Community Health Network Annual Kickoff Meeting

February 14th, 2013

Video

- Kid President Video Clip
- http://www.youtube.com/watch?v=l-gQLqv9f4o&list=SPzvRx_johoA-YabI6FWcU-jL6nKA1Um-t&index=2

Community Health Network Annual Kickoff Meeting

February 14th, 2013

Bryan Mills
CEO, Community Health Network

Welcome

Celebrating 2012 & Chartering 2013

Recognition

- Please stand if…
  - You are a member of a Community Way Committee/Group
  - You actively participated in review sessions of Community Way material
  - You participated in Goal Setting training
  - You contributed to organizing today and tomorrow's Annual Kickoff & LDI
  - You participated on the Community CareConnect Team
  - You were trained and participated in the Epic or Cerner Installation

Thank YOU!

The Community Way

EXCEPTIONAL CARE. SIMPLY DELIVERED.

An initiative aimed at transforming the operations and culture of Community Health Network by affecting positive change in the systems and structures we use to care for our patients, run our business, manage our people, and fulfill our mission.

What is The Community Way

- **The Community Way:**
  - is comprised of a number of components from; how we communicate with patients, to how we identify new affiliates, to who we develop as leaders...
  - is a guided journey to improve CHNw's operating environment – recognizing what we do well and improving what we do not
  - is not a new program, nor an isolated event, but the new way we do business

- **The Community Way brings:**
  - **Rhythm** – calendar of events with line of sight to process inputs and outputs
  - **Accountability** – clear setting and communication of business' performance expectations, direct accountability
  - **Standardization** – leverages tools and templates to bring disparate arms of Community together, yielding consistent work products

A Year in Review

Looking back on 2012

Review of Progress on 2012 Network Goals

- **Goals and progress made:**
  - Quality & Satisfaction
  - Community CareConnect
  - Growth
  - Population Management
  - Community Benefit

Key "Wins"/Highpoints in the Year

- Highlight of major activities and events from 2012
    - MD Anderson affiliation
    - Community Howard Regional Affiliation
    - Accountable Care Consortium
    - Marian University College of Osteopathic Medicine (MUCOM)
    - "Community" Brand

Looking Forward to 2013

Our Focus for the Year

Pillar	Goal	Description
People	• First Year Retention	• Achieve first year retention rate of 90%.
	• Employee Engagement	• Achieve system-level employee engagement score of 77% as measured by the December 2013 Workplace Dynamic survey, for the question, "Community Health Network motivates me to give my very best at work."
Service	• 48-Hour Access	• Achieve a success rate of 75% for all new patients to schedule within two business days of request within the Network.
	• Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS)	• Achieve CMS 75th percentile performance for 28 of 56 dimensions of care (8 dimensions at each of the 7 hospitals).
Quality	• Core Measures	• Achieve CMS top decile score for 55 of 78 Value Based Purchasing core measures for the period July 1 through December 31, 2013.
	• 30-Day All Cause Readmission	• Achieve 6% reduction in 30-day all cause readmission rates for the following three populations: Pneumonia, CHF, AMI
Finance	• Margin	• Achieve a net operating margin of 5% (subject to Board approval of 2013 financial forecast in December, 2012).
Growth	• Total Operating Revenue	• Increase total operating revenue by 4% (net of annual price and rate increases).
Community	• Serve360° Event Participation	• All leaders at the manager level and above will participate in a minimum of one Serve360° event.

2013's Major Events and Activities

- Highlight of major events and activities that will be occurring in 2013
  - Focus on Oncology
  - New Affiliations
  - Marian University College of Osteopathic Medicine (MUCOM) Opening
  - Physician Education & Training

2013 Challenges & Opportunities

- Federal Health Care Reform

- State exchanges and Medicaid expansion

- Value demands by employers

- Competition from traditional and new players

Financial/Operations Update

Tom Fischer COO/CFO

Community Care Connect Motto

Achievements

Community Care Connect	✔
MD Anderson	✔
Howard	✔
Financial Performance	✔

Network Pillars

PEOPLE
SERVICE
QUALITY
FINANCE
GROWTH
COMMUNITY

☐ Satisfactory

☑ Needs Improvement

✔

☐ Satisfactory

☑ Needs Improvement

Summary of Key 2012 Financial Events

	PRELIM.
Core Op. Margin %	4.8 %
• Care Connect	(2.1)
• Non recurring Revenue	2.1
• Extra. Loss-Refinancing	(1.1)
Op Margin % as Reported	3.7 %

Review of 2012 Financial KPI's

KPI	'13 Plan	'12 Actual	'12 Plan
Operating Margin %	+ 5	+ 4	4
Total Margin %	+ 7	+ 12	4.3
EBITDA Margin %	+ 13	+ 19	10
Days' Cash	162	159	153
Cash/Debt %	123%	107%	151%
Capitalization %	38	42	31

Preliminary 2012 Financial Operating Results

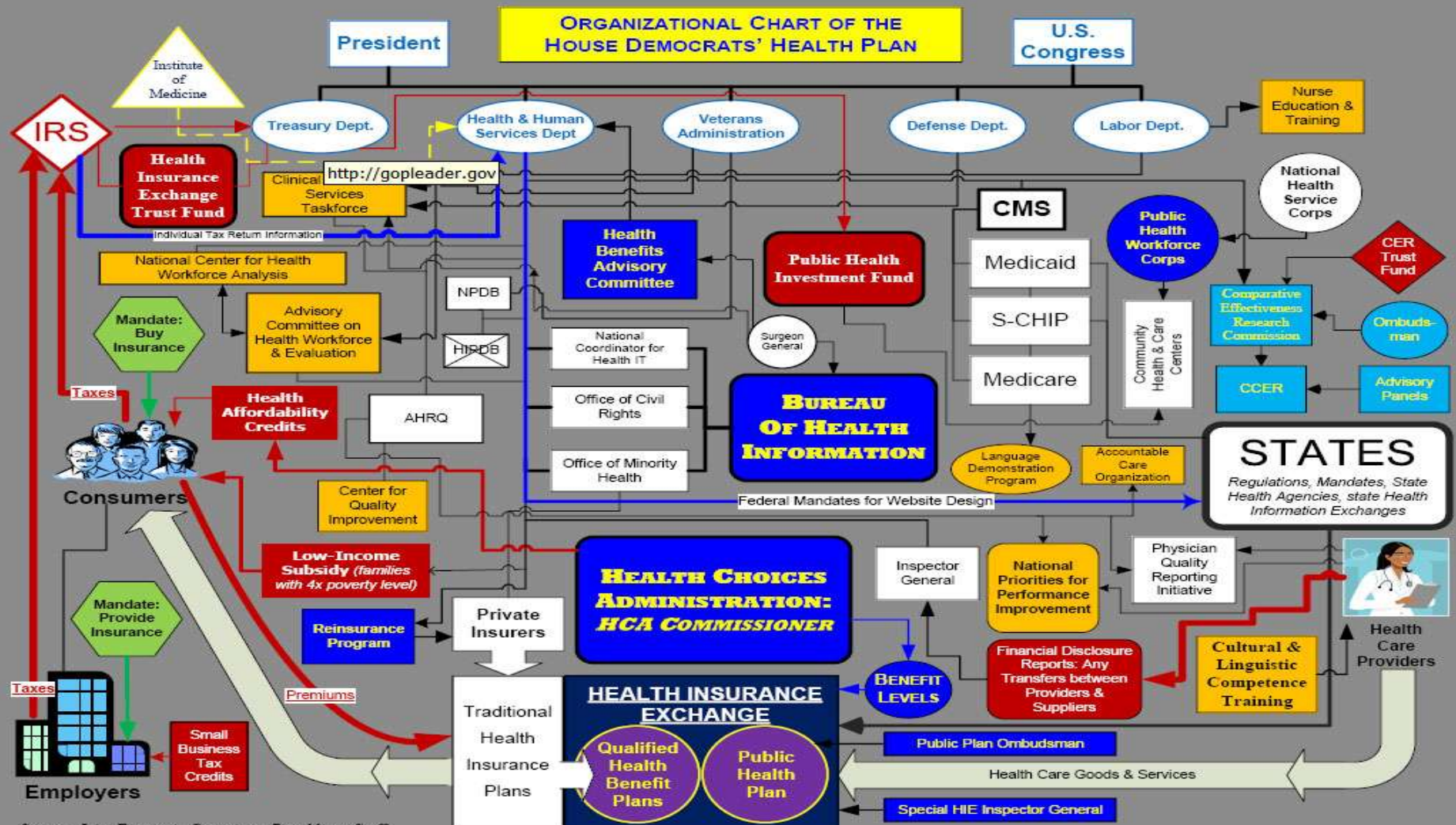| PRELIMINARY, SUBJECT TO CHANGE	Q1	Q2	Q3	Q4	'12
Op. Margin %	4.1	10.0	(2.5)	7.6	4.8
Extra. Loss - Refinancing				(4.0)	(1.1)
As Reported %	4.1	10.0	(2.5)	3.6	3.7

2012 WAS UNUSUAL – LOTS OF WORK – SUCCESS!!!

December 31, 2012 - SUMMARY RUN RATE ANALYSIS		MTD ($)	MTD %		YTD ($)	YTD %
As Reported	$	27,616	17.3%	$	60,059	3.6%
Add: Extraordinary Loss on Refinancing	$	-		$	15,064	
Add: Write off of Deferred Financing Costs , Premiums, Discounts	$	-		$	2,807	
Subtotal- Extraordinary Items from Financing	$	-		$	17,871	
Income Before Extraordinary Loss from Financing	$	27,616	17.3%	$	77,930	4.7%
Less: Nonrecurring Revenue Items						
Net impact of Hospital Assessment Retro Reimbursement/Fee	$	-		$	(12,652)	
Wage Index Settlement	$	-		$	(7,637)	
CHA DSH Appeal Settlement	$	(2,404)		$	(10,463)	
CHNw CMH 2005 Medicaid Appeal Settlement	$	(1,233)		$	(1,233)	
Cost Report Appeal Settlement	$	-		$	(2,194)	
Subtotal - Nonrecurring Revenue Items	$	(3,637)		$	(34,179)	
Care Connect Impact:						
Add: Implementation Operating Costs	$	3,165		$	38,246	
Add: NextGen Accelerated Depreciation	$	292		$	3,591	
Add: Productivity Losses	$	-		$	4,007	
Less: Meaningful Use $	$	(4,714)		$	(10,398)	
Subtotal - CareConnect Impact	$	(1,257)		$	35,446	
Income Before Other Impact and Incentive	$	22,722	14.2%	$	79,197	4.8%
Other Impact:						
Add: Consulting - Way We Lead/2013 Wage Index	$	-		$	1,476	
Add: Severance	$	-		$	526	
Less: Pension True Up	$	(8,748)		$	(8,748)	
Less: DOJ Accrual Reversal	$	(1,000)		$	(1,000)	
Less: CHE 2012 DSH	$	267		$	(3,400)	
Subtotal - Other Impact	$	(9,481)		$	(11,146)	
Income Before Incentive Reversal	$	13,241	8.3%	$	68,051	4.1%
Reversal of Prior Periods Incentive Comp and Team Pay	$	(3,762)		$	(7,528)	
INCOME ADJUSTED FOR NONRECURRING ITEMS	$	9,479	5.9%	$	60,523	3.6%

NOT GOING TO GET EASIER!!!!!

ORGANIZATIONAL CHART OF THE HOUSE DEMOCRATS' HEALTH PLAN

Source: Joint Economic Committee, Republican Staff
Congressman Kevin Brady, Ranking House Republican Member

CHNw – A success story that will keep getting better…

Why?   Why Not?

Quality
Patient Satisfaction/HCAHPS
Employee Engagement
Physician Engagement
Market Share
Collaborations
Low Cost
Financial Performance

It All Boils Down to **Leadership**!!!

5 %

Margin

0 %

Weak Leaders

Strong Leaders

Why is 5% So Important?

5 %

Best:

paid employees
technology
Facilities
community benefit
market share
partner to physicians
partner to other providers
partner to employers
partner to payers

Best Place To Receive Care

Best Place to Work

Best Place to Send Your Friends/Family
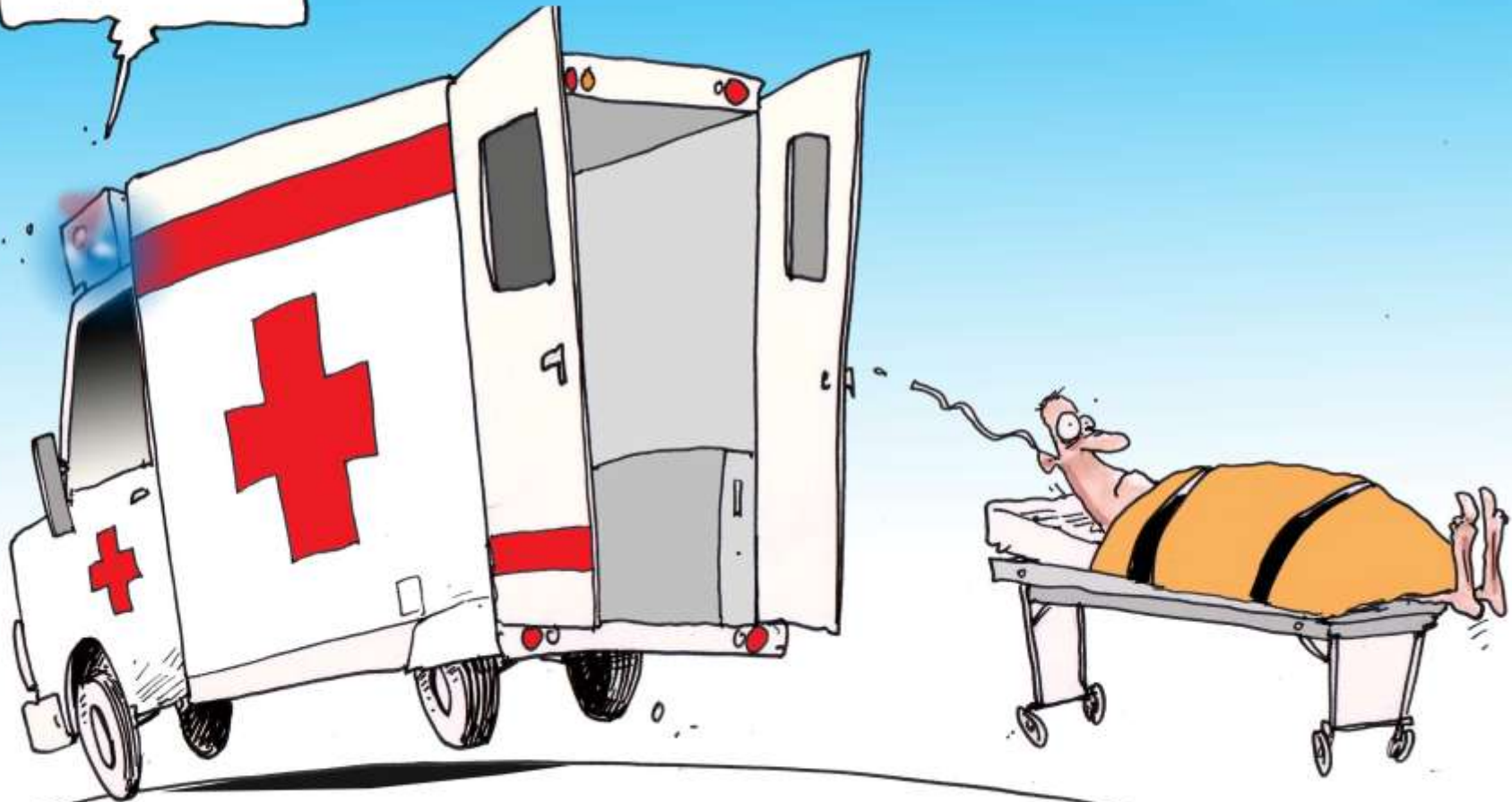
How Can You Make A Difference?

Understand Your Business	
Net Revenues	$ 100.0
Labor, benefits & pension	(56.2)
Supplies	(15.4)
Facilities, depreciation & interest	(12.2)
All other	(11.2)
Operating Margin	**5.0**

Manage by the 80 – 20 Rule

- **More than 70% of your costs are in labor and supplies**

- To achieve a 3 point improvement in your margin, you need to:

  - reduce labor by 5%

  - reduce supplies by 20%

  - Reduce all other by 27%

- **Simply Stated: Managing labor costs is the KEY to our future success**

Break

Overview of the Community Way

Dr. Tim Hobbs, Chief Physician Executive
Tom Malasto, ACS Chief Operating Officer

The Community Way

EXCEPTIONAL CARE.
SIMPLY DELIVERED.

From Strategy To Results

Transforming to a High-Performance Culture

The Community Way Overview

Two things at the foundation of the transformation:

1. Community Health Network's Culture-Driven Performance Model

   - A visual representation of how CHNw's key organizational disciplines and their associated activities integrate to drive the business forward

2. Community Health Network's Operating Calendar

   - A Network-wide schedule of the key events and activities that affect our people and operations

Culture-Driven Performance Model

Dr. Tim Hobbs, Chief Physician Executive

The Community Way
Culture Driven Performance Model

Direction and Focus
Management System
Leadership System

Mission • Vision • Values
PATIENTS FIRST | RELATIONSHIPS | INTEGRITY | INNOVATION | DEDICATION | EXCELLENCE

Network Pillars
PEOPLE | SERVICE | QUALITY | FINANCE | GROWTH | COMMUNITY

3-yr Strategic Plan

1-yr Strategy Activation Plan

Quarterly Strategic Reviews

Exceptional Care. Simply Delivered.

THE WAY WE CARE

Community CareConnect

PATIENTS FIRST

THE WAY WE LEAD

THE WAY WE IMPROVE

Talent Development Plan

Performance Appraisal

Goal Setting

The Community Way
Culture Driven Performance Model

Direction and Focus

Management System

Leadership System

Mission • Vision • Values

PATIENTS FIRST | RELATIONSHIPS | INTEGRITY | INNOVATION | DEDICATION | EXCELLENCE

Network Pillars

PEOPLE | SERVICE | QUALITY | FINANCE | GROWTH | COMMUNITY

Exceptional Care.
Simply Delivered.

3-yr Strategic Plan

1-yr Strategy Activation Plan

Quarterly Strategic Reviews

Goal Setting

Performance Appraisal

Talent Development Plan

THE WAY WE CARE

THE WAY WE LEAD

THE WAY WE IMPROVE

Community CareConnect

PATIENTS FIRST

The Community Way
Culture Driven Performance Model

Direction and Focus

Management System

Leadership System

Mission • Vision • Values
PATIENTS FIRST | RELATIONSHIPS | INTEGRITY | INNOVATION | DEDICATION | EXCELLENCE

Network Pillars
PEOPLE | SERVICE | QUALITY | FINANCE | GROWTH | COMMUNITY

3-yr Strategic Plan

1-yr Strategy Activation Plan

Quarterly Strategic Reviews

**Exceptional Care.
Simply Delivered.**

THE WAY WE CARE

Community CareConnect

PATIENTS FIRST

THE WAY WE LEAD

THE WAY WE IMPROVE

Talent Development Plan

Performance Appraisal

Goal Setting

The Community Way
Culture Driven Performance Model

Direction and Focus	
Management System	
Leadership System	

Mission • Vision • Values

PATIENTS FIRST | RELATIONSHIPS | INTEGRITY | INNOVATION | DEDICATION | EXCELLENCE

Network Pillars

PEOPLE | SERVICE | QUALITY | FINANCE | GROWTH | COMMUNITY

3-yr Strategic Plan

1-yr Strategy Activation Plan

Quarterly Strategic Reviews

Exceptional Care. Simply Delivered.

THE WAY WE CARE

Community CareConnect

PATIENTS FIRST

THE WAY WE LEAD

THE WAY WE IMPROVE

Talent Development Plan

Performance Appraisal

Goal Setting

The Community Way
Culture Driven Performance Model

Mission · Vision · Values
PATIENTS FIRST | RELATIONSHIPS | INTEGRITY | INNOVATION | DEDICATION | EXCELLENCE

Network Pillars
PEOPLE | SERVICE | QUALITY | FINANCE | GROWTH | COMMUNITY

Direction and Focus

Management System

Leadership System

3-yr Strategic Plan

1-yr Strategy Activation Plan

Quarterly Strategic Reviews

Exceptional Care. Simply Delivered.

THE WAY WE CARE

Community CareConnect

PATIENTS FIRST

THE WAY WE LEAD

THE WAY WE IMPROVE

Talent Development Plan

Performance Appraisal

Goal Setting

The Community Way
Culture Driven Performance Model

Direction and Focus

Management System

Leadership System

Mission • Vision • Values
PATIENTS FIRST | RELATIONSHIPS | INTEGRITY | INNOVATION | DEDICATION | EXCELLENCE

Network Pillars
PEOPLE | SERVICE | QUALITY | FINANCE | GROWTH | COMMUNITY

3-yr Strategic Plan

1-yr Strategy Activation Plan

Quarterly Strategic Reviews

Exceptional Care. Simply Delivered.

THE WAY WE CARE

Community CareConnect

PATIENTS FIRST

THE WAY WE LEAD

THE WAY WE IMPROVE

Talent Development Plan

Performance Appraisal

Goal Setting

The Community Way Operating Calendar

Tom Malasto, ACS Chief Operating Officer

Operating Calendar

What is it?

- A concise visual of key Community Health Network events and milestones which drive organizational performance for a given year
  - The Network's "Outlook calendar"

Why have it?

