From Competition to Collaboration, just released by Health Administration Press, highlights the HELM model and provides practical examples of HELM leadership in action as well as development techniques / suggestions for coaches and leaders in cultivating the new health ecosystem mindset and core capabilities.

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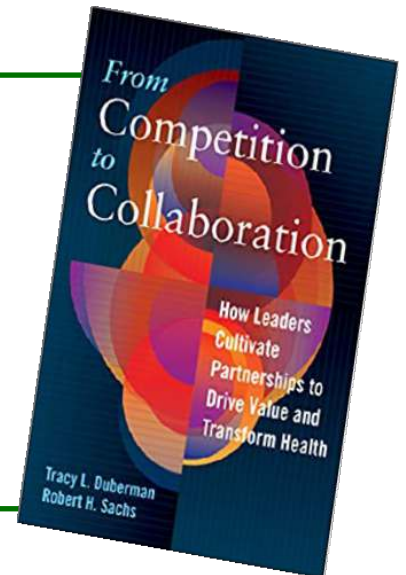
THE LEADERSHIP DEVELOPMENT GROUP
Innovative Solutions. Impactful Results.

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Founder of The Leadership Development Group, Tracy brings a depth of expertise in the field of talent management and leadership development. With broad experience as a senior health services executive and consulting partner to Fortune 100 companies, Tracy collaborates with clients to develop impactful and innovative leadership development and talent management solutions to meet business needs and drive desired change.

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