- Highlights major events that necessitate planning for, trigger additional Network activities, and day-to-day operational events should be scheduled around
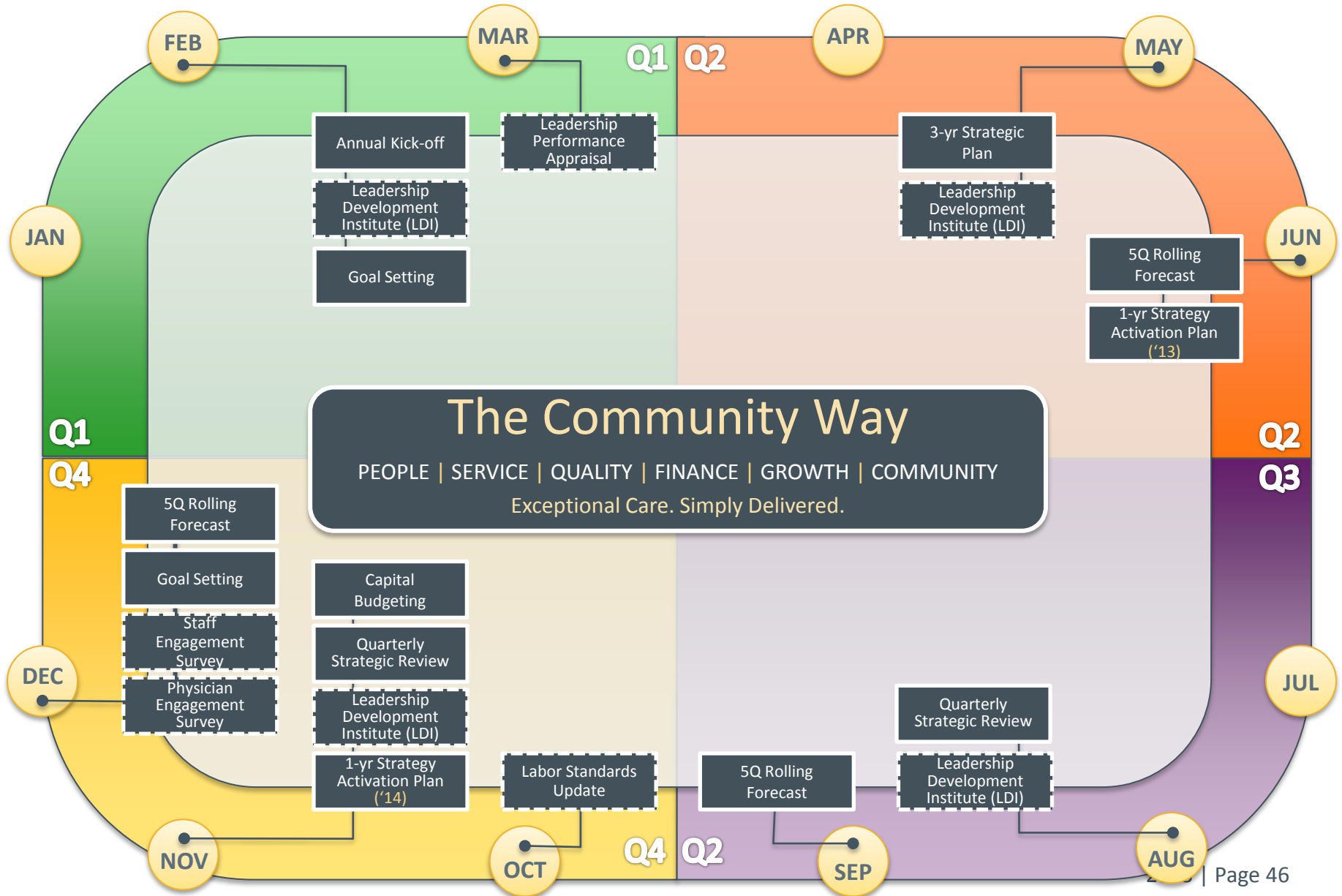
How was it developed?

- Inclusive discussion across the Network with key CHNw stakeholders
- Reviewed and approved by Community Way Steering Team and executive sponsor group

The Community Way
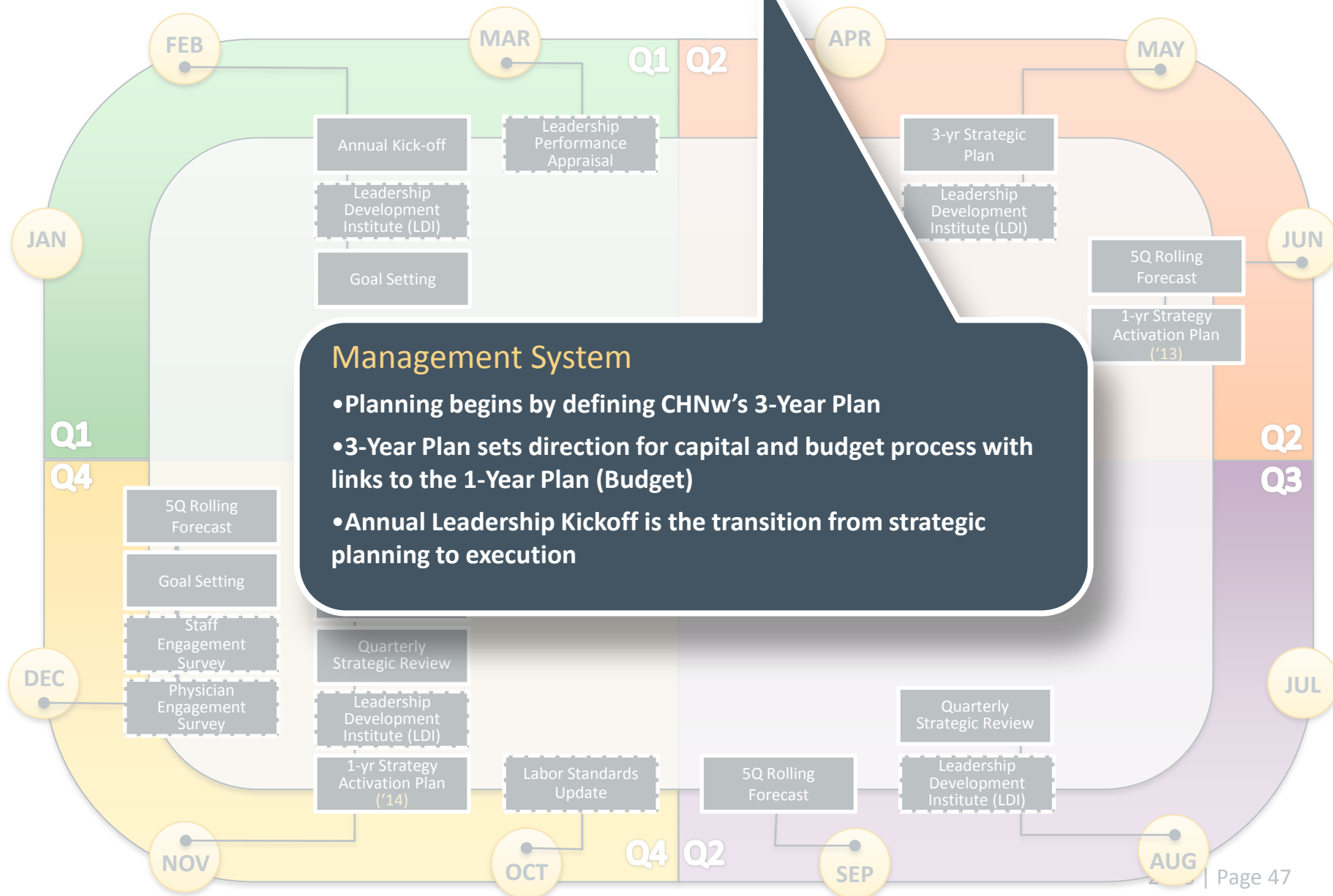# 2013 Operating Calendar

Solid outline = Management System   Dotted outline = Leadership System

Q1

FEB
- Annual Kick-off
- Leadership Development Institute (LDI)
- Goal Setting

MAR
- Leadership Performance Appraisal

JAN

Q2

APR
- 3-yr Strategic Plan
- Leadership Development Institute (LDI)

MAY

JUN
- 5Q Rolling Forecast
- 1-yr Strategy Activation Plan ('13)

The Community Way
PEOPLE | SERVICE | QUALITY | FINANCE | GROWTH | COMMUNITY
Exceptional Care. Simply Delivered.

Q1

Q2

Q4

DEC
- 5Q Rolling Forecast
- Goal Setting
- Staff Engagement Survey
- Physician Engagement Survey

- Capital Budgeting
- Quarterly Strategic Review
- Leadership Development Institute (LDI)
- 1-yr Strategy Activation Plan ('14)

- Labor Standards Update

Q3

JUL

SEP
- 5Q Rolling Forecast

- Quarterly Strategic Review
- Leadership Development Institute (LDI)

AUG

NOV

OCT

Q4

Q2

The Community Way
2013 Operating Calendar

Q1 | **Q2** | **Q3** | **Q4**

FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | JAN

Annual Kick-off

Leadership Performance Appraisal

3-yr Strategic Plan

Leadership Development Institute (LDI)

Leadership Development Institute (LDI)

Goal Setting

5Q Rolling Forecast

1-yr Strategy Activation Plan ('13)

5Q Rolling Forecast

Goal Setting

Staff Engagement Survey

Quarterly Strategic Review

Physician Engagement Survey

Leadership Development Institute (LDI)

Quarterly Strategic Review

Leadership Development Institute (LDI)

1-yr Strategy Activation Plan ('14)

Labor Standards Update

5Q Rolling Forecast

Management System

- **Planning begins by defining CHNw's 3-Year Plan**

- **3-Year Plan sets direction for capital and budget process with links to the 1-Year Plan (Budget)**

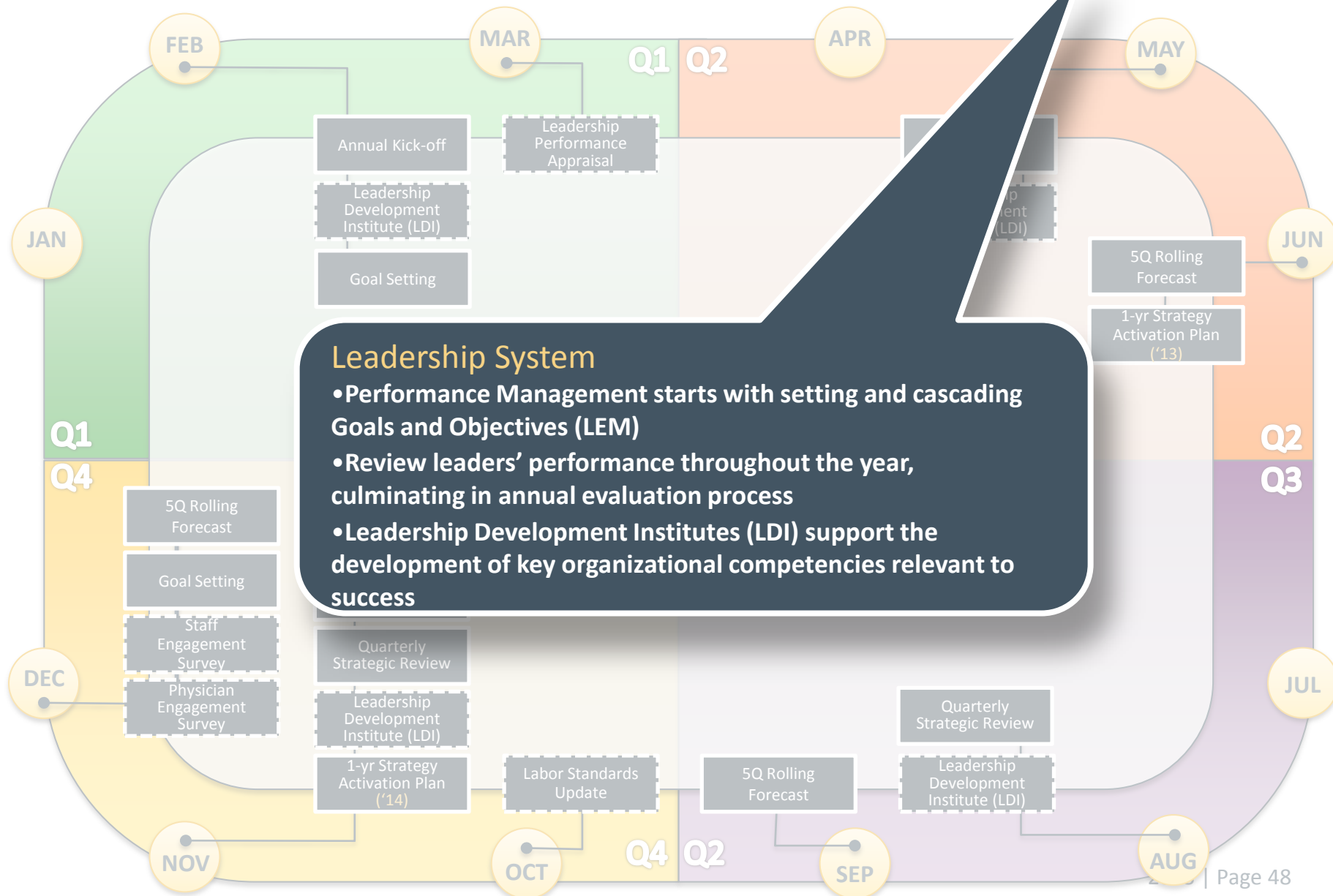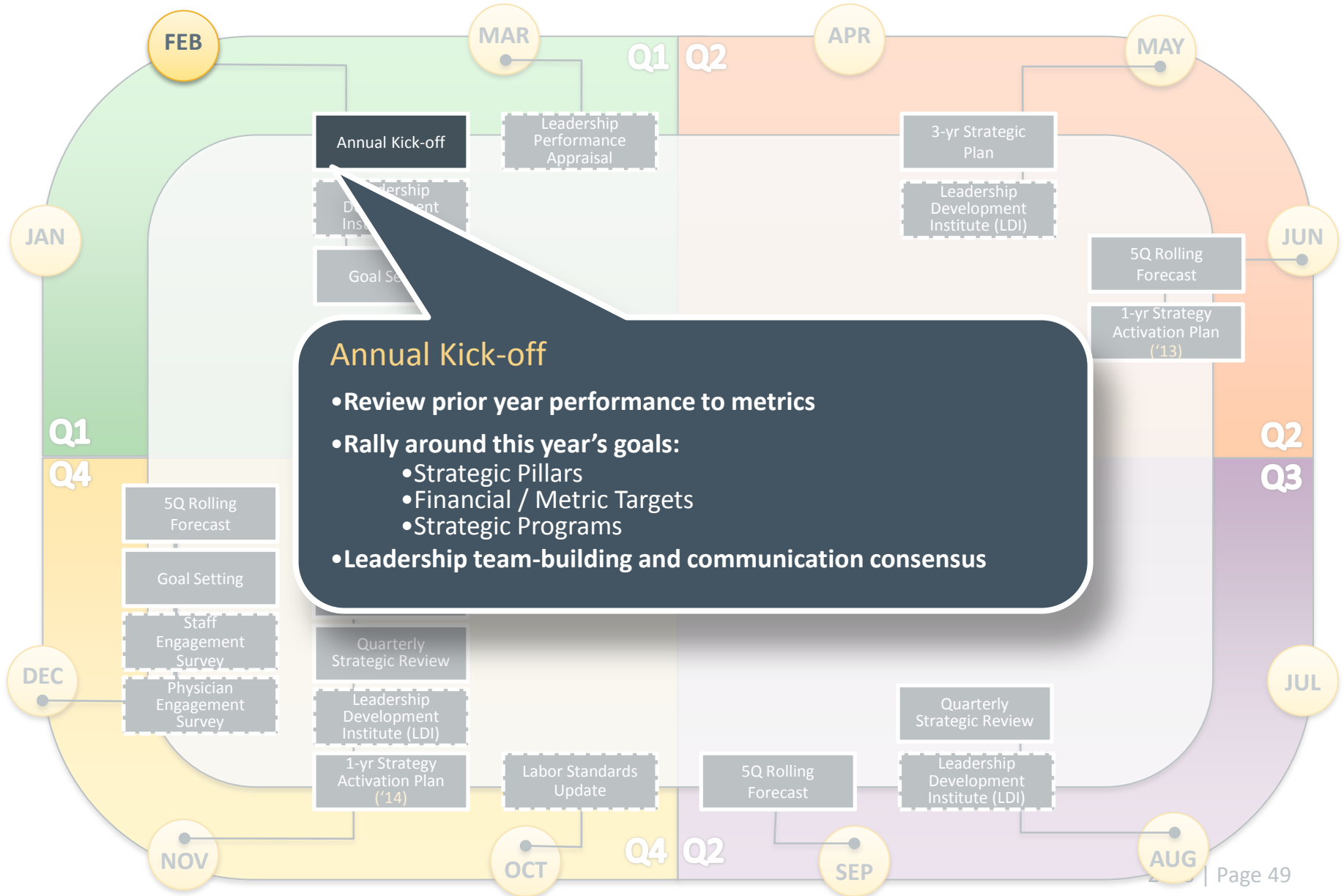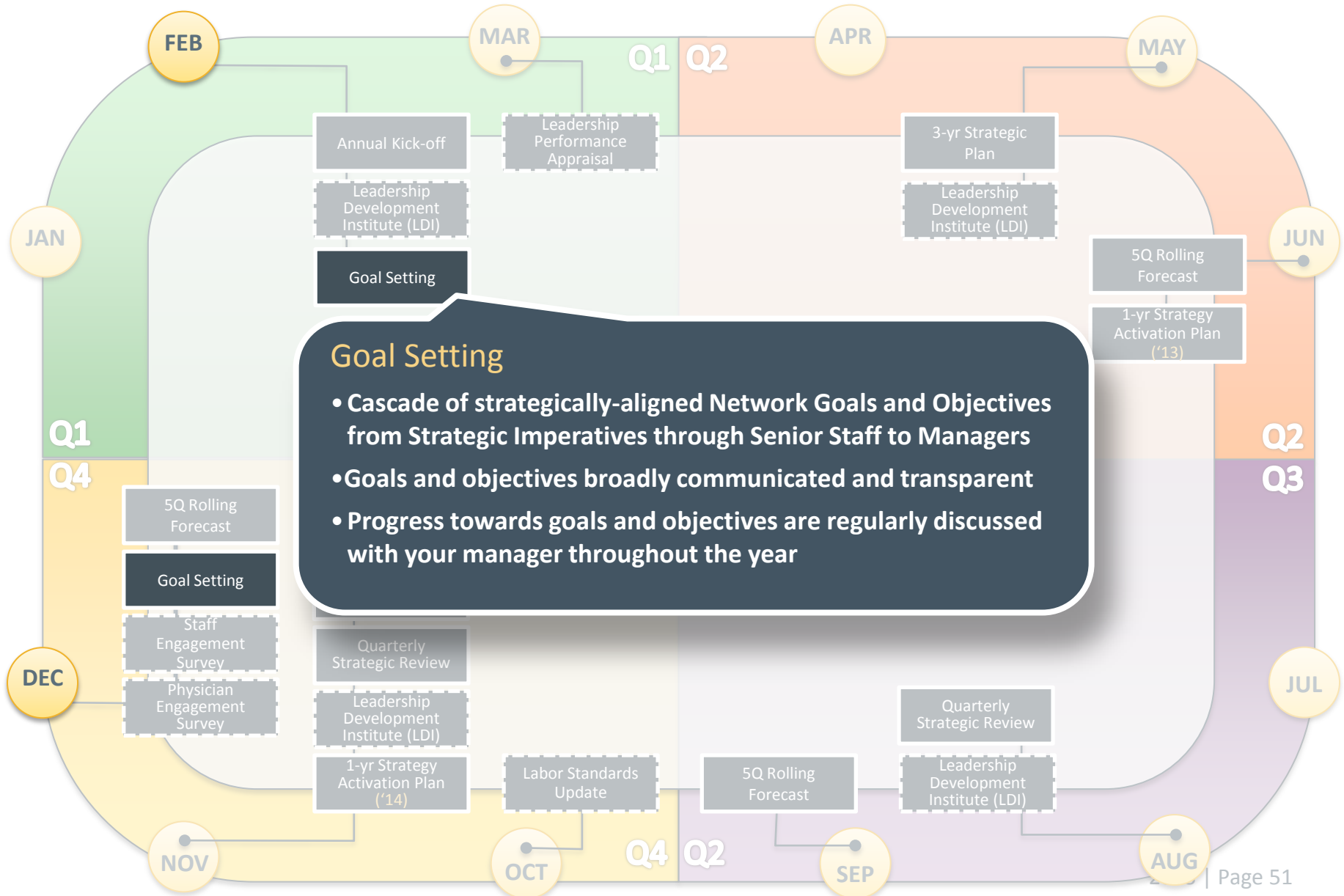- **Annual Leadership Kickoff is the transition from strategic planning to execution**
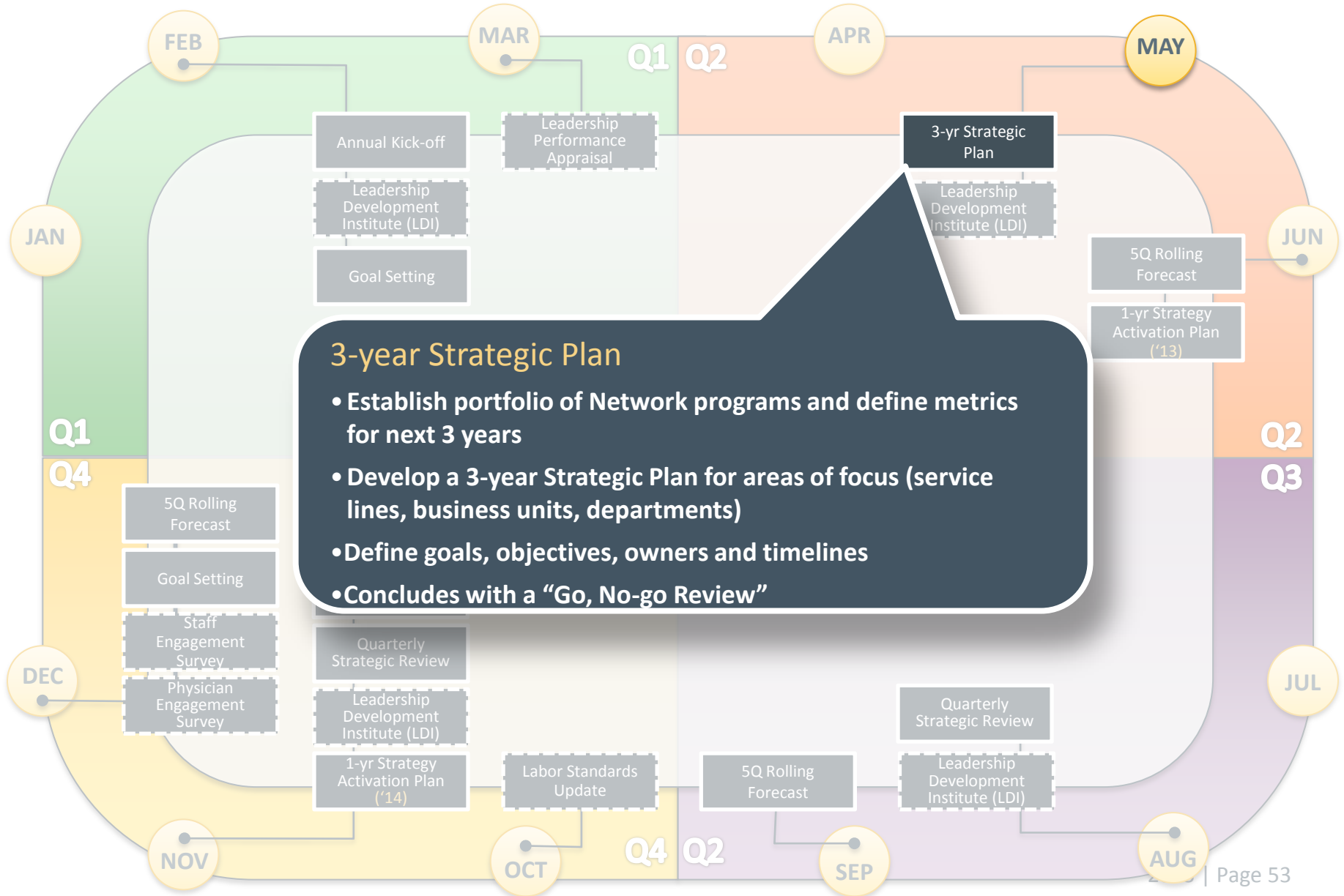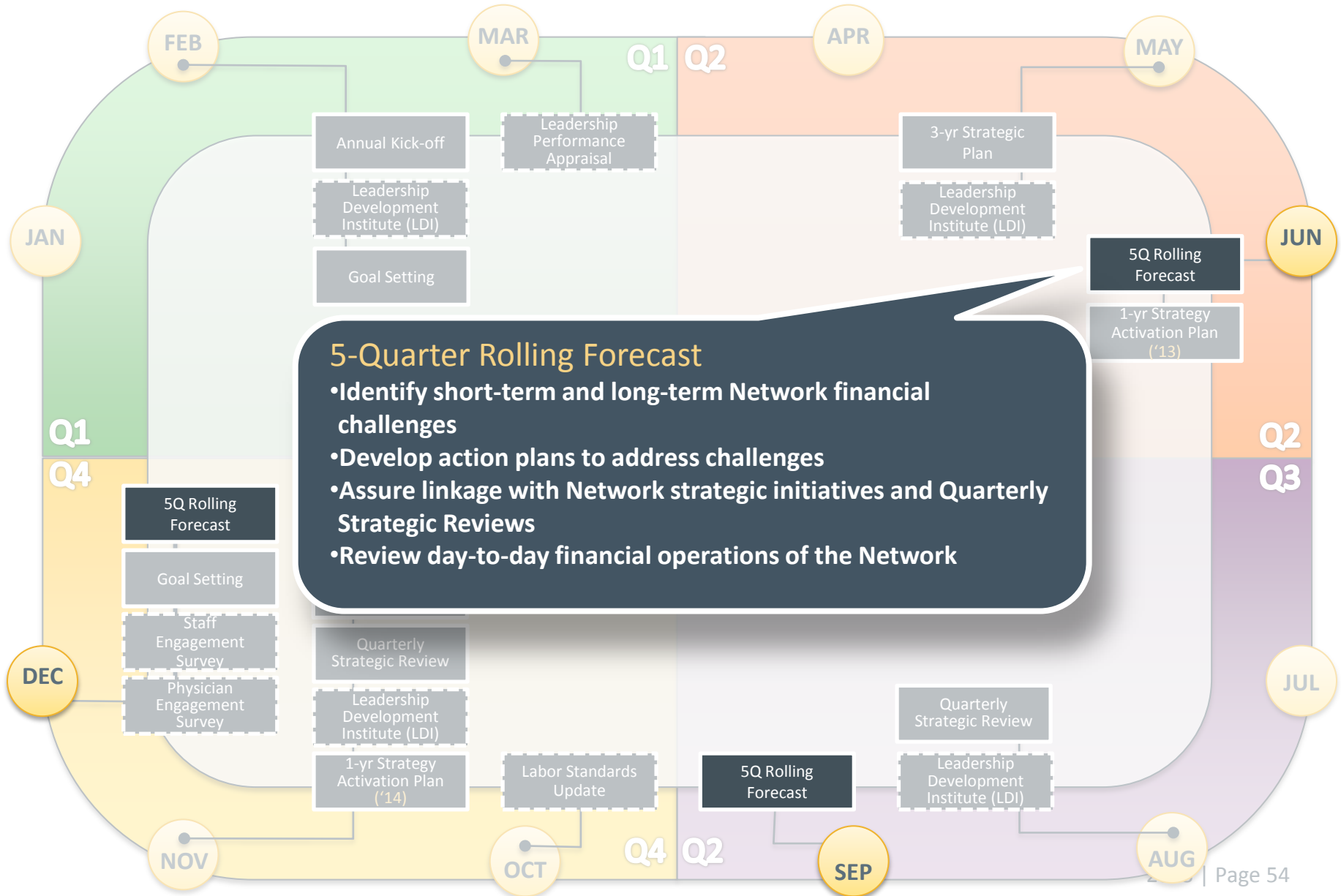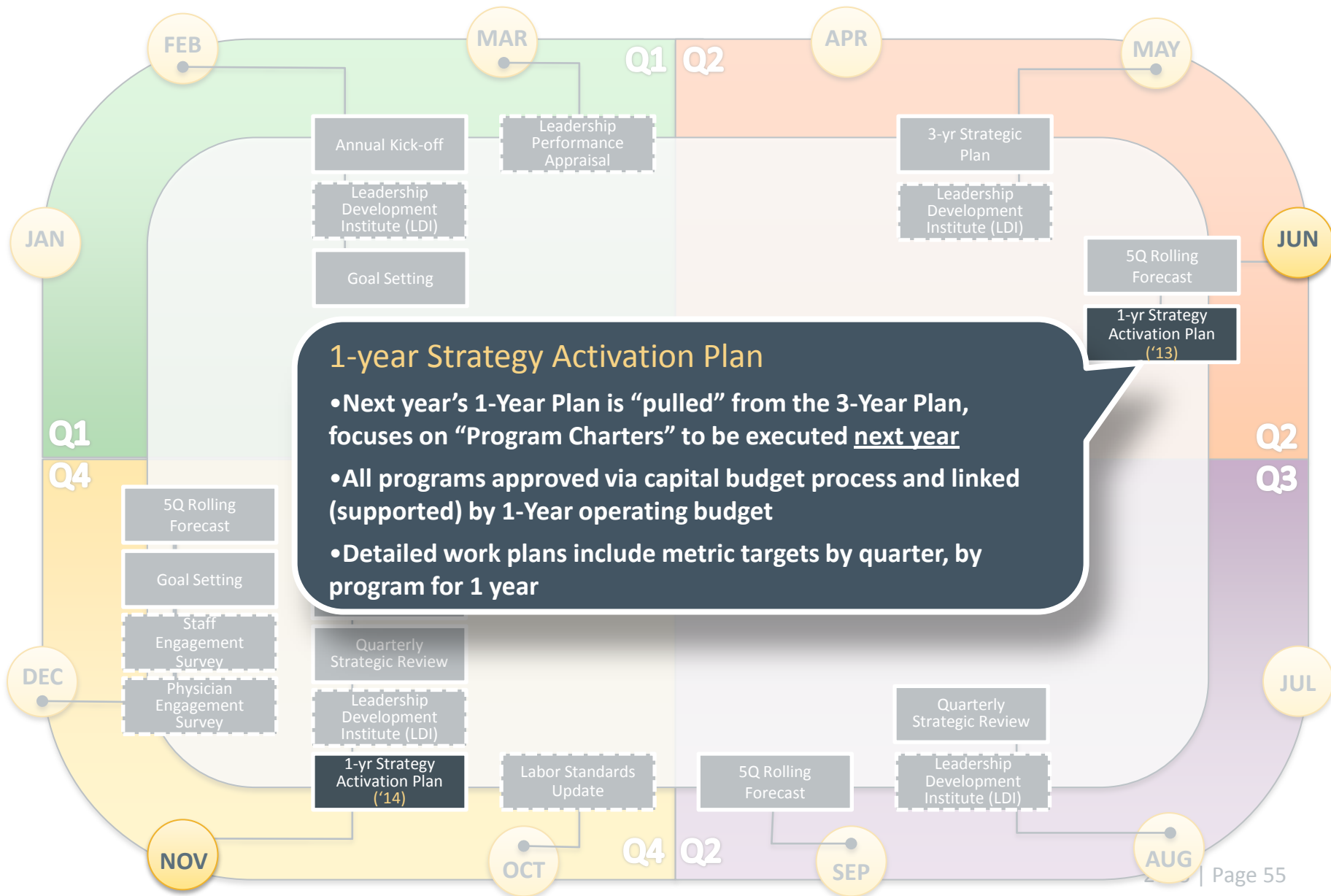
The Community Way
2013 Operating Calendar

Solid outline = Management System   Dotted outline = Leadership System

FEB **MAR** **APR** **Q1 Q2** **MAY**

Annual Kick-off

Leadership Performance Appraisal

Leadership Development Institute (LDI)

Leadership Development Institute (LDI)

JAN

Goal Setting

5Q Rolling Forecast

JUN

1-yr Strategy Activation Plan ('13)

Q1

Leadership System
- **Performance Management starts with setting and cascading Goals and Objectives (LEM)**
- **Review leaders' performance throughout the year, culminating in annual evaluation process**
- **Leadership Development Institutes (LDI) support the development of key organizational competencies relevant to success**

Q2

Q4

5Q Rolling Forecast

Q3

Goal Setting

Staff Engagement Survey

Quarterly Strategic Review

Quarterly Strategic Review

DEC

Physician Engagement Survey

Leadership Development Institute (LDI)

Leadership Development Institute (LDI)

JUL

1-yr Strategy Activation Plan ('14)

Labor Standards Update

5Q Rolling Forecast

NOV **OCT** **Q4 Q2** **SEP** **AUG**

The Community Way
2013 Operating Calendar

FEB **MAR** **APR** **MAY** **JAN** **JUN** **DEC** **JUL** **NOV** **OCT** **SEP** **AUG**

Q1 **Q2** **Q3** **Q4**

Annual Kick-off

Leadership Performance Appraisal

3-yr Strategic Plan

Leadership Development Institute (LDI)

Leadership Development Institute

Goal Setting

5Q Rolling Forecast

1-yr Strategy Activation Plan ('13)

5Q Rolling Forecast

Goal Setting

Staff Engagement Survey

Physician Engagement Survey

Quarterly Strategic Review

Leadership Development Institute (LDI)

Quarterly Strategic Review

Leadership Development Institute (LDI)

1-yr Strategy Activation Plan ('14)

Labor Standards Update

5Q Rolling Forecast

Annual Kick-off

- **Review prior year performance to metrics**
- **Rally around this year's goals:**
  - Strategic Pillars
  - Financial / Metric Targets
  - Strategic Programs
- **Leadership team-building and communication consensus**
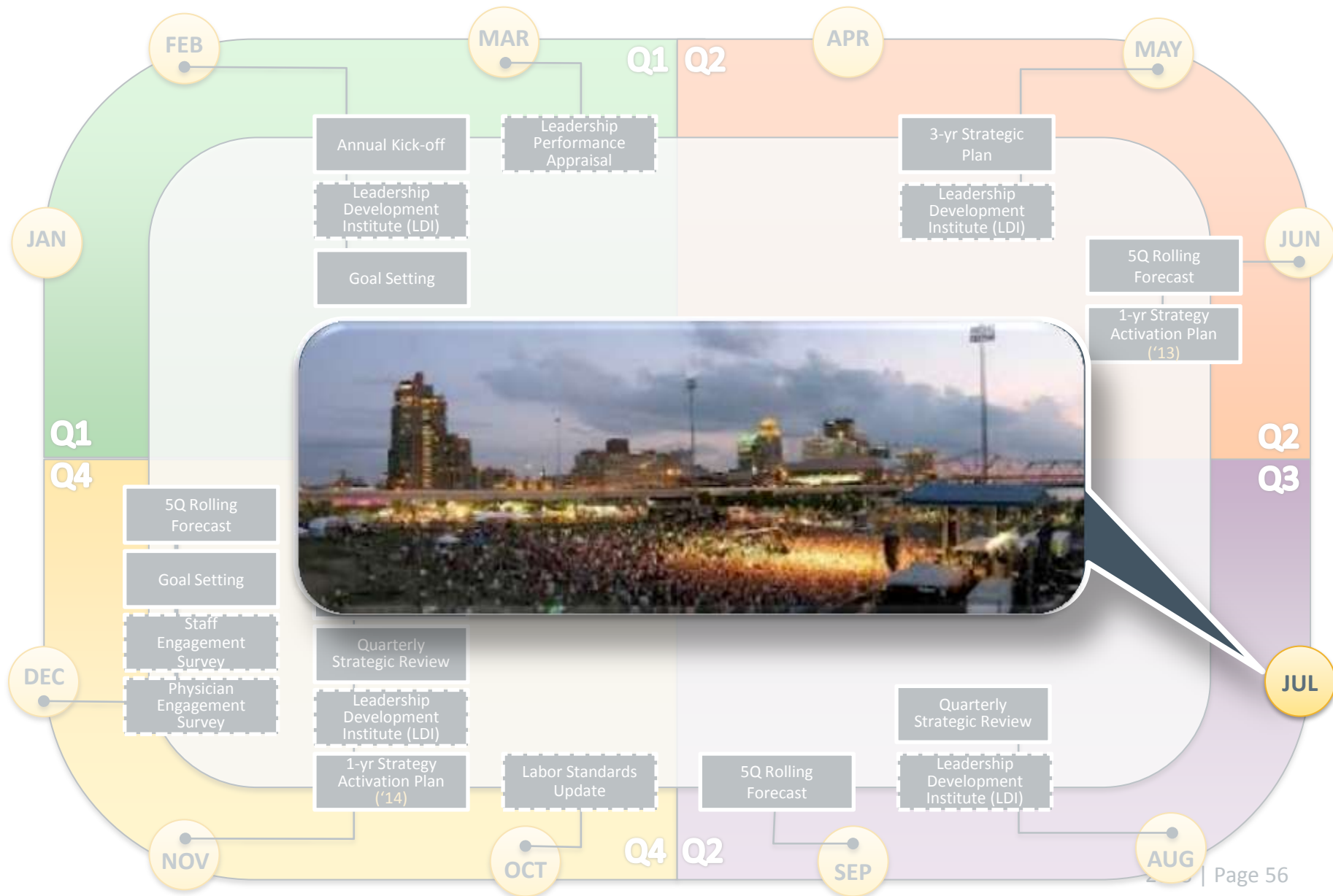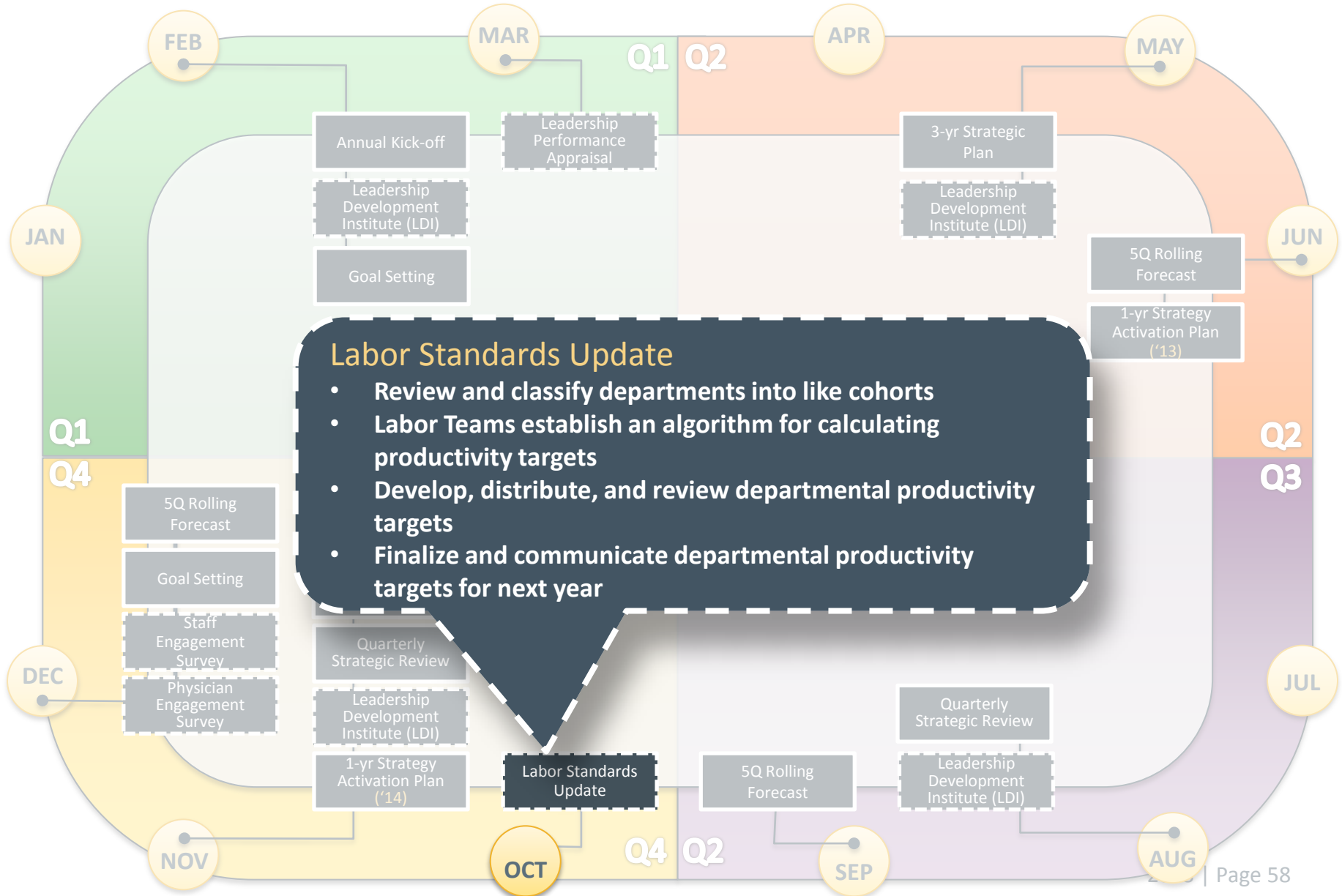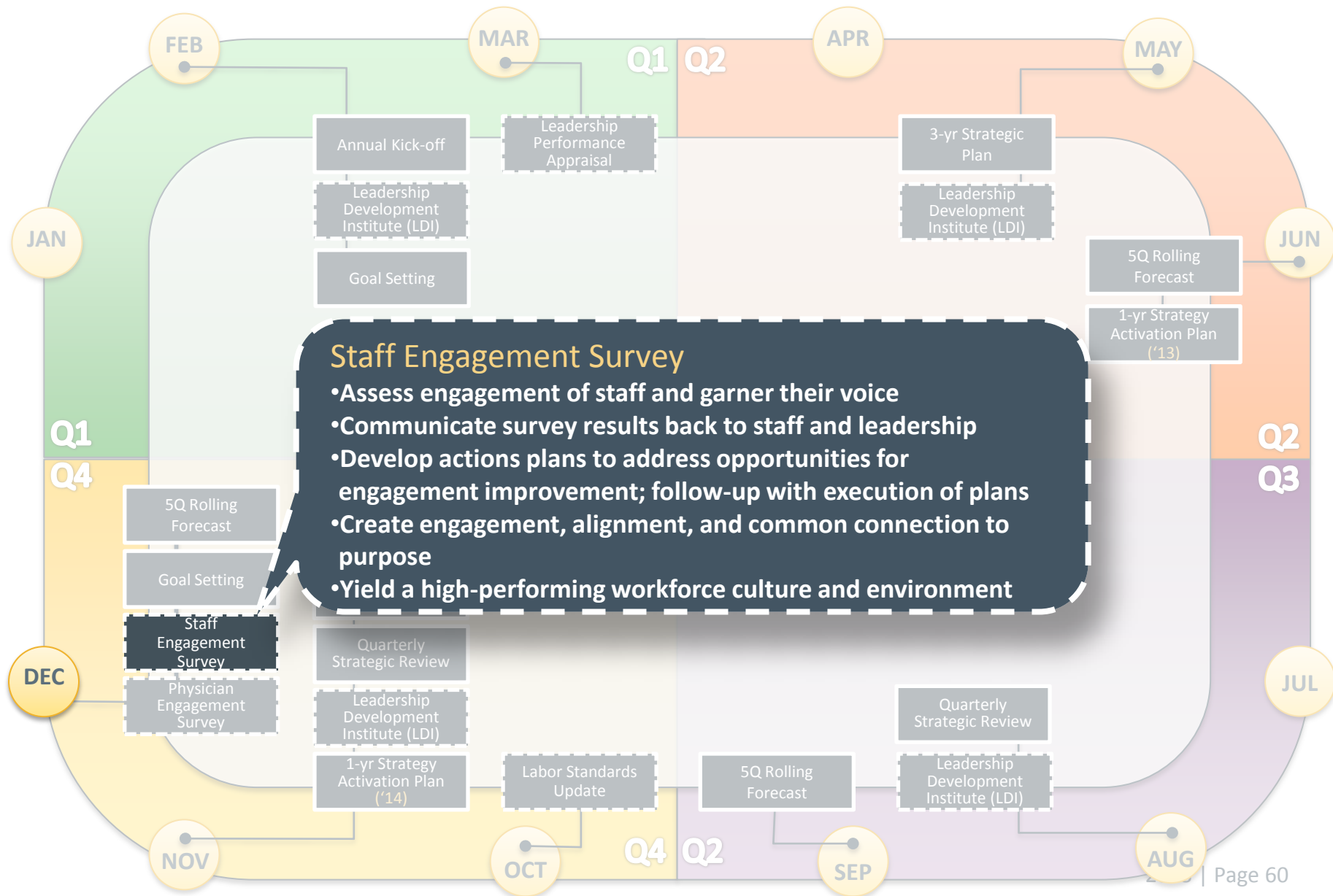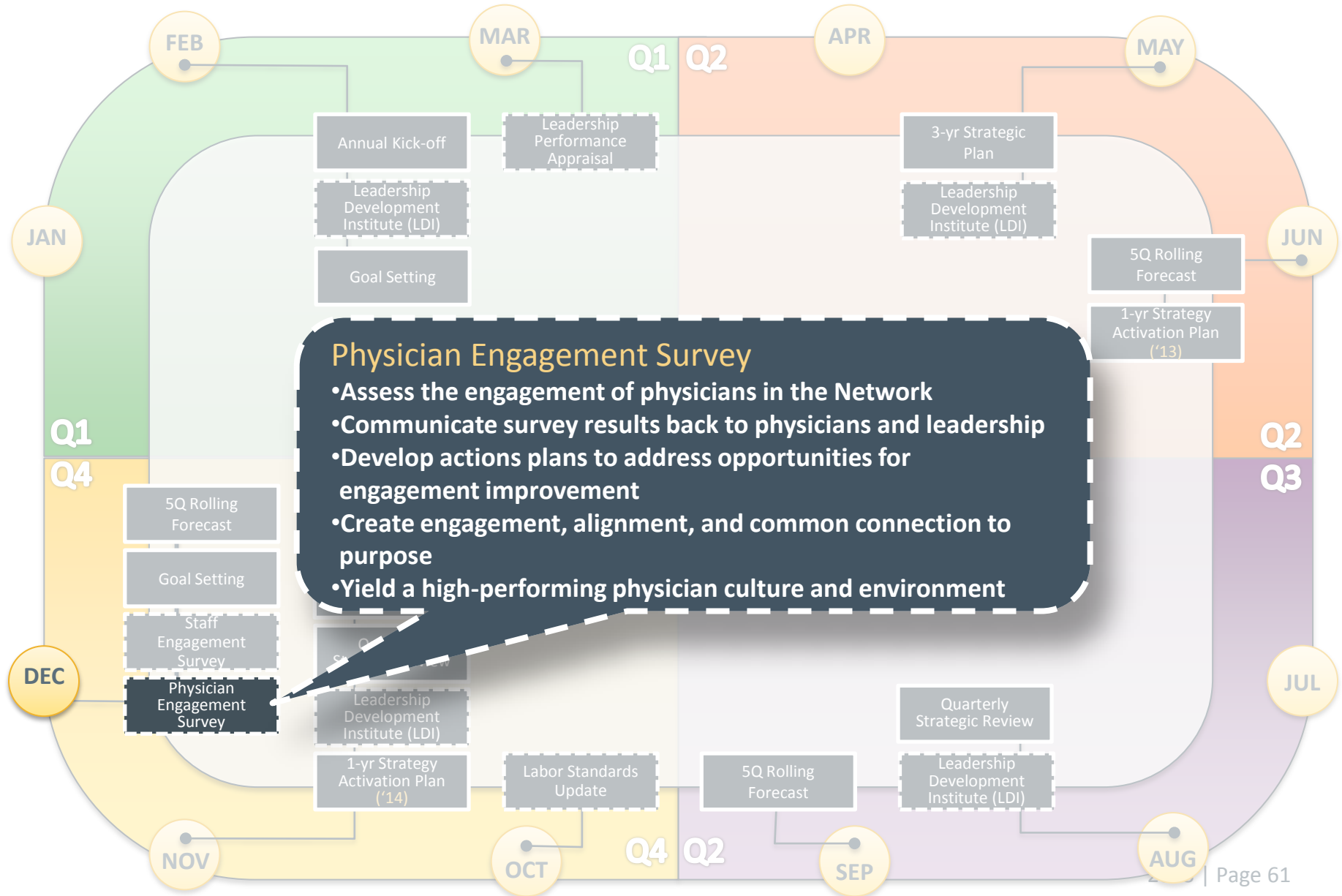
The Community Way
2013 Operating Calendar

Solid outline = Management System   Dotted outline = Leadership System

FEB | **MAR** | Q1 Q2 | **APR** | **MAY**

Annual Kick-off

Leadership Performance Appraisal

3-yr Strategic Plan

Leadership Development Institute (LDI)

Leadership Development Institute (LDI)

JAN

Goal

5Q Rolling Forecast

JUN

1-yr Strategy Activation Plan ('13)

Leadership Development Institute (LDI)
- **Two-day learning event tied to Leadership and Talent outcomes**
- **Topics may be related to tools, software, performance, values, evidence-based best practices, motivation, and connecting to purpose**
- **Q1 LDI is linked with the Annual Leadership Kick-off**

Q1

Q4

5Q Rolling Forecast

Goal Setting

Staff Engagement Survey

Physician Engagement Survey

Q2

Q3

DEC

Quarterly Strategic Review

Leadership Development Institute (LDI)

1-yr Strategy Activation Plan ('14)

Labor Standards Update

5Q Rolling Forecast

Quarterly Strategic Review

Leadership Development Institute (LDI)

JUL

NOV | **OCT** | Q4 Q2 | **SEP** | **AUG**

The Community Way
2013 Operating Calendar

Solid outline = Management System   Dotted outline = Leadership System

FEB
MAR
APR
MAY
Q1 **Q2**

Annual Kick-off

Leadership Performance Appraisal

3-yr Strategic Plan

Leadership Development Institute (LDI)

Leadership Development Institute (LDI)

JAN
JUN

Goal Setting

5Q Rolling Forecast

1-yr Strategy Activation Plan ('13)

Goal Setting

• **Cascade of strategically-aligned Network Goals and Objectives from Strategic Imperatives through Senior Staff to Managers**

• **Goals and objectives broadly communicated and transparent**

• **Progress towards goals and objectives are regularly discussed with your manager throughout the year**

Q1

Q4

Q2

Q3

5Q Rolling Forecast

Goal Setting

DEC

Staff Engagement Survey

Physician Engagement Survey

Quarterly Strategic Review

Leadership Development Institute (LDI)

Quarterly Strategic Review

Leadership Development Institute (LDI)

JUL

1-yr Strategy Activation Plan ('14)

Labor Standards Update

5Q Rolling Forecast

NOV
OCT
Q4 **Q2**
SEP
AUG

The Community Way
2013 Operating Calendar

Solid outline = Management System Dotted outline = Leadership System

FEB — MAR — APR — MAY
Q1 | Q2
JAN
JUN

Annual Kick-off

Leadership Performance Appraisal

3-yr Strategic Plan

Leadership Development Institute (LDI)

Leadership Development Institute (LDI)

Goal Setting

5Q Rolling Forecast

1-yr Strategy Activation Plan ('13)

Leadership Performance Appraisal

- **Direct Report conducts self evaluation and solicits feedback**
- **Manager completes draft direct report evaluations and solicits feedback via indirect supervisor, as appropriate, to finalize evaluations**
- **Manager delivers feedback with employee**

Q1
Q4
Q2
Q3

5Q Rolling Forecast

Goal Setting

Staff Engagement Survey

Quarterly Strategic Review

Physician Engagement Survey

Leadership Development Institute (LDI)

Quarterly Strategic Review

1-yr Strategy Activation Plan ('14)

Labor Standards Update

5Q Rolling Forecast

Leadership Development Institute (LDI)

DEC
JUL

NOV — OCT — SEP — AUG
Q4 | Q2

The Community Way
2013 Operating Calendar

Solid outline = Management System   Dotted outline = Leadership System

FEB **MAR** **Q1** **Q2** **APR** **MAY**

Annual Kick-off

Leadership Performance Appraisal

3-yr Strategic Plan

Leadership Development Institute (LDI)

Leadership Development Institute (LDI)

JAN **JUN**

Goal Setting

5Q Rolling Forecast

1-yr Strategy Activation Plan ('13)

Q1

5-Quarter Rolling Forecast
- Identify short-term and long-term Network financial challenges
- Develop action plans to address challenges
- Assure linkage with Network strategic initiatives and Quarterly Strategic Reviews
- Review day-to-day financial operations of the Network

Q2

Q4 **Q3**

5Q Rolling Forecast

Goal Setting

Staff Engagement Survey

Physician Engagement Survey

Quarterly Strategic Review

Quarterly Strategic Review

DEC **JUL**

Leadership Development Institute (LDI)

Leadership Development Institute (LDI)

1-yr Strategy Activation Plan ('14)

Labor Standards Update

5Q Rolling Forecast

NOV **OCT** **Q4** **Q2** **SEP** **AUG**

The Community Way
2013 Operating Calendar

Solid outline = Management System   Dotted outline = Leadership System

FEB · **MAR** · **Q1** | **Q2** · **APR** · **MAY**

Annual Kick-off

Leadership Performance Appraisal

Leadership Development Institute (LDI)

3-yr Strategic Plan

Leadership Development Institute (LDI)

Goal Setting

JAN

JUN

5Q Rolling Forecast

1-yr Strategy Activation Plan ('13)

1-year Strategy Activation Plan

- **Next year's 1-Year Plan is "pulled" from the 3-Year Plan, focuses on "Program Charters" to be executed** <u>**next year**</u>

- **All programs approved via capital budget process and linked (supported) by 1-Year operating budget**

- **Detailed work plans include metric targets by quarter, by program for 1 year**

Q1

Q2

Q4

Q3

5Q Rolling Forecast

Goal Setting

Staff Engagement Survey

Quarterly Strategic Review

Physician Engagement Survey

Leadership Development Institute (LDI)

Quarterly Strategic Review

DEC

JUL

Leadership Development Institute (LDI)

1-yr Strategy Activation Plan ('14)

Labor Standards Update

5Q Rolling Forecast

NOV · **OCT** · **Q4** | **Q2** · **SEP** · **AUG**

The Community Way
2013 Operating Calendar

Q1 | **Q2**

FEB
MAR
APR
MAY
JAN
JUN

Annual Kick-off

Leadership Performance Appraisal

3-yr Strategic Plan

Leadership Development Institute (LDI)

Leadership Development Institute (LDI)

Goal Setting

5Q Rolling Forecast

1-yr Strategy Activation Plan ('13)

Q1

Q2

Q4

Q3

5Q Rolling Forecast

Goal Setting

Staff Engagement Survey

Physician Engagement Survey

Quarterly Strategic Review

Leadership Development Institute (LDI)

Quarterly Strategic Review

1-yr Strategy Activation Plan ('14)

Labor Standards Update

5Q Rolling Forecast

Leadership Development Institute (LDI)

DEC

JUL

Q4 | **Q2**

NOV
OCT
SEP
AUG

The Community Way
2013 Operating Calendar

Solid outline = Management System   Dotted outline = Leadership System

FEB **MAR** **Q1 Q2** **APR** **MAY**

JAN **JUN**

Annual Kick-off

Leadership Performance Appraisal

3-yr Strategic Plan

Leadership Development Institute (LDI)

Leadership Development Institute (LDI)

Goal Setting

5Q Rolling Forecast

1-yr Strategy Activation Plan ('13)

Q1 **Q2**

Q4 **Q3**

5Q Rolling Forecast

Goal Setting

Labor Standards Update
- **Review and classify departments into like cohorts**
- **Labor Teams establish an algorithm for calculating productivity targets**
- **Develop, distribute, and review departmental productivity targets**
- **Finalize and communicate departmental productivity targets for next year**

Staff Engagement Survey

DEC

Physician Engagement Survey

JUL

Quarterly Strategic Review

Leadership Development Institute (LDI)

Quarterly Strategic Review

1-yr Strategy Activation Plan ('14)

Labor Standards Update

5Q Rolling Forecast

Leadership Development Institute (LDI)

NOV **OCT** **Q4 Q2** **SEP** **AUG**

The Community Way
2013 Operating Calendar

Solid outline = Management System   Dotted outline = Leadership System

FEB **MAR** Q1 Q2 **APR** **MAY**

Annual Kick-off

Leadership Performance Appraisal

3-yr Strategic Plan

JAN

Leadership Development Institute (LDI)

Leadership Development Institute (LDI)

JUN

5Q Rolling Forecast

1-yr Strategy Activation Plan ('13)

Capital Budgeting

- Review prioritized capital requests from "Go, No-go"
- Allocate capital funds for the Network for next year
- Align funding with 1-year and 3-year Network strategic plans and initiatives

Q1

Q4

5Q Rolling Forecast

Q2

Q3

Goal Setting

DEC

Staff Engagement Survey

Capital Budgeting

Physician Engagement Survey

Quarterly Strategic Review

JUL

Leadership Development Institute (LDI)

Quarterly Strategic Review

1-yr Strategy Activation Plan ('14)

Labor Standards Update

5Q Rolling Forecast

Leadership Development Institute (LDI)

NOV **OCT** Q4 Q2 **SEP** **AUG**

The Community Way
2013 Operating Calendar

Solid outline = Management System   Dotted outline = Leadership System

FEB MAR   Q1 Q2 APR MAY

JAN

Annual Kick-off

Leadership Performance Appraisal

Leadership Development Institute (LDI)

Goal Setting

3-yr Strategic Plan

Leadership Development Institute (LDI)

JUN

5Q Rolling Forecast

1-yr Strategy Activation Plan ('13)

Q1

Q4

5Q Rolling Forecast

Goal Setting

Staff Engagement Survey

Physician Engagement Survey

Staff Engagement Survey
- Assess engagement of staff and garner their voice
- Communicate survey results back to staff and leadership
- Develop actions plans to address opportunities for engagement improvement; follow-up with execution of plans
- Create engagement, alignment, and common connection to purpose
- Yield a high-performing workforce culture and environment

Q2

Q3

JUL

DEC

Quarterly Strategic Review

Leadership Development Institute (LDI)

1-yr Strategy Activation Plan ('14)

Labor Standards Update

5Q Rolling Forecast

Quarterly Strategic Review

Leadership Development Institute (LDI)

NOV OCT Q4 Q2 SEP AUG

The Community Way
2013 Operating Calendar

Solid outline = Management System   Dotted outline = Leadership System

FEB
- Annual Kick-off
- Leadership Development Institute (LDI)
- Goal Setting

MAR
- Leadership Performance Appraisal

Q1

Q2

APR
- 3-yr Strategic Plan
- Leadership Development Institute (LDI)

MAY

JAN

JUN
- 5Q Rolling Forecast
- 1-yr Strategy Activation Plan ('13)

Q1

Q2

Q4
- 5Q Rolling Forecast
- Goal Setting
- Staff Engagement Survey
- Physician Engagement Survey
- Leadership Development Institute (LDI)
- 1-yr Strategy Activation Plan ('14)

Q3

Physician Engagement Survey
- Assess the engagement of physicians in the Network
- Communicate survey results back to physicians and leadership
- Develop actions plans to address opportunities for engagement improvement
- Create engagement, alignment, and common connection to purpose
- Yield a high-performing physician culture and environment

JUL

OCT
- Labor Standards Update

SEP
- 5Q Rolling Forecast

AUG
- Quarterly Strategic Review
- Leadership Development Institute (LDI)

Q4

Q2

NOV

DEC

The Community Way
2013 Operating Calendar

Solid outline = Management System   Dotted outline = Leadership System

Q1 | **Q2**

FEB — MAR — APR — MAY

- Annual Kick-off
- Leadership Performance Appraisal
- Leadership Development Institute (LDI)
- Goal Setting
- 3-yr Strategic Plan
- Leadership Development Institute (LDI)

JAN — JUN

- 5Q Rolling Forecast
- 1-yr Strategy Activation Plan ('13)

The Community Way
PEOPLE | SERVICE | QUALITY | FINANCE | GROWTH | COMMUNITY
Exceptional Care. Simply Delivered.

Q1 | **Q2**

Q4 | **Q3**

- 5Q Rolling Forecast
- Goal Setting
- Staff Engagement Survey
- Physician Engagement Survey
- Capital Budgeting
- Quarterly Strategic Review
- Leadership Development Institute (LDI)
- 1-yr Strategy Activation Plan ('14)
- Labor Standards Update
- 5Q Rolling Forecast
- Quarterly Strategic Review
- Leadership Development Institute (LDI)

DEC — JUL

Q4 | **Q2**

NOV — OCT — SEP — AUG

Break

Planning Process

Kyle Fisher, Chief Strategic Development

Approach Focused on Activating Strategy

Guidance

Strategic Imperatives

↓

Strategic Pillars

↓

Metrics w/ Targets

Start with the answer

Strategic Plans

- Strategic Plan –3-Year and 1-Year
- Tools, templates for consistency
- "Punch list" work plans & programs
- Link to operating plan & budget

Create the Strategy Playbook

Strategic Reviews (QSRs)

- Performance vs. Plan
- Identify gaps – action plans
- Adjust where necessary
- Initiate new projects

Intense focus & accountability

How does the Work Align?

Guidance

```
┌─────────────────────────┐
│  Strategic Imperatives  │
└─────────────────────────┘
            │
            ▼
┌─────────────────────────┐
│    Strategic Pillars    │
└─────────────────────────┘
            │
            ▼
┌─────────────────────────┐
│    Metrics w/ Targets   │
└─────────────────────────┘
```

Start with the answer

As part of The Community Way rollout, the Imperatives and Initiatives from our 3-year Network Strategic Plan Refresh have been aligned with the Pillars, Goals, and Metrics that we will use to drive our strategy's activation

CHNw's Imperatives and Pillars

Network Imperatives

1. Quality and Patient-Centered Care Transformation

2. Physician-Network Alignment

3. Access, Growth and Innovation

4. Cost Restructuring Through Operational and Financial Performance

5. Managing Population Health and Well-Being

6. A Future-Ready Workforce and High Performing Culture

Network Pillars

1. People

2. Service

3. Quality

4. Finance

5. Growth

6. Community

Imperative Cross-Walk

People

Strategic Imperatives

A Future-Ready Workforce and High Performing Culture	Physician-Network Alignment

Supporting Initiatives

• Develop future-ready leaders • Drive for individual and organizational alignment with the Network's strategic plan • Develop individual and team-based competencies for the future • Ensure adequate supply of future clinicians through enhanced relationship with Marian University College of Osteopathic Medicine and developing strong academic residencies and fellowships • Develop the culture to create an exceptional workplace experience for staff and physicians	• Continue to derive the value from physician integration by creating a shared vision and culture of accountability • Position CHNw and CPN as the preferred network for physicians

People Pillar

First Year Retention - Achieve first year retention rate of 90%.	**Employee Engagement** - Achieve system-level employee engagement score of 77%

Service

Strategic Imperatives		
Quality and Patient-centered Care Transformation	Physician-Network Alignment	Access, Growth, and Innovation

Supporting Initiatives		
• Establish an integrated, highly-connected, well coordinated continuum of care • Pilot care models that support the capability to anticipate and manage the health needs of a defined population.	• Position CHNw and CPN as the preferred network for physicians	• Enable innovative approaches to primary care delivery and enhanced access across services

Service Pillar	
48 Hour Access - Achieve a success rate of 75% for all new patients to schedule within two business days of request within the Network	**HCAHPS**- Achieve CMS 75th percentile performance for 28 of 56 dimensions of care (8 dimensions at each of the 7 hospitals).

Quality

Strategic Imperatives	
Quality and Patient-centered Care Transformation	Managing Population Health and Well-Being

Supporting Initiatives	
• Attain market-leading performance versus our three local competitors in Value-based Purchasing (VBP) metrics • Identify clinical quality and safety performance priorities • Establish an integrated, highly-connected, well coordinated continuum of care • Invest in information technology and decision support systems • Pilot care models that support the capability to anticipate and manage the health needs of a defined population.	• Develop effective and innovative population health management and well-being improvement capabilities • Enable development of the competencies required to become a prime and sub-contractor of health services • Expand relationships with Medicare Advantage patients and payers

Quality Pillar	
Core Measures- Achieve CMS top decile score for 55 of 78 Value Based Purchasing core measures for the period July 1 through December 31, 2013.	**30-Day All Cause Readmission** - Achieve 6% reduction in 30-day all cause readmission rates for the following three populations: Pneumonia, CHF, AMI

Finance

Strategic Imperatives		
Cost Restructuring Through Operational and Financial Performance	Managing Population Health and Well-Being	Access, Growth, and Innovation
Supporting Initiatives		
• Sustainably improve profitability through targeted growth and cost restructuring • Translate cost restructuring initiatives to pricing strategies that improve the Network's position and preparation for consumer exchanges • Generate value through Community Care Connect and enhanced operational effectiveness • Implement a capital plan organized by market that prioritizes core funds along priority service lines/initiatives • Enhance capital formation through strengthened and focused philanthropic pursuits	• Expand relationships with Medicare Advantage patients and payers • Enable development of the competencies required to become a prime and sub-contractor of health services	• Expand and improve the value of partnerships and financial performance

Finance Pillar

Margin - Achieve a net operating margin of 5% (subject to Board approval of 2013 financial forecast in December, 2012).

Growth

Strategic Imperatives		
Managing Population Health and Well-Being	Physician-Network Alignment	Access, Growth, and Innovation

Supporting Initiatives		
• Participate with St. Vincent's and the Suburban Hospital Organization • Enable development of the competencies required to become a prime and sub-contractor of health services	• Continue to evolve the multi-specialty component of Community Physician Network (CPN) • Grow the number of lives the network serves through strategic placement of CPN physicians, ambulatory facilities, and future affiliations.	• Grow in primary and secondary markets through acute care facilities, CPN expansion, Community Care Connect, and ambulatory service development • Create collaborative partnerships with third-parties • Expand and improve the value of partnerships and financial performance • Enable innovative approaches to primary care delivery and enhanced access across services • Differentiate and strengthen CHNw's brand

Growth Pillar

Total Operating Revenue - Increase total operating revenue by 4% (net of annual price and rate increases).

Community – Our New Pillar

Living our mission through important activities designed to serve the community at large

Community Pillar

Serve360° Event Participation - All leaders at the manager level and above will participate in a minimum of one Serve360° event.

Planning Process Review

Thomas Goolsby & Seth Mollitt, GE

Key Principles Underlying the Process

Start with the Answer	Know what your target is before you start. Use modeling to identify what you need to accomplish and build your plan toward that goal. Strategic/business models build a framework for commitment.
Practice Research-based, Assumptive Planning	Leverage market analysis and forward-looking industry research to build your understanding of the environment but do not be paralyzed by the unknown or stalled by over analysis. Do your research and make educated assumptions where there are unknowns.
Build (and Follow) the Yellow Brick Road	Understand the levers you can pull to reach your overall goal and how individual changes collectively add up to the target. Identify how many "bricks" are in the road to your goal.
Cast a Wide Net	Look across the organization to identify the best people and ideas. Incorporate all needed stakeholders in the process and do not allow yourself to be limited by the perspectives of the individuals on your core team.

Key Principles Underlying the Process

Create the Strategy Playbook	Develop innovative "plays" and programs that build the bricks on the road to your goal. Create clear <u>action plans</u>, identify <u>owners</u>, and make the case for securing needed <u>resources</u>.
Work the Plan	Move quickly from planning to action; make go/no-go decisions in a timely way and begin executing your "plays."
Tie Strategy to People	Ensure team leaders and members have individual goals that are clearly aligned to their strategy program's milestones and targets. Hold individuals accountable for performance

Planning Process Overview

Strategic Imperatives

3-year Strategic Plans

1-year Activation Plan

Quarterly Targets & Actions

- 3-year plan developed and approved via "Go/No-Go"
- 3-year translated to 1-year activation plan
- Annual goals converted to quarterly metrics
- Programs and projects broken down to 90-day action plans
- Performance monitored through Quarterly Strategic Review (QSR) process
  - Template-based review of all programs and projects
  - Review of operating statements, annual goal, performance to target, immediate past and upcoming 90-day actions

Planning Process: 3-Year Plan

Strategic Imperatives

3-year Strategic Plans

1-year Activation Plan

Quarterly Targets & Actions

- Guided by CHNw strategic plan, imperatives, and 2013 LEM goals
  - Plan should allow organization to achieve specific 2013 goals and allow the organization to have achieved imperatives at the end of the 3-year period
- Focused on strategic initiatives and projects not day-to-day operations
- Teams organized around LEM Pillars
  - Small teams of content experts and organizational leaders that represent all aspects of the Network
  - Responsible for developing programs and projects that will drive organization to achieve goals & imperatives
- Plans presented to CEO Council, Clinical Enterprise, and SGI leaders
  - 2 day session of presentations and Q&A for the teams
  - .5 day "Go/No-Go" session
    - CEO Council, CE & SGI leadership teams make decisions on programs and projects to pursue → Execute, Execute with Guidance, Re-think the plan, Do not pursue

How we will organize the work

- Cross-Network Planning teams organized by Pillar
- Teams focused on the strategic initiative work of the organization **NOT** day-to-day operations

Entities Creating Plans

	Service Pillar	Quality Pillar	Financial Pillar	People Pillar	Growth Pillar	Community Pillar
Plan Elements	Program 1	Program 1	Program 1	Program 1	Program 1	Program 1
	Program 2	Program 2	Program 2	Program 2	Program 2	Program 2
	Program 3	Program 3	Program 3	Program 3	Program 3	Program 3
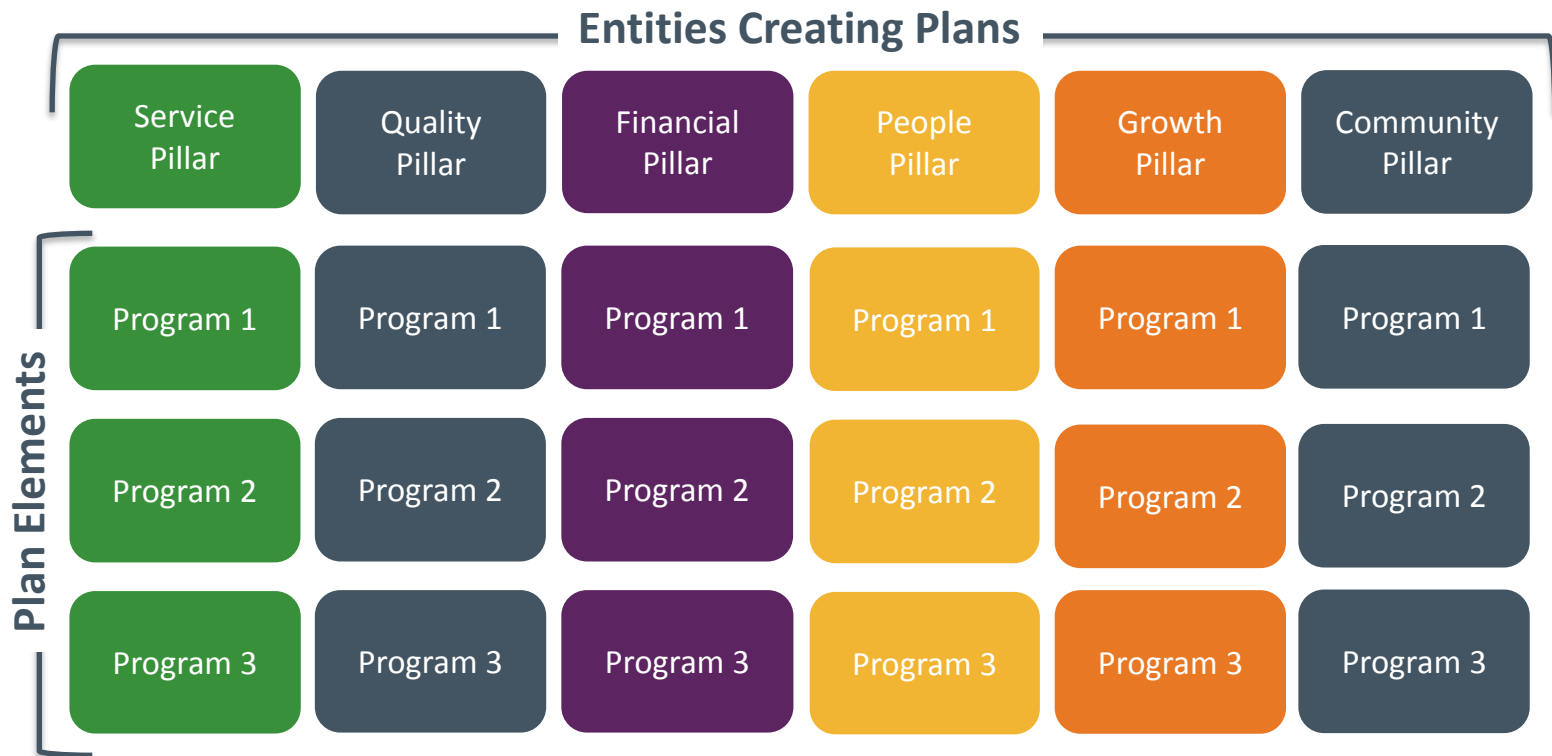
Team Roles and Definitions

- <u>Executive Sponsors</u> represent the Pillars at the CEO Council and provide Pillar guidance. Sponsors help remove/mitigate organizational barriers to Pillar team success.

- <u>Pillar Champions</u> have overall responsibility for Pillar 3 & 1Year Strategic Plans and Quarterly Strategic Review development; including facilitating their team through the content creation, completion of templates, and execution of the plan.

- <u>Pillar Stewards</u> support Pillar Champions and Core/Extended Teams in developing the 3 & 1 Year Strategic Plans and Quarterly Strategic Reviews by helping to manage the process; including the organization of meetings, completion of quality templates, and presentation preparation.

- <u>Core Teams</u> include Pillar Leads and Stewards plus 3-5 additional team members focused on developing, leading, and reporting out on 3 & 1 year strategic programs.

- <u>Extended Teams</u> a broad and diverse mix of employees that help execute on programs and projects while driving process inclusiveness and idea generation. Participate in activities as needed.

Planning Entity Teams

- **Quality**
  - Sponsor – **Dr. T. Hobbs**
  - Champion – **J. Putnam**

- **People**
  - Sponsor – **B. Mills**
  - Champion – **T. Malasto**

- **Financial**
  - Sponsor – **T. Fischer**
  - Champion – **J. Kirkham & B. Weitzel**

- **Service**
  - Sponsor – **C. Adams**
  - Champion – **J. O'Toole**

- **Community**
  - Sponsor – **J. Irwin**
  - Champion – **L. Hajduk**

Planning Process: 1-Year Plan & QSR's

Strategic Imperatives

3-year Strategic Plans

1-year Activation Plan

Quarterly Targets & Actions

- 1-year plan is a 12 month translation of approved 3-year plan programs → 1 year goals are the 2013 organization LEM Goals

- Targets are established by quarter

- 90 day action plans developed to drive project execution

- Teams report on progress every quarter at QSR

  - 2 day session of presentation (template based) and Q&A

  - Organization's leaders get a Network view of where progress is being made

  - Opportunity to change course if it is needed

  - Mechanism for driving coordination between teams and across Network

  - Venue for making decisions and holding people accountable

2013 3-year Planning Timeline

Pillar Champion Meeting 2/20*

3-Year Plan Kickoff with Core Teams 3/7

3-Year Plan Mid-Checkpoint 4/10-11

Brainstorming & Innovation Sessions, Study Halls 4/16-17 & 4/23-24

3-Year Plan Final Presentations + Go-No-Go Review 5/6

February **March** **April** **May**

Environmental Scan Review + Financial Forecasting 3/7

Study Halls 3/11 & 3/18

Complete 1-page program charters 4/18

3-Year Plan Dry Run Presentation 4/30-5/1

Ongoing Support & Coaching

*Dates used should be read as "week of MM/DD" and are tentative dates

Performance Improvement: 3-Year Plan

Jean Putnam, Network VP Quality Resources & Risk Management

PI Operating Statement

Drive the highest levels of quality care and patient experience by streamlining processes, optimizing cost and fostering a network-wide culture of continuous improvement.

PI Strategic Model

Execution
Maintain a results-oriented project portfolio, sustainment plan, and risk escalation plan

Culture
Foster and empower a culture of continuous improvement

Performance Improvement

Alignment
Align PI to support both strategic and operational improvement efforts

Systems & Structures
Establish infrastructure and operating rhythms to sustain impactful PI efforts

PI Capability
Promote PI skillset and talent development via ongoing outcomes-based training

PI Charter

Objective: Drive the highest levels of quality care and patient experience by streamlining processes, optimizing cost and fostering a network-wide culture of continuous improvement.

Lead: Jean Putnam

2013-16

Measure(s)	2012A	2013	2014	2015	2016
PI Governance Structure	NA	Launch/Stabilize	Institutionalize	Institutionalize	Institutionalize
BB/GB	9/9	10/9	11/9	12/9	13/9
Master/ Change Agents	0/0	5/80	8/130	10/180	12/230
YB/WB	73/159	113/2K	194/4K	274/6K	354/8K
Realized Savings	$1.2M as of 12/20	$7M	$15M	$20M	$25M

Areas of Focus for Programs (In Scope)
1) Systems & Structures; 2) PI Capability; and 3) Execution

Team Members: Rose Popovich, Daniel Cornpropst, Mark Heithoff, Travis Lozier, Tom West, Amy Campbell, Lauren Milne, Tom Goolsby

Programs: 2013 - 2016

Program 1.0: Systems & Structures

Program 2.0: PI Capability

Program 3.0: Execution

Program 1.0: <u>Systems & Structures</u>

<u>Objective</u>: Establish infrastructure and operating rhythms to sustain impactful PI efforts through project prioritization, financial validation and effective program communication.

Key Components

1. Governance Structure
   - Design and launch governance structure
   - Set organizational structure and resource
2. Project Prioritization
   - Adopt a project selection matrix
   - Implement and standardize tools and templates
3. Financial Validation Model
   - Acceptance of financial validation model
   - Create approval process
   - Standardize financial definitions
4. Communication and Project Management
   - Utilize SharePoint site
   - Develop and implement standardized communication plan

<u>Team</u>: Jean Putnam, PI Core Team, Amy Campbell, Lauren Milne, Thomas Goolsby

Outcomes

	2012A	2013	2014	2015	2016
PI Governance Structure	NA	Launch/ Stabilize	Institutio nalize	Institutio nalize	Institutio nalize
Project Prioritization Matrix Usage	0%	80%	90%	100%	100%
Financial validation completed prior to start of project	0%	80%	90%	100%	100%
Final A-3 completed before close of project	0%	80%	90%	100%	100%

Required Resources & Focus ($ in thousands)

	2012A	2013	2014	2015	2016
Operating $		See Program 3.0			

Program 2.0: PI Capability

Objective: Promote PI skillset, talent development, and ongoing outcomes-based training to meet PI strategic and operational goals.

Key Components

1. PI Skill Transfer
   - Align BB/GB training to pipeline strategy
   - Roll-out Master/ Change Agent training
   - Enhance YB and WB training programs in support of PI strategic and operational goals
2. Alignment and Accountability
   - Establish PI capability pipeline goals to meet future demand for PI resources
   - Engage and align all trained resources to PI/ PMO financial deliverables
   - Drive leader accountability via sponsor training
3. Engaged and Sustainable Workforce
   - Create a PI idea generation program to ID, capture and reward high value-added idea implementation
   - Develop mentor/ train-the-trainer program to identify and leverage future teaching resources

Team: Jean Putnam, PI Core Team, Lauren Milne, Thomas Goolsby, Stephanie Wood

Outcomes

	2012A	2013	2014	2015	2016
BB/GB	9/9	10/9	11/9	12/9	13/9
Master/ Change Agents	0/0	5/80	8/130	10/180	12/230
YB/WB	73/159	113/2K	194/4K	274/6K	354/8K
Expected Alignment BB/GB/YB	N/A / 1 Project / 2 Projects	$1.5M/yr / $5K / $1K	$2.5M/yr / $5K / $1K	$3.0M/yr / $5K / $1K	$3.0M/yr / $5K / $1K
PI Idea Implementation	NA	Develop /Pilot	Deploy	Institutionalize	Institutionalize

Required Resources & Focus ($ in thousands)

	2012A	2013	2014	2015	2016
Operating $		See Program 3.0			

Program 3.0: <u>Execution</u>

<u>Objective</u>: Maintain a results-oriented project portfolio, sustainment plan and risk escalation plan for executing strategic and operational projects to achieve sustainable results.

Key Components

1. Fill Funnel
   - Standardize a process to build and validate a PI project portfolio (i.e., the funnel)
   - Annual/quarterly dashboard of target $/status
2. Execution
   - Align functional resource pool with strategic project funnel
   - Institutionalize standardized PM system with risk escalation plan
3. Sustaining
   - Create transition plan for process owners
   - Develop mechanism to track process and $ outcomes
4. Accountability
   - Align rewards with performance
   - Develop rounding script & metrics that support mentoring

<u>Team</u>: Jean Putnam, PI Core Team, Lauren Milne, Thomas Goolsby

Outcomes

	2012A	2013	2014	2015	2016
Realized Savings	$1.2M as of 12/20	$7M	$15M	$20M	$25M
Forecasted Funnel	$0	$10M	$22M	$30M	$30M

Required Resources & Focus ($ in thousands)

	2012A	2013	2014	2015	2016
PI FTEs	5	5	6	7	8

Summary

- Strategy developed
- Next steps:
  - Develop structure for success
  - Skills development and transfer
  - Feed funnel
  - Develop ROI capability
- Execute on strategy
- Realize measures of success

Break

Leadership System Model

Stephanie Wood, VP Organizational Learning
Jason Snyder, GE

The Community Way
Culture Driven Performance Model

Mission • Vision • Values
PATIENTS FIRST | RELATIONSHIPS | INTEGRITY | INNOVATION | DEDICATION | EXCELLENCE

Network Pillars
PEOPLE | SERVICE | QUALITY | FINANCE | GROWTH | COMMUNITY

Direction and Focus
Management System
Leadership System

3-yr Strategic Plan

1-yr Strategy Activation Plan

Quarterly Strategic Reviews

Exceptional Care. Simply Delivered.

THE WAY WE CARE
Community CareConnect
PATIENTS FIRST
THE WAY WE LEAD
THE WAY WE IMPROVE

Talent Development Plan

Performance Appraisal

Goal Setting

The Community Way
Culture Driven Performance Model

The Elements of the model are categorized in 1 of 3 disciplines.

3. **Leadership System** – a platform for engaged and accountable talent committed to patients, Community Health Network, and each other

...ATION | EXCELLENCE

...COMMUNITY

3-yr Strategic Plan

1-yr Strategy Activation Plan

Quarterly Strategic Reviews

Exceptional Care. Simply Delivered.

THE WAY WE CARE

Community CareConnect

PATIENTS FIRST

THE WAY WE LEAD

THE WAY WE IMPROVE

Talent Development Plan

Performance Appraisal

Goal Setting
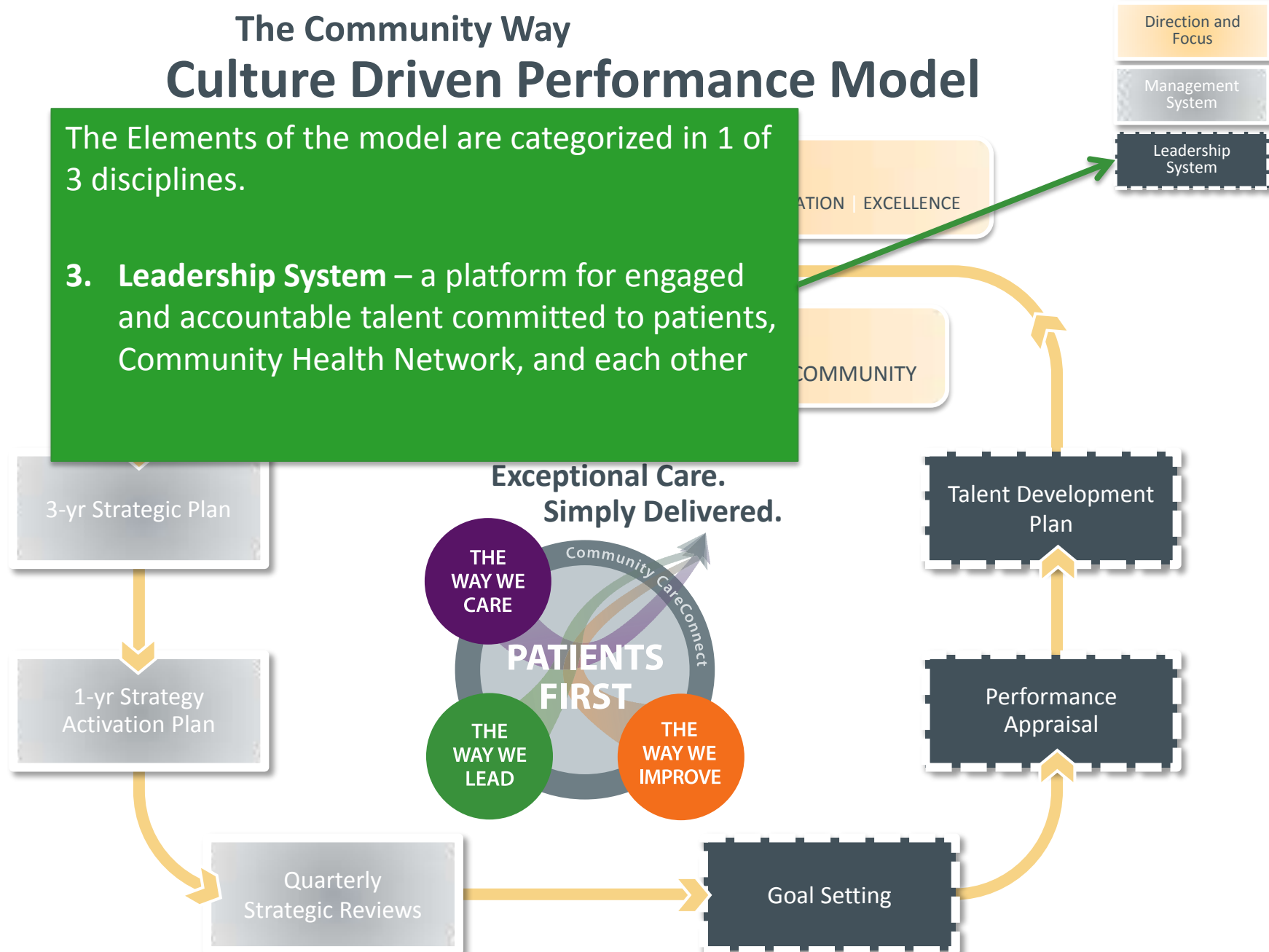
Leadership System - Desired Results

- Drive individual accountability for achieving near term organizational results

- Encourage desired behaviors aligned to team effectiveness and long term success

- Identify future leaders and important talent development needs

- Support talent action planning in the context of organizational strategy and change

Empower Leaders to connect People to Strategy

Leadership System - Principles

- **Simple**
  Rated Employee can easily understand
  Rating Leader can easily and effectively use
  Supports focused high value discussion

- **Flexible**
  Accommodates dynamic organizational and market change
  Works across all leadership levels and functions

- **Leaders own execution**
  Use events to drive their priorities
  Assess and coach their teams on process
  Speak the talent development short-hand

Leadership System Model

Component Functions

Leadership System Model

CHNw Future State

Create and Implement → **Talent Development Plan**

↑

Leader Performance Appraisal ← Update and Align

↑

Create and Implement → **Calibration Sessions**

↑ ↑

Proceeding with Studer Group Best Practices →

Leader Evaluation Manager (LEM)

Updated Behavioral Anchors ← Validate and Update

↑ ↑

Individual Goals

Leadership Effectiveness

Organization Goals →

← **Validated Organization Values**

Standards of Behavior

Leadership System Model

Empower Leaders to connect People to Strategy

Principles
- ➢ Simple
- ➢ Flexible
- ➢ Leader Owned
- ➢ Strategy Focused

Results
- ➢ Accountability
- ➢ Differentiation
- ➢ Consistency
- ➢ Capability

Talent Development Plan

⬆

Leader Performance Appraisal

⬆

Calibration Sessions

⬆ ⬆

Leader Evaluation Manager (LEM)

Behavioral Anchors

⬆ ⬆

Organization Goals ➡

Individual Goals

Leadership Effectiveness

⬅ Validated Organization Values

Standards of Behavior
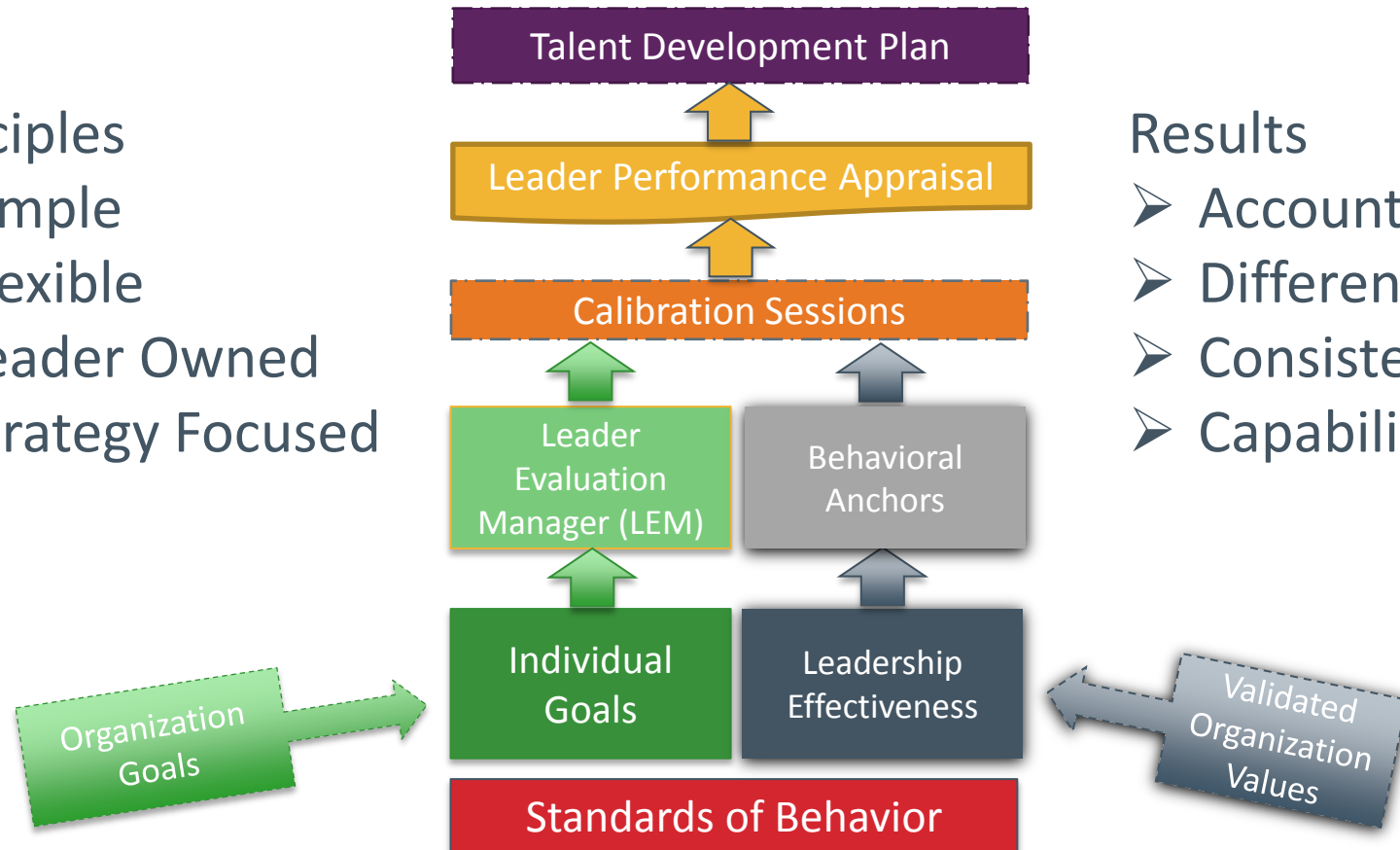
Leadership System – Your Role

- <u>Help build it</u>: Participate in focus groups or share ideas with those attending focus groups

- <u>Help implement it</u>: Read launch communications, ask questions, and help your team understand it

- <u>Use it as a system</u>: Understand the linkages between the components and leverage them as employee and leader

As Leaders it is <u>your</u> System

Values / Leadership Effectiveness

Why do Values matter?

Values shape the way we act, the priorities we establish and the choices we make**:**

Goal: Lose 20 lbs.

How:
A) Balanced reduced calorie diet and reasonable exercise

B) Diet pills, purging, laxatives, diuretics, and fasting

The right choice is sustainable and strengthens

Values / Leadership Effectiveness

If an organization is a like a car engine then:

<u>Great</u> values based behaviors are like the fuel
- Fire things up
- Overcome inertia
- Get the parts moving
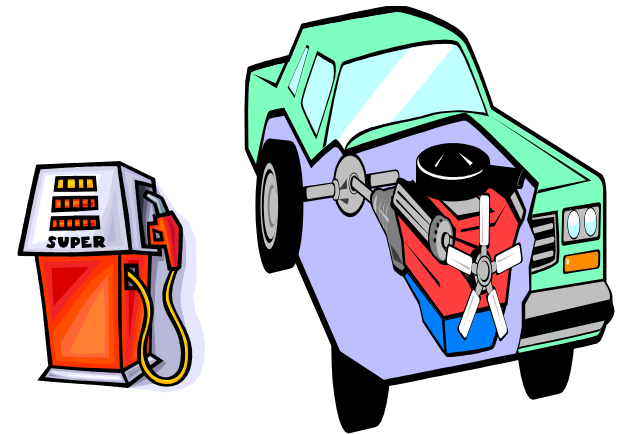
<u>Good</u> values based behaviors are like the oil
- Improve efficiency
- Make it easier to get things moving
- Protect the parts from wear

<u>Poor</u> values based behaviors are like the gunk and grime
- Drain efficiency
- Prevent movement
- Wear down what they interact with

Community Character

Do our patients, their families and our partners see our PRIIDE?

Core Values ➡ **Aligned Behaviors** ➡ **Perceived Character**

To live our values through aligned behaviors
- **Clear and common understanding**
- **Continual coaching**
- **Aligned Incentives**

PRIIDE Values & Definitions

PATIENTS FIRST - Consistently demonstrates a commitment to providing, or contributing to, exceptional patient and family experiences, through decision making, behavior, attitude and action.

RELATIONSHIPS - Consistently uses relationship competencies; builds relationships with internal and external customers/associates by: displaying the behavior, attitude, and action of a team player, demonstrating openness and welcoming to those who are different, and providing exceptional experiences for customers.

INTEGRITY - Consistently is open, honest and trustworthy in word, action and behavior; demonstrates the courage to speak up related to doing the right thing.

INNOVATION - Consistently demonstrates openness to change and new ideas; actively searches for creative solutions to meet customers' and organizational needs with a "can do," flexible, positive approach.

DEDICATION - Consistently holds self and employees to highest level of accountability and personal engagement; acts as an organizational ambassador and steward.

EXCELLENCE - Consistently demonstrates a commitment to a high quality and safe environment of care and workplace; uses culture of safety practices visibly and effectively.

Values Guide Development

Validate and Update to ensure they are:

Most Relevant

- Represent key desired behaviors
- Describe the ideal leader
- Fit your future

Understood and Clear

- Consistent throughout the organization, across departments
- Defined in behavioral language
- Communicated through multiple means

Operationalized

- Clear expectations
- Performance measured
- Rewards and consequences

Values Guide
Stakeholder Reviews:

- CEO Council
- Divisional Senior Leaders
- Vice Presidents
- Directors and Managers
- Employee Focus Groups
- Physicians
- Vice Presidents
- Divisional Senior Leaders
- CEO Council

Values Guide Example

VALUE	Exceeds	Achieves	Needs Improvement
Commitment is establishing ownership and dedication to personal, professional and organizational success with passion and purpose.	❑ Proactively initiates and seeks **ownership** of new projects, ideas, and/or assignments beyond expectations ❑ Inspires and **passionately** leads others to reach and exceed goals and objectives in the face of obstacles	❑ Assumes **ownership** of projects and/or assignment from start to finish ❑ Consistently transfers personal energy and **passion** into action to accomplish goals and objectives	❑ Avoids or deflects **ownership** of projects and/or work assignments ❑ **Complacent** with 'good enough'
Understanding is the ability to acknowledge the strengths of others, appreciate their challenges and effectively recognize and support their needs.	❑ Develops and implements ideas to support others to work more efficiently and overcome **challenges** and/or barriers ❑ Coaches others to develop reflective **listening** skills to promote a high level of engagement in the organization	❑ Consistently partners with others and supports those presented with **challenges** and/or barriers ❑ Consistently demonstrates reflective **listening** to build a high level engagement with others	❑ Unaware of others needs and provides information only when asked ❑ Exhibits lack of **engagement** by **ignoring** others during discussions and/or meetings
Learning is embracing innovation, challenges and experiences which enhances personal and professional growth.	❑ Leads change and energizes others to adapt to new **challenges** ❑ Initiates opportunities to **develop**, coach, and grow self and others ❑ Consistently is a resource for creating and/or implementing **innovative** ideas and/or solutions to promote continuous improvement	❑ Adapts to new **challenges** and changes ❑ Displays initiative in continuous learning for personal or professional **development** ❑ Embraces continuous improvement with **innovative** ideas and solutions	❑ Displays resistance to new **challenges** and ideas of change ❑ Takes insufficient initiative for personal and professional **development** ❑ Maintains status quo by resisting in**novative** ideas or solutions

Leadership System... Roadmap
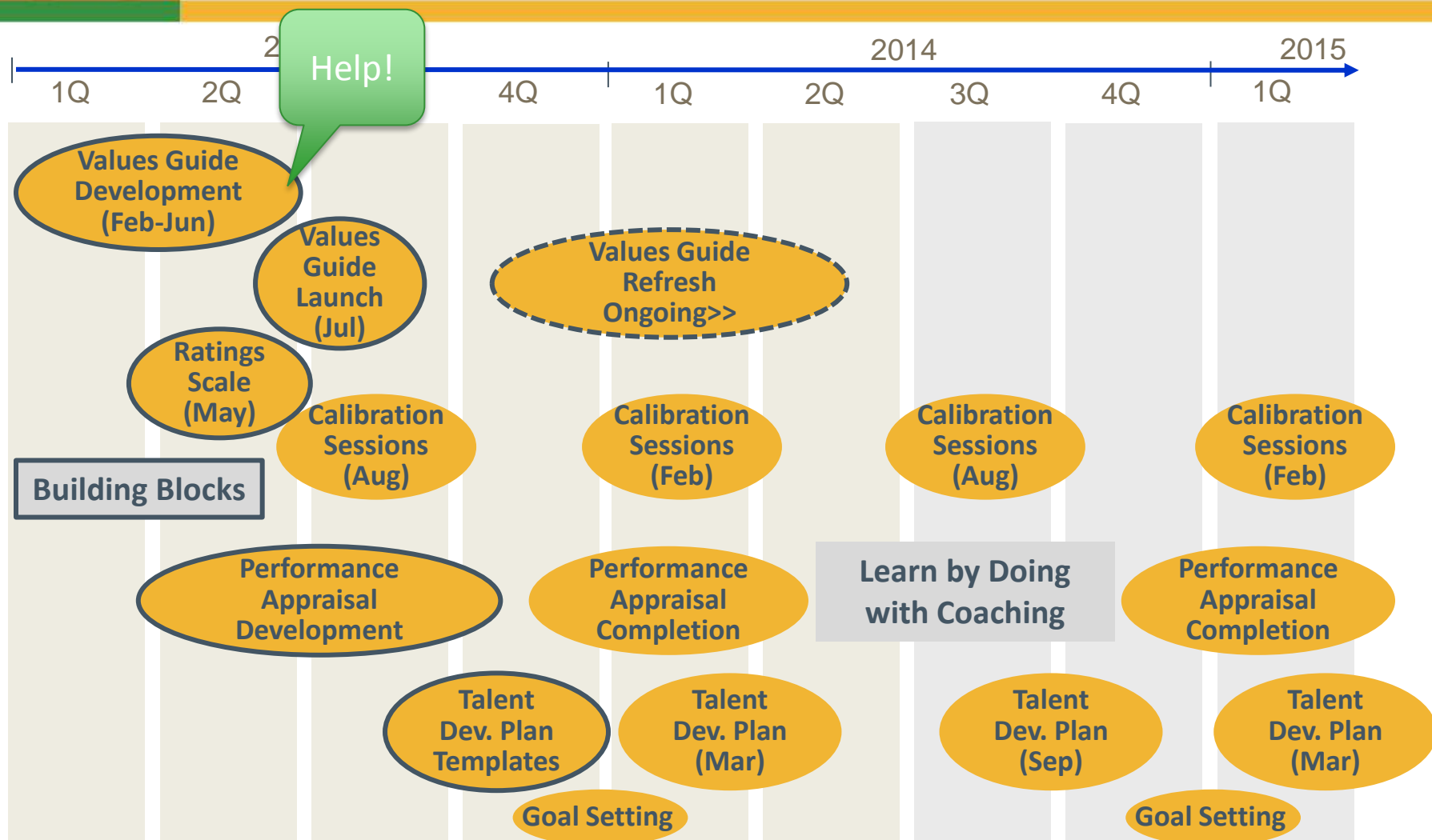
Values Guide Development Timeline

Jan - Feb	Mar - Apr	May - Jun	Jul-Aug
Focus Group Planning and Approval	Conduct Focus Groups	Review Findings / Create Values Guide	Values Guide Launch & Integration

Jan - Feb

- Develop Values Focus Group plan (1/31)
- Provide overview of Talent Management Model, Values concept and focus group process (2/14)
- Vet/Approve Final Values Focus Group 1-page timeline and detailed work plan via TCW Steering Team, ESG (2/12)
- Schedule Initial Focus Groups (2/13-2/22)
- Finalize Focus Group materials (2/20)
- CEO Council Focus Group - Brainstorm/Narrow/Select Values and Definitions (2/19)

Mar - Apr

- Divisional Senior Leaders: Review Values, Definitions and Focus Group Plan(3/13)
- HR Leaders: Review Values, Definitions and Focus Group Plan (3/13 & 3/21)
- VPs: Focus on Definitions and Behaviors – Achieves behaviors (3/20)
- Directors/Managers : Focus on Definitions and Behaviors – Opportunity for Improvement & Exceeds behaviors (4/15-5/17)
- Employees : Focus on Definitions and Behaviors – Opportunity for Improvement & Exceeds behaviors (4/15-5/17)

May - Jun

- Physicians: Synthesize & Finalize Values Definitions & Behaviors (5/22)
- HR Leaders: Review and Finalize Values Definitions & Behaviors (May TBD)
- VPs: Review and Finalize Values Definitions & Behaviors (6/3)
- Divisional Senior Leaders: Review and Finalize Values Definitions & Behaviors (6/12)
- CEO Council: Finalize and Sign-off on Values Definitions & Behaviors (6/21)
- Finalize Values Guide for distribution (6/27)

Jul-Aug

- Finalize Values Guide Communication Plan (7/10)
- Finalize Integration Plans Performance Reviews, Staffing, Reward and Recognition, Communication, Future Leadership Development Curriculum (7/ 18)
- Execute Launch Communication (8/1)
- Execute Integration Plans (Ongoing)

All dates are tentative targets

Values Guide Focus Groups

	CEO Council
	Divisional Senior Leaders
	Vice Presidents
	Directors and Managers
	Employee Focus Groups
	Physicians
	Vice Presidents
	Divisional Senior Leaders
	CEO Council
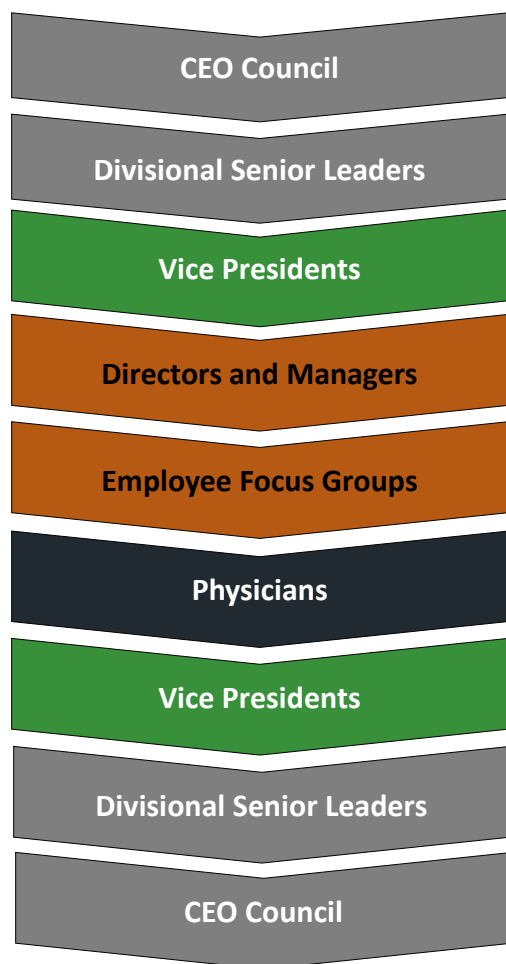
Core Values	Definition	Needs Improvement	Achieves	Exceeds
		Apr 15 – May 17	~Mar 20	Apr 15 – May 17
	~May 22			
		~Jun 3		
~Feb 19 – June 21				

Integrating the Values

Performance Reviews, Staffing, Reward and Recognition, Communication, Future Leadership Development Curriculum

Values Focus Group Preparation

In preparation for the Values Focus Groups please find the Values Focus Group Preparation Packet in the Managers Toolkit.

Use "Prep Sheet" to capture your responses to the following questions.

Operational Definition: How you define each of the Values? What key words do you use?

Meets Expectations: Best example/description of someone exhibiting commonly expected behavior associated with each value. What key words do you use?

Exceeds Expectations: Best example/description of someone exhibiting more than the commonly expected behavior associated with each value. What key words do you use?

Needs Improvement: Best example/description of someone exhibiting less than the expected behavior associated with each value. What key words do you use?

Other: What value is any do you feel should be added to the organizational values

Values Focus Group Preparation

	Operational Definition/Traits	----------------------------Behavioral Anchors----------------------------		
		*Exceeds Expectations	Meets Expectations	Needs Improvement
Patients First				
Relationships				
Integrity				
Innovation				
Dedication				
Excellence				
Other				

*"Exceeds" behaviors presume "Meets Expectations" behaviors have been achieved

Questions?

Please write your questions on the index cards at your table.

Feel free to email us:

jason.snyder1@ge.com

SWood2@ecommunity.com

Values Table Exercise

Each Table is assigned a PRIIDE Value

PATIENTS FIRST - Tables 1-20

RELATIONSHIPS - Tables 21-40

INTEGRITY – Tables 41-60

INNOVATION – Tables 61-80

DEDICATION – Tables 81-100

EXCELLENCE – Tables 101-Higher

Values Table Exercise

You have 10 minutes to complete the exercise

Select a Scribe, Timekeeper, and Speaker

1. Individually write in your own words your definition of your assigned value. (2 minutes)
2. As a table share your definitions and form one common definition. (6 minutes)
3. As a table write your best example/description of someone exhibiting this value. What does it look like? (2 minutes)

We will select a table for each value to share their results.

Values Guide Example

VALUE	Exceeds	Achieves	Needs Improvement
Commitment is establishing ownership and dedication to personal, professional and organizational success with passion and purpose.	❑ Proactively initiates and seeks **ownership** of new projects, ideas, and/or assignments beyond expectations ❑ Inspires and **passionately** leads others to reach and exceed goals and objectives in the face of obstacles	❑ Assumes **ownership** of projects and/or assignment from start to finish ❑ Consistently transfers personal energy and **passion** into action to accomplish goals and objectives	❑ Avoids or deflects **ownership** of projects and/or work assignments ❑ **Complacent** with 'good enough'
Understanding is the ability to acknowledge the strengths of others, appreciate their challenges and effectively recognize and support their needs.	❑ Develops and implements ideas to support others to work more efficiently and overcome **challenges** and/or barriers ❑ Coaches others to develop reflective **listening** skills to promote a high level of engagement in the organization	❑ Consistently partners with others and supports those presented with **challenges** and/or barriers ❑ Consistently demonstrates reflective **listening** to build a high level engagement with others	❑ Unaware of others needs and provides information only when asked ❑ Exhibits lack of **engagement** by **ignoring** others during discussions and/or meetings
Learning is embracing innovation, challenges and experiences which enhances personal and professional growth.	❑ Leads change and energizes others to adapt to new **challenges** ❑ Initiates opportunities to **develop**, coach, and grow self and others ❑ Consistently is a resource for creating and/or implementing **innovative** ideas and/or solutions to promote continuous improvement	❑ Adapts to new **challenges** and changes ❑ Displays initiative in continuous learning for personal or professional **development** ❑ Embraces continuous improvement with **innovative** ideas and solutions	❑ Displays resistance to new **challenges** and ideas of change ❑ Takes insufficient initiative for personal and professional **development** ❑ Maintains status quo by resisting **innovative** ideas or solutions

Lunch

Heart Video

Insert video

Leading Change:
A CAP and Work-Out Overview

CHNw LDI Session

February 14, 2013

GE imagination at work

Session Objectives

By the end of this session, you will:

- Understand Change Acceleration Process (CAP)

- Identify applications for CAP at CHNw

- Understand Work-Out (WO): the philosophy, process, and key roles for leaders

- Identify applications for WO at CHNw
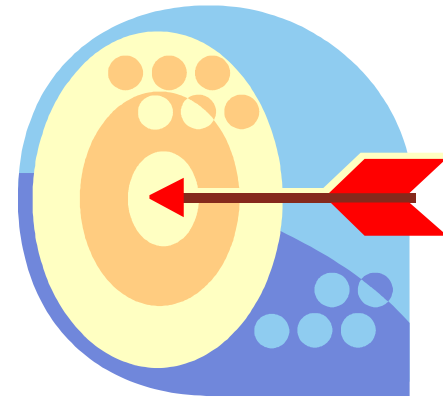
Leading Change: A Video

CHANGE ACCELERATION PROCESS:
A CAP Overview

Leadership Practices

Effective Results (E) are equal to the Quality (Q) of the solution times the Acceptance (A) of the idea and Accountability (A) and Alignment (A) of the implementation

$$Q \quad x \quad A^3 \quad = \quad E$$

Lean

Six Sigma Methodology

Change Acceleration Process

Work-Out™

Effective Results

CAP: The Basics

- ✓ A **model** for change leadership *and* engagement

- ✓ A **flexible** non-linear model used throughout a change process

- ✓ Applies **strategic thinking** to the influencing of others

- ✓ Facilitates **commitment and behavioral change** through team dialog and action

Change Acceleration Process

Leading Change

Creating a Shared Need

Shaping a Vision

Mobilizing Commitment

Current State

Transition State

Improved State

Making Change Last

Monitoring Progress

Changing Systems & Structures
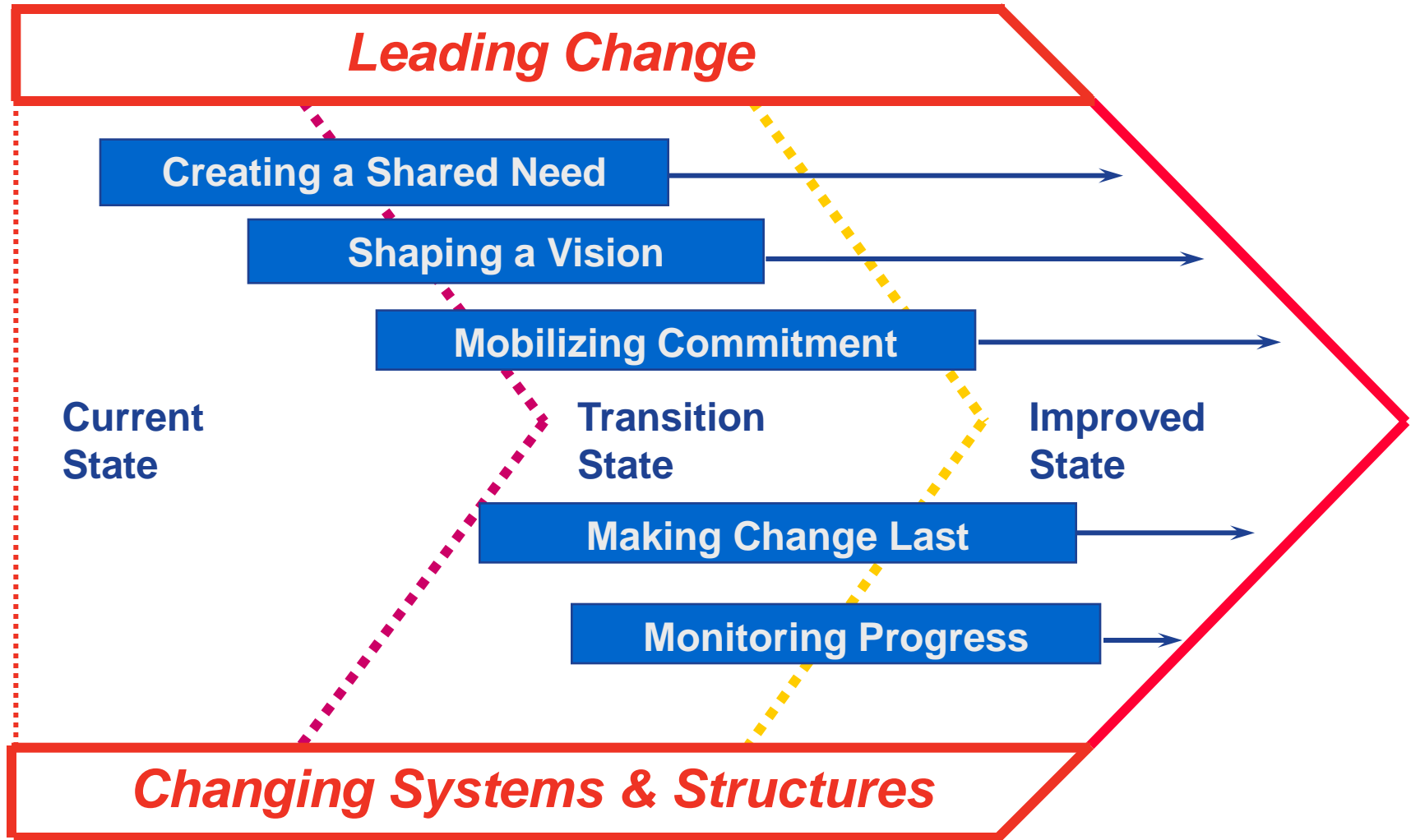
Change Acceleration Process

Leading Change:
Having a leader who champions the change. Leadership provides the time, passion and focus for the effort.

Leading Change

Systems & Structures

Creating a Shared Need
The reason to change, whether driven by threat or opportunity, is instilled within the organization and widely shared through data, demonstration, demand or diagnosis. The need for change must exceed its resistance.

Shaping a Vision
The desired outcome of change is clear, legitimate, widely understood and shared.

Mobilizing Commitment
Key stakeholders are identified, resistance is analyzed, and actions are taken to gain strong commitment from key constituents to invest in the change and make it work.

Making Change Last
Once change is started, it endures and flourishes. Learnings are transferred throughout the organization. There is consistent, visible and tangible reinforcement of the change.

Monitoring Progress
Progress is real. Benchmarks are set and realize. Indicators are established to guarantee accountability.

Changing Systems & Structures
Making sure that the management practices are aligned to complement and reinforce the change (staffing, development, measures, rewards, communication, organizational design, resources, systems).

128

imagination at work

CHANGE ACCELERATION PROCESS:
CAP TOOLS

It's Not About the Tools!

- Our process/tool focused culture can miss the key to CAP and its effectiveness

- CAP is a process/toolset designed to facilitate <u>discussions</u> that explore and appreciate the key questions

- Effective discussions facilitate engagement and change acceptance
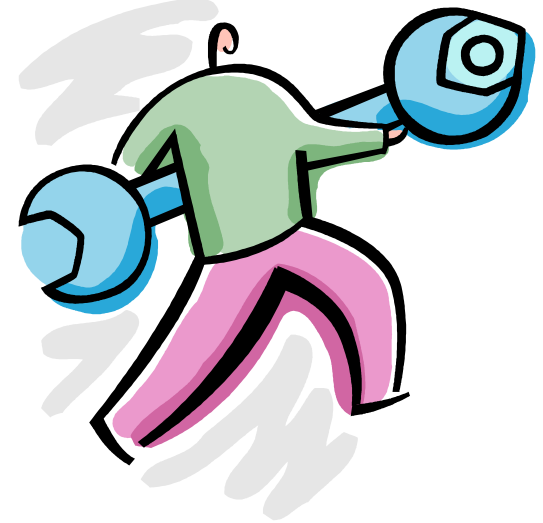
CAP Model
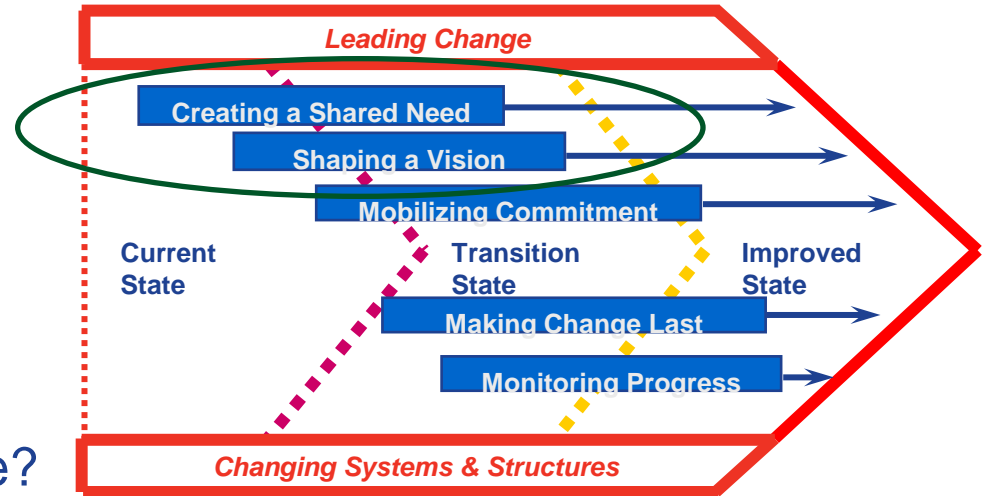
Creating A Shared Need

- Why do we need to change?
- Sample Tools:
  Threat Opportunity Matrix
  The 3D' Tool

Shaping a Vision

- Do we have a clear vision of the future state?
- Sample Tool: More of / Less Of

Creating a Shared Need

Threat vs. Opportunity Matrix: Example for ED cycle time reduction project

	Threat (*Of Doing Nothing*)	Opportunity (*With Success*)
Short Term: Up to Six Months	Dissatisfied ED Patients Unhappy ED Staff Members Compromised Quality of Care Diversion: Loss to XYZ Bottom Line LWOBS: Loss to XYZ Bottom Line Physician Complaints Continue	Cycle Times will Decrease Pt Satisfaction Rates Improves ED Staff Satisfaction Improves Diversion Rate Decreases LWOBS Rates Decrease
Long Term: Beyond Six Months	Patients Go to Other Emerg Depts Staff Members Quit and Leave Physicians Stop Referring to XYZ ED XYZ Closes the Emergency Room Due to Significant Losses Community Reputation	Cycle Time Goals Accomplished XYZ Emergency Reaches Growth Staff Turnover at All Time Low Level Employer of Choice Best Place to Practice ED Medicine XYZ ED Best Performing in System

Creating a Shared Need

Three D's matrix: Example for ED cycle time reduction project

Approaches	Ideas	Actions
Data/Diagnosis -Internal Sources -External Sources What data do we have or need?	XYZ ED Cycle Time is 6 hrs avg System Average ED Cycle Time is 3 hrs avg XYZ ED in Picker bottom 5 percentile	What other data don't we have that we need? Get this! Use data frequently with key stakeholders (like physicians) with frequent emails and/or announcements.
Demonstrate -Leading by Example -Best Practices -Visiting Other Organizations Show Me! Where is it working/not working?	Best System ED Example Cycle Time is 1.9 hrs avg. National Best in Class ED Cycle Time is 1.7 hrs avg Can we look to other industries?	Go Across Town to Observe Best System ED Process Call Best in Class to See if They Will Share Process Research and identify other industries to model
Demand -Dynamic Leadership -High Standards -Regulatory Who or what is driving it?	XYZ Board is Demanding Project Due to Lost Revenue JCAHO Investigation of ED Complaint Quality Concerns Staff Satisfaction Concerns	Give Board frequent project updates At roll out, review sources of demand with key stakeholder groups

Shaping a Vision

More of/Less of chart: Example for ED cycle time reduction project

<u>Vision:</u> XYZ Hospital ED cycle time from disposition to hospital admit is consistently less than two hours

Behaviors:

More of…

- Admitted patients not mad
- Patients praising speed of care
- Floor nurses calling for report
- Patients calmly waiting in ED
- Days without any diversion
- ED staff smiling at each other
- Prompt bed assignment
- Coordination from transport

Less of…

- Patients complaining to JCAHO
- Patient beds in the ED corridors
- Pts leave ED without being seen
- ED staff yelling at each other
- XYZ ED loosing pts and revenue
- Doctors being angry at nurses
- Clarifying calls on orders
- Patients waiting on transport

CAP Model
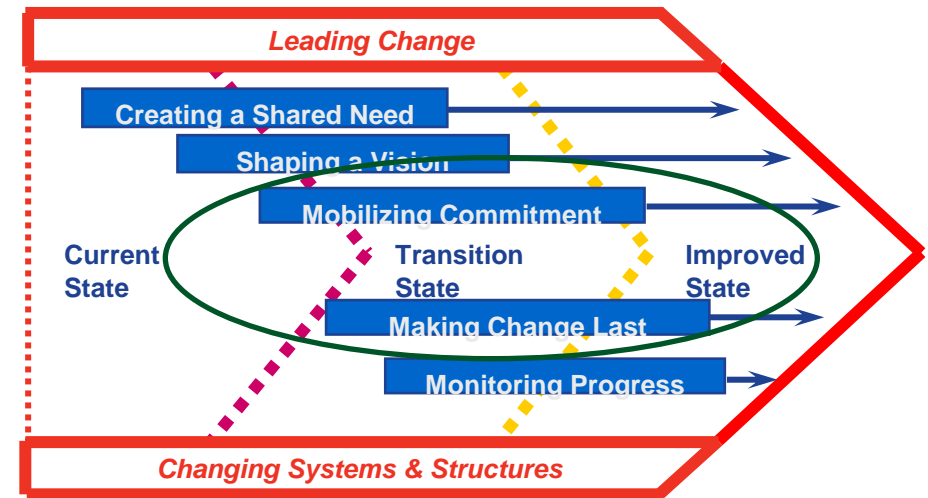
Mobilizing Commitment

- How can we get everyone on board?
- Sample Tool: Resistance Analysis

Making Change Last

- What could propel or impede our changes?
- Sample Tool: Force Field Analysis

Mobilizing Commitment

Stakeholder analysis & resistance tool: Example for ED cycle time reduction project

Name (Key Nurse Stakeholders)	Strongly Against	Moderately Against	Neutral	Moderately Supportive	Strongly Supportive	Issues - Concerns	"Wins"	Influence Strategy
R. Jones, RN ED Director					X *	Project taking 16 wks to complete	Project shows results quickly	Keep informed, Ask for help as needed
B. Smith, RN ED Manager				X *		Impact of project on ED staffing	Project completed without delays	Focus on Laws, Wills and Kiles
T. Alsop, RN Day Charge			* ←		X	Loss of Control and Power	Increased Control	Assign alternative project. Involve in long term monitors
K. Laws, RN Evening Charge	X →			*		30-yr employee – resists change	Load of work is leveled for staff	Smith to show WIFM or "options".
P. Wills, RN Thought Leader			X →		*	Sees new duties of techs as risky	Fully understand tech license laws	Smith to share laws with her.
B. Kiles, RN Thought Leader		X →			*	Thinks RNs should transport all pts	Understand tech ACLS training.	Smith to show her ACLS training.

X: Current level of commitment.   *:Level of commitment we need.

Making Change Last

Force field analysis: Example for ED cycle time reduction project

<u>**Change Initiative:**</u> *Reduce cycle times for patients being admitted from ED.*

Helping	Hindering
→	←
-Board and C Suite supportive of this project. *(3)* -ED Director and Manager very supportive of this project. *(4)* -Transporters are all trained in ACLS so can transport pts. *(2)* -Staffing plan changes will have major impact on RN ability to implement new plan. *(5)* -Bed board re-training well received by nurses *(3)* - Similar project done at ABC hospital was very successful. *(5)*	-There are 4 open RN positions At the current time. *(4)* -The orientation process to get new RN's fully functional is a months-long process. *(3)* -ED physician group leader (who Is very supportive of project) is retiring and leaving in two months. *(5)* -New construction project in ED has been put on hold for six months. *(2)*

CAP Model

Leading Change

Creating a Shared Need

Shaping a Vision

Mobilizing Commitment

Current State · Transition State · Improved State

Making Change Last

Monitoring Progress

Changing Systems & Structures

Monitoring Progress

- How will we measure success?
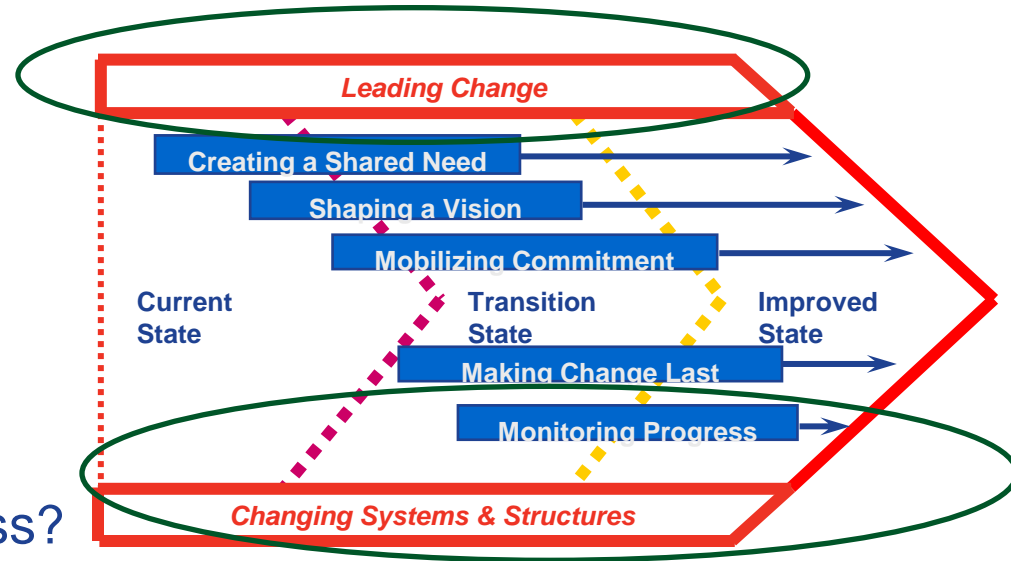
Changing Systems and Structures

- What organizational structures can we put in place to reinforce and sustain the changes?

Leading Change

- How can we be most effective in leading?

Monitoring Progress

Dashboard example

Trend Improving — Trend Improving
No Change
Declining

Rating
5 - Exceeds All Expectation
4 - Above Expectation
3 - Meets Expectation
2 - Below Exception
1 - Well Below Expectation

CAP Profile

Enablers

Restrainers

Quality Issues
Metric Owner: J. Tucker

- Product
- Service
- Admin
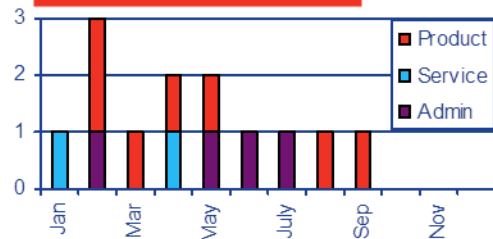
Date	Open Issues Issue	Status
2/25	Bulkpak HF1110 Rejected for Color	Closed
9/97	NBV351 Quality Service Testing	Closed 3 days

Expectation: 0 Issues

Data (Koch)

Early Involvement in New Programs
Satisfaction Survey
Metric Owner: E. Caldwell
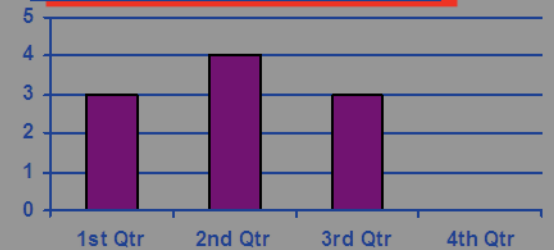
Action: Increase Facetime by GE Account Team with Engineering (Caldwell)

Stakeholders: W. Lee, D. Strickland, B. Roberts, R. Ward

Rating (Minton)

Hattiesburg - Inventory Reduction
Metric Owner: J. Tucker

- Lexan
- DFA
- SAN
- Valox

Expectation: Lexan®-10%; DFA-5%; SAN-15%; Valox-5%

Action: Formalize Joint Inventory Reduction Team. Minton/Tucker to Lead

Data (Strickland/Minton)

Productivity / Value Recognition
Metric Owner: E. Caldwell

Expectation of $150,000 / Year

Action: Complete CNM in Sept. - Engineering Programs

Data (Minton)

North America Overall
Satisfaction Survey
Metric Owner: J. Minton

Hattiesburg (P. O'Brien)

Mexico (P. Voorbrood)
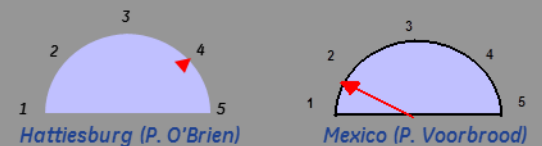
Mexico: Minton/Tucker to improve GEP Communication on Programs going to Mexico.

Rating (Minton)

imagination at work

Changing Systems & Structures

Worksheet

	Helping	Hindering	Suggested Actions
Staffing			
Development			
Measures			
Rewards			
Communication			
Organization Design			
Information Systems			
Resource Allocation			

Leading Change

CAP Self-Assessment

CAP Self-Assessment

Change Acceleration Process Self-Assessment

Almost Always
Usually
Sometimes
Seldom
Almost Never

	1	2	3	4	5
Leads Change	1	2	3	4	5
Creates a Shared Need	1	2	3	4	5
Shapes a Vision	1	2	3	4	5
Mobilizes Commitment	1	2	3	4	5
Makes Change Last	1	2	3	4	5
Monitors Progress	1	2	3	4	5
Changes Systems & Structures	1	2	3	4	5

Used for:

Assessing current capacity to exhibit specific competencies in each of the 7 core CAP processes

CAP Tools

- Profile on Change Processes (CAP Profile)
- On the Screen
- Includes / Excludes
- Process Focus (SIPOC)
- In / Out of the Frame
- 15 Words
- Critical Success Factors
- Team Charter
- GRPI
- ARMI
- Threat Vs. Opportunity
- Three D's Matrix
- Customer Focus Alignment
- Backwards Imaging
- More of / Less of
- Elevator Speech
- Key Constituents Map
- Technical / Political / Cultural (TCP)

- Resistance Analysis
- Stakeholder Analysis/Commitment Chart
- Attitude/ Power Matrix
- Responsibility Grid
- Influence Strategy
- Influence Chart
- Make Change Last Checklist
- Best Practices Assessment
- Force Field Analysis
- Characteristics of Measurement Systems
- Monitoring Progress Checklist
- Project Plan
- Systems & Structures Assessment
- Systems & Structures Analysis/Action Plan
- Systems & Structures Worksheet
- Defining / Measuring / Rewarding Performance
- Rewards & Measurements Assessment
- Communication Planning

CAP Tools create success during:
- Meetings
- Implementation projects
- Work-Out Sessions
- Lean Projects
- Six Sigma Improvement projects

imagination at work

CAP Application Exercise

At your tables, take 8 minutes and:

1. Have a discussion with your table mates about how you might apply CAP in your work as a change leader at CHNw.

2. One person at each table please serve as scribe and capture the application examples on the blank page in the middle of the table.

3. Be prepared to report out your CAP application examples.

BREAK

INTRODUCTION: Work-Out

Are you creative?

imagination at work

imagination at work

imagination at work

Think back to when you were three-years old…

Can you draw? Can you sing?

Among 1600 children ages 3-5 years old who were given eight tests of divergent thinking,

98%

scored in the **Creative Genius** category

from "Breakpoint and Beyond" by George Land and Beth Jarman

imagination at work

And then, school begins…

Out-growing "creative genius" status

Among 1600 people of different age groups who were given eight tests of divergent thinking, how many scored as "Creative Geniuses?"
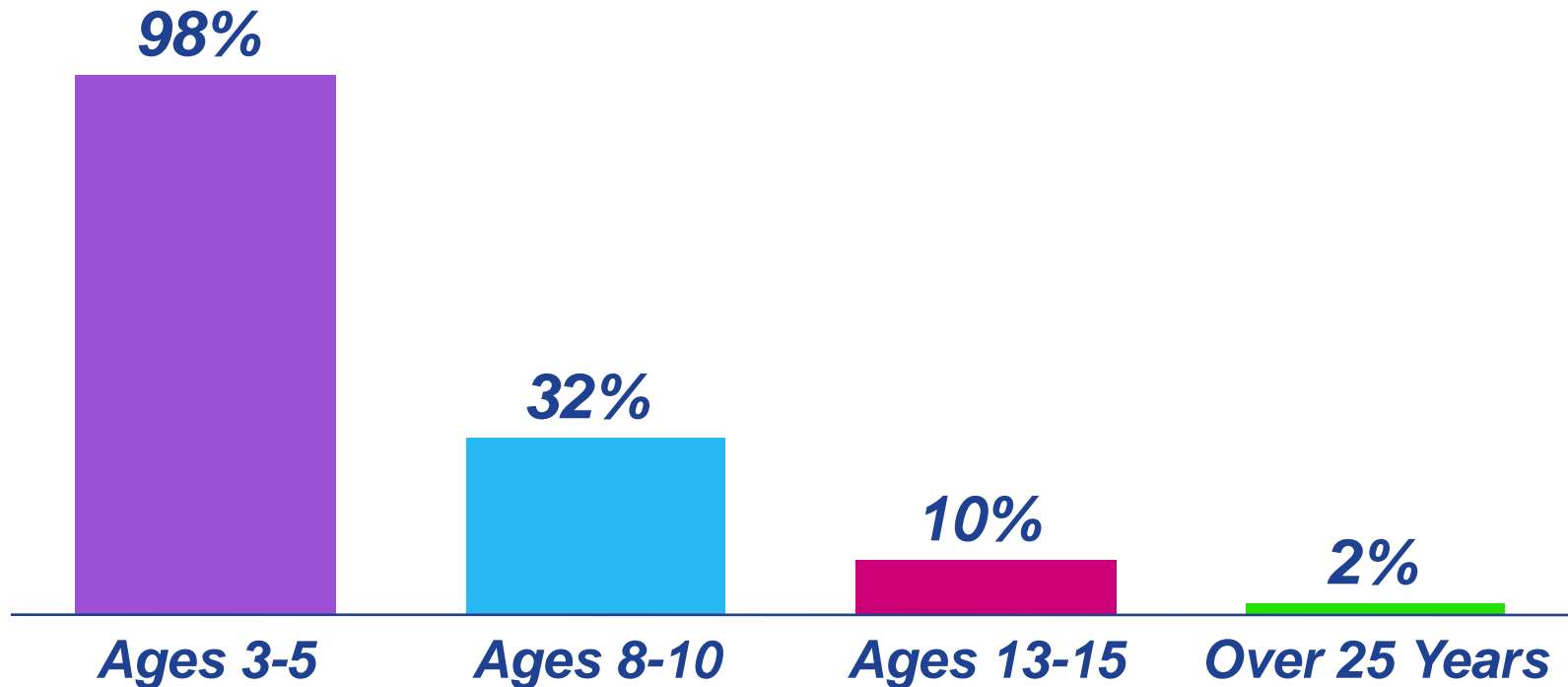
98% — Ages 3-5
32% — Ages 8-10
10% — Ages 13-15
2% — Over 25 Years

from "Breakpoint and Beyond" by George Land and Beth Jarman

imagination at work

Work-Out BASICS

imagination at work

Leadership Practices

Effective Results (E) are equal to the Quality (Q) of the solution times the Acceptance (A) of the idea and Accountability (A) and Alignment (A) of the implementation

$$Q \ \times \ A^3 \ = \ E$$

Lean

Six Sigma Methodology

Change Acceleration Process

Work-Out™

Effective Results

Work-Out Definition

- Work-Out is an <u>innovative and concentrated team-based decision-making and empowerment</u> <u>process</u> used to resolve issues and improve processes.

- A team of <u>experienced, knowledgeable people</u> with a stake in an issue is chartered to develop solutions and action plans.

- The team is empowered by key stakeholders to <u>proceed with implementation and is accountable</u> for follow-up of the action plans.

Outcomes of Work-Out

Key Outcomes of Work-Out

- Process to drive improvement

- Opportunity to empower people

- Results-based: Decisions/accountability with follow-up

- Implementation within 30 to 60 days
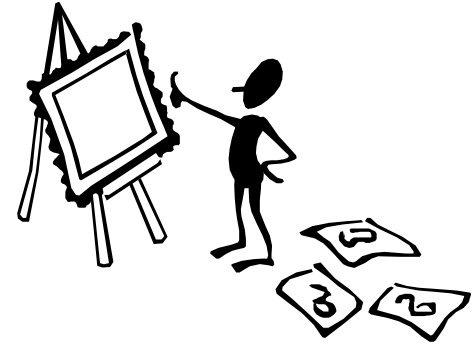
A More Responsive Organization

From…	…To

Top Down

Top Down

- **Directing**

- **Controlling**

- **Decision Making**

- **Change Initiating**

- **"Turf"**

- **Guiding**

- **Leading**

- **Communicating Vision**

- **Developing Strategy**

- **Group Decision Making**

- **Disciplined Problem Solving**

- **Change Initiation**

- **Empowered Cross Functionality**

Bottom Up

imagination at work

158
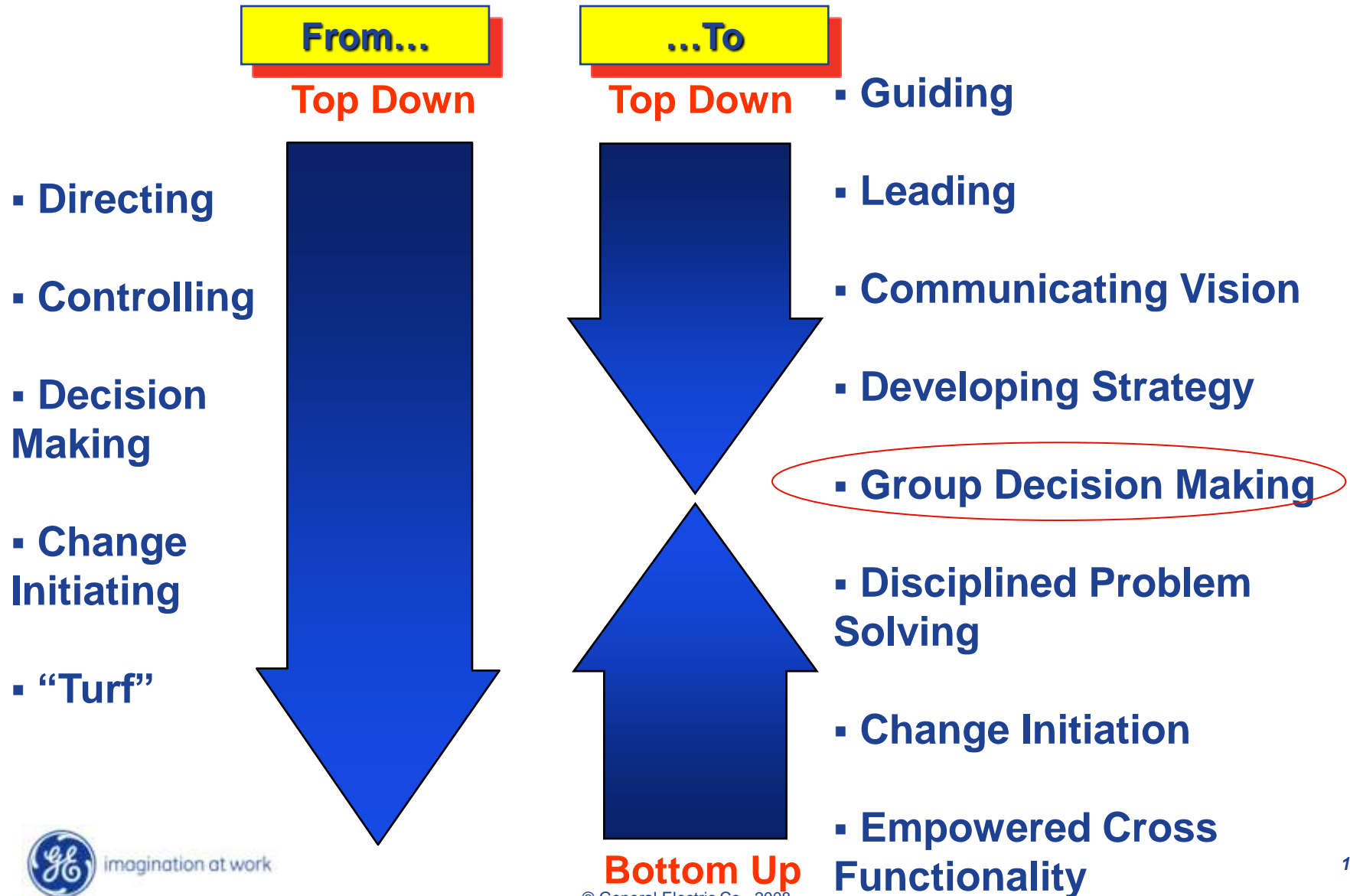
Work-Out Basics

• **Reducing bureaucracy** - clear out organizational 'Attic' such as reports, approvals, meetings, policies, practices, from the past that no longer have connection to present concerns

• Improving organizational **processes**

• Empowering employees and **reducing vertical/horizontal boundaries**

• Breaking down intra-organizational walls between departments or functions, union and management

• Developing formal alliances or **informal relationships**

• Developing other extra-organizational relationships with vendors or regulators

Results: Improved satisfaction, lower current costs, elimination of future costs and increased employee participation

Work-Out Basics

When you strive to...

- Eliminate unnecessary work
- Improve processes involving the key stakeholders
- Identify quick hits
- Build momentum
- Make on-the-spot decisions
- Empower and involve employees
- Open up communication and dialogue
- Improve interaction and remove barriers between departments

Not appropriate for…

- Issues where participants have no control or do not feel passion about the issue
- Technical problems requiring complex analysis, rigorous problem-solving methodology or considerable data collection/analysis

Work-Out Roles

Leadership Roles

Sponsor

- Set agenda, strategic direction, provides focus, assigns resources and defines accountability to drive culture change
- Help choose initial topics and candidates

Master Change Agent

- Helps develop strategic and implementation plans
- Leads CAP and Work-Out sessions
- Mentors Leaders and Change Facilitators

Work-Out Roles

Work-Out Champion/Owner

- Accountable for success of the specific Work-Out
- Remove barriers and drive implementation to results

Change Agent
(Work-Out Facilitator)

- Application of CAP and Work-Out tools, methodology
- Partners with Champion/Owner to prepare for & design Work-Out sessions
- Leads Work-Out sessions

Work-Out Participants

- Learn tools in order to contribute Work-Out sessions
- Provide content expertise to solve problem/issue
- Individual owners ensure recommendations and action plans are implemented

imagination at work

161

© General Electric Co. 2008
GE Confidential & Proprietary Information

Critical Success Factors for a Work-Out

- Preparation before the event

- Participants are the people who do the actual work

- Topic/issues are clear, specific and well defined

- Participants responsible for implementing the recommendations

- Key decision makers available to set the stage and provide immediate closure on recommendations

- Non-threatening environment

- Facilitated by change agent

- Management willingness to make decisions - not be paralyzed

- Sense of urgency and a need to act

- Follow-up on open items

- Implementation within 30 to 60 days

Attention to details ensures early successes and supports cultural

Example Work-Out Topics

- Clinical documentation

- Process to ensure follow-up orders in Emergency Department

- Equipment tracking – Operating Rooms

- Campus transfer process

- Transitional care admission process

- Sufficient linens to meet patient care needs

- Emergency Department admission orders

- More effective internal communication

- Improved employee access to information

- Operating Room chart readiness

- Patients' comments reports

- Lab – Emergency Department work flow

- Test results availability on charts

Select topics that can build momentum and are relevant to your organization's issues and where there's passion

The Phases of Work-Out

Work-Out Planning

- Identify Work-Out topic
- Assign Work-Out Facilitator
- Charter the Work-Out and contract with Champion/Owner
- Sensing Sessions to collect data, identify issues and refine the problem / opportunity statement
- Select / refine topic
- Collect background data and determine topic questions
- Design Work-Out meeting agenda and plan logistics
- Identify participants and communicate expectations

Work-Out Session

- Champion/Owner sets challenge and expectations
- Team building
- Skill building
- Issue generation
- Issue prioritization
- Facilitated problem-solving teams
- Recommendation development

Report Out

- Team report out presentations
- Every idea gets a response
- Individual, team, Champion/Owner, and Sponsor commitments to action items
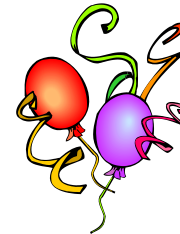
Work-Out Follow-up

- Put follow-up mechanisms in place

Track Activity and Results Over Time

- Communicate
  - Headline
  - Newspapers
  - Meeting summary
  - Status reports
- Remove barriers
- Recognize and reward implementation

imagination at work

Work-Out PLANNING

Work-Out Agenda Planning Template

Purpose:

Justification:

Scope:

Leadership Roles:

Champion/Owner:

Change Agent (WO Facilitator):

Logistics (contact):

Pre-Work Discussions:

Work-Out Session

Date:

Location:

Time:

Sensing Sessions:

Kick-off speaker (Sponsor) and/or Champion/Owner:

Report-out (date and time):

Participants:

Number:

Departments:

Participants:

Boundaries/non-negotiables:

Metric(s):

imagination at work

Identifying Work-Out Participants

The Champion/Owner:

- Identifies key stakeholders

- Develops attendee list for Work-Out and report out

- Verifies diverse representation

- Communicates and confirms with participants their attendance

Work-Out Project: Sample Timeline

Task	Week of: 4/6	4/13	4/20	4/27	5/4	5/11	5/18	5/25		Legend
Change Agents complete Work-Out classroom training		Change Agents								SC & MCA
Finalize Work-Out projects	SC & MCA									Change Agents
Change Agent teams assigned to each Work-Out		SC & MCA								Champion/Owner
Sponsor/Champion finalized for Work-Out		SC & MCA								Sponsor & Agents
Champion & Change Agents meet: ID participants & charter			Sponsor & Agents							Work-Out Meeting
Champion invites Work-Out participants			Champion/Owner							Champion & Participants
Meeting Logistics & resources arranged				Champion/Owner	Champion/Owner					
Sensing Sessions - with stakeholders: refine topic, assess culture and gather input					Change Agents					
Integrated CAP sessions as needed with stakeholders						Change Agents				
Second meeting with Champion & Change Agents: finalize scope, boundries & participants					Sponsor & Agents					
Work-Out meeting agenda & design development					Change Agents					
Gather support documentation/regulations/data etc…develop high-level process map (as needed)					Sponsor & Agents					
Educate participants on Work-Out process & expectations										
Final meeting with Champion & Change Agents - confirm participants, agenda and report out time & responsibilities					Sponsor & Agents					
Work-Out Meeting							Work-Out Meeting			
Summarize meeting results: approved recommendations & high level action plans								Champion & Participants		
Champion: Develop Communication Plan - begin execution								Champion/Owner		
Champion & Work-Out participants implement recommendations								Champion & Participants		
Champion Follow-Up & monitoring/ tracking								Champion/Owner (ongoing)		
Champion remove barriers & reward/ recognize milestones								Champion/Owner		

imagination at work

Work-Out SESSION

Bare Bones View of the Work-Out Session

The agenda follows the basic divergent and convergent processes. both steps are needed for effective solutions.

Opening and Set-up

Diverge
Think Freely

Converge
Selecting

Consensus

Issues and Barriers

Diverge
Think Freely

Converge
Selecting

Consensus

Solutions

Report out / Wrap up

170
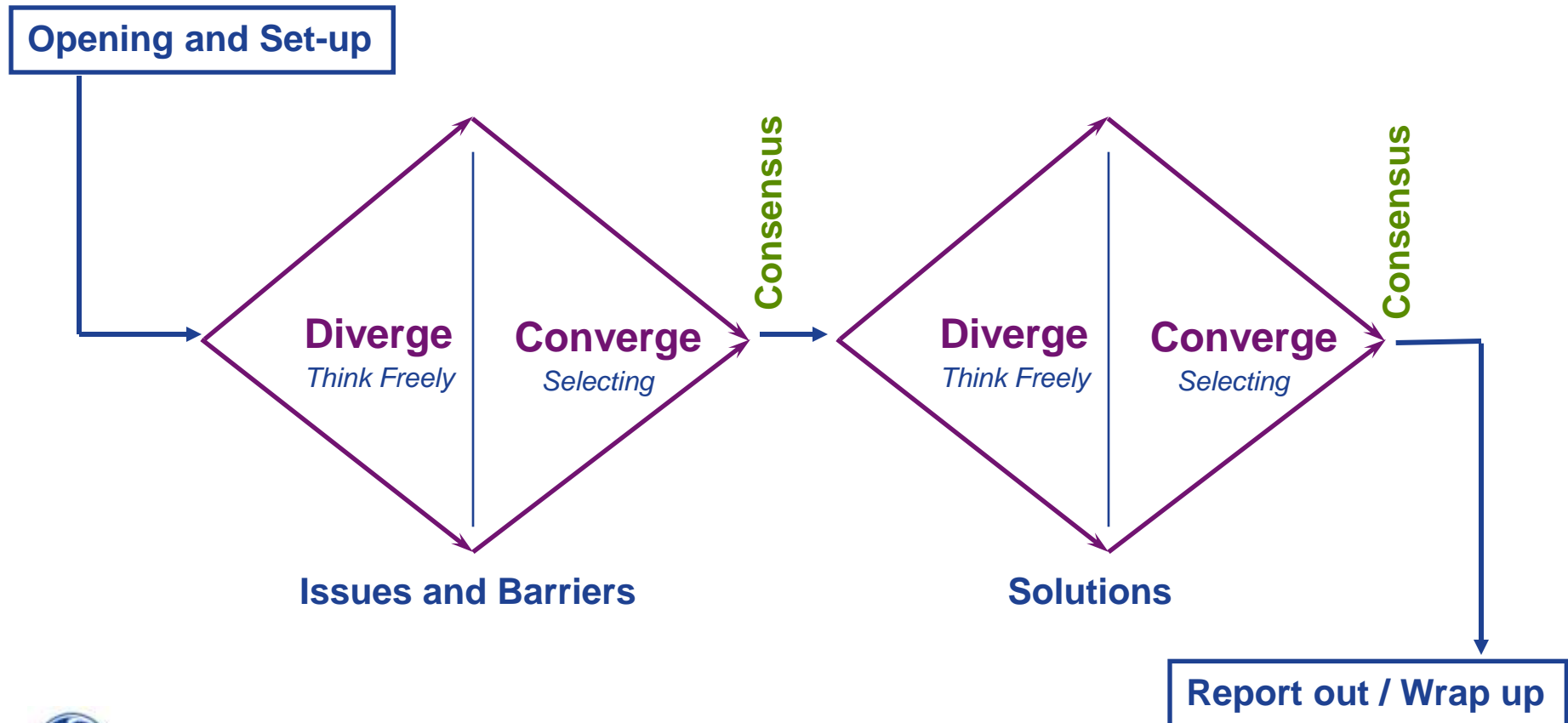
High Level View of the Work-Out Session

Kick-Off

Ground Rules, Introductions, Roles, Team Building, etc.

Define the Problem
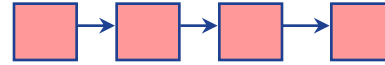
Brainstorm Issues/Barriers
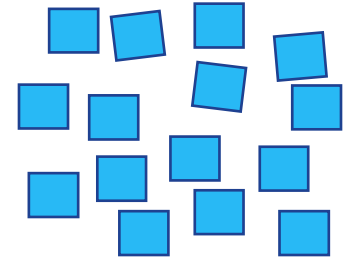
Categorize Issues/Barriers
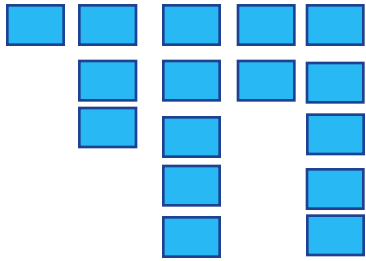
Define "Headers" for Categories
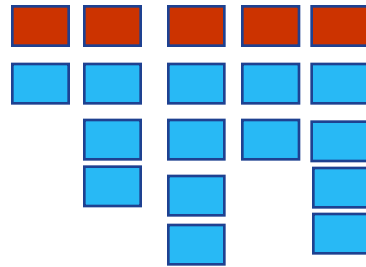
Prioritize Categories

votes → 2 **10** **9** 1 **6**
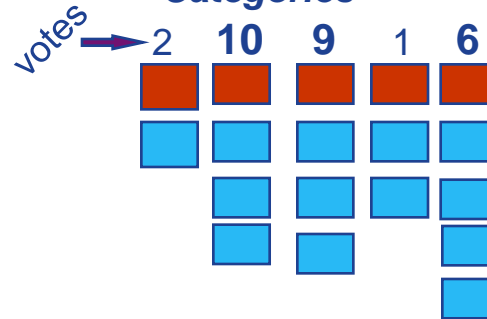
Brainstorm Potential Solutions
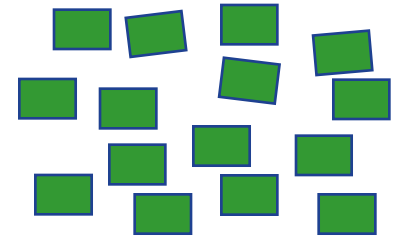
Assess Potential Solutions

Pay-Off

Ease Implementation
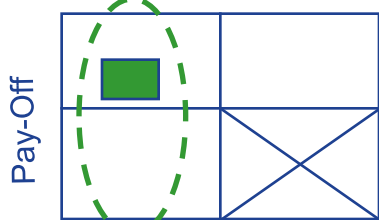
Develop Recommendations

Work-Out™ : Report-Out Template

Share Recommendations
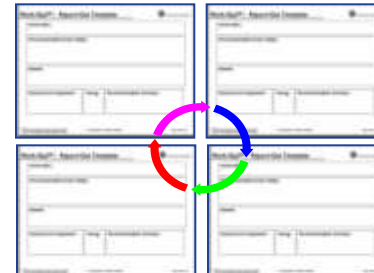
Report-Out and Decision Action Plans
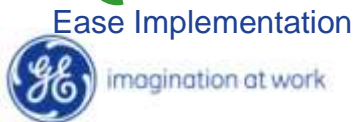
Work-Out LEADERSHIP

Summary of Champion/Owner Role for a Work-Out

Lead Change

Championing a Work-Out

Planning

Meeting

Follow-Up

Lead Change
- Seek opportunities to apply CAP and Work-Out tools and methodologies
- Propose topics for Work-Out sessions
- Support others' Work-Out sessions – provide resources, implement solutions
- Provide resources for session logistics/set-up
- Communicate with key stakeholders about topic, enlist buy-in

Planning
- Partner w/ Facilitator to charter Work-Out, scope topic
- Select & invite participants
- Clear barriers
- Provide resources for session logistics/set-up
- Communicate with key stakeholders about topic, enlist buy-in

Meeting
- Kick-Off Work-Out
- Be available throughout day to deal with unexpected
- Hear recommendations – Q&A
- Respond to recommendations – Yes/No/Need more data

Follow-Up
- Execute Action Plan
- Utilize CAP tools to drive acceptance of solution(s)
- Communicate solutions and implementation plan
- Report to Steering Committee
- Track and report results
- Close loop on any 'Need more data' recommendations

The Champion/Owner anticipates need for change, is highly adaptable and models leadership for others.

Work-Out Leadership

Manage Attention
- Time
- Energy / passion
- Focus

Adopt Change Roles
- Champion/Owner
- Leader
- Mentor

Model for Leading Change

Demonstrate Personal Competence with CAP and Work-Out Concepts

WO Application Exercise

With the leader next to you, take 8 minutes and:

1. Have a discussion with this person about how you might apply WO in your work as a leader at CHNw.

2. Be prepared to report out WO application examples.
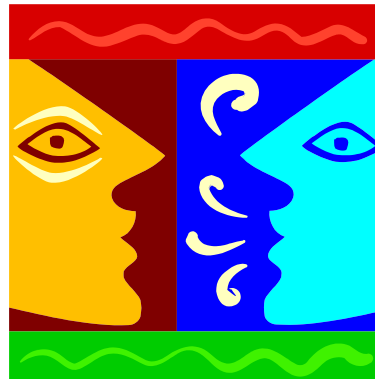
Leading Change:
A CAP and WO Overview

QUESTIONS?

Leading Change:
A CAP and WO Overview

Thank You!

imagination at work
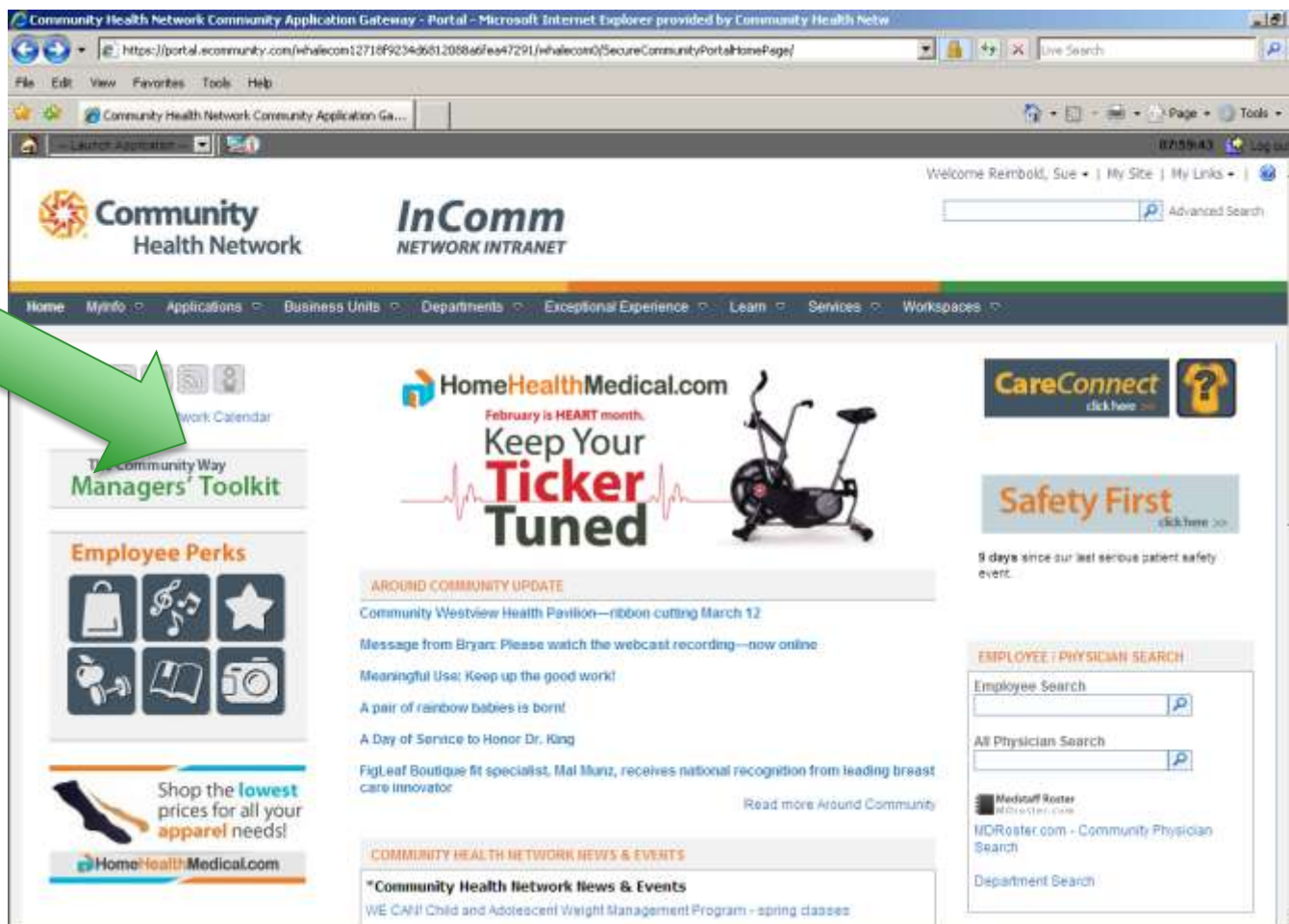
Manager's Toolkit

Sue Reimbold, VP Marketing Communications

Open Link to Managers' Toolkit

Open Link to Managers' Toolkit

Explore Each of the 6 Sections

Find February 2013 LDI Materials

At Community Westview, check eView

Day 1: Wrap-Up

Tom Malasto, ACS Chief Operating Officer

Wrap Up

- Thanks for all of your work in 2012!

- For 2013, we will continue to improve by following The Community Way
  - Our Mission, Vision, Values will drive our strategies and those strategies will be linked to our people
  - We will operate, as 1 Network, in a predictable and rigorous way

- Your leadership will be the difference between good performance and outstanding performance
  - Trust the process, use the tools, manage your cost

- We have good solutions, but for this us to be successful, you must help the organization change → $Q \times A^3 = E$
  - Incorporate the CAP & WO tools into your day-to-day activities
  - Identify candidates for future CAP training

- Challenge us to be accountable to this work

- Step outside your comfort zone and try something new

Formula for Results

$$Q \times A^3 = E$$

Quality   X   (Acceptance x Accountability x Alignment) = Effectiveness

62% of quality efforts fail (from lack of attention to the cultural and people sides of change – the "A")

Change Acceleration Process developed by GE to focus here

Wrap Up

- Thanks for all of your work in 2012!

- For 2013, we will continue to improve by following The Community Way
  - Our Mission, Vision, Values will drive our strategies and those strategies will be linked to our people
  - We will operate, as 1 Network, in a predictable and rigorous way

- Your leadership will be the difference between good performance and outstanding performance
  - Trust the process, use the tools, manage your cost

- We have good solutions, but for this us to be successful, you must help the organization change → $Q \times A^3 = E$
  - Incorporate the CAP & WO tools into your day-to-day activities
  - Identify candidates for future CAP training

- Challenge us to be accountable to this work

- Step outside your comfort zone and try something new

LEM Completion Date Extension

- The completion date for the final review and approval of our goals in the LEM has been extended from February 15, 2013 until Friday March 1, 2013

- This extension allows us to make sure that our goals are of the highest quality. In our first year, as we learn together, this will also assure that the goals are aligned throughout the network

- There will be no further extension after March 1, 2013

- The LEM will be locked for goal input and editing on March 2, 2013. Please be sure you're accountable

CHA and Westview LEM Lock is April 15, 2013

October 2012 Linkage Survey
Overall Compliance / Response Rate

318, 42%

444, 58%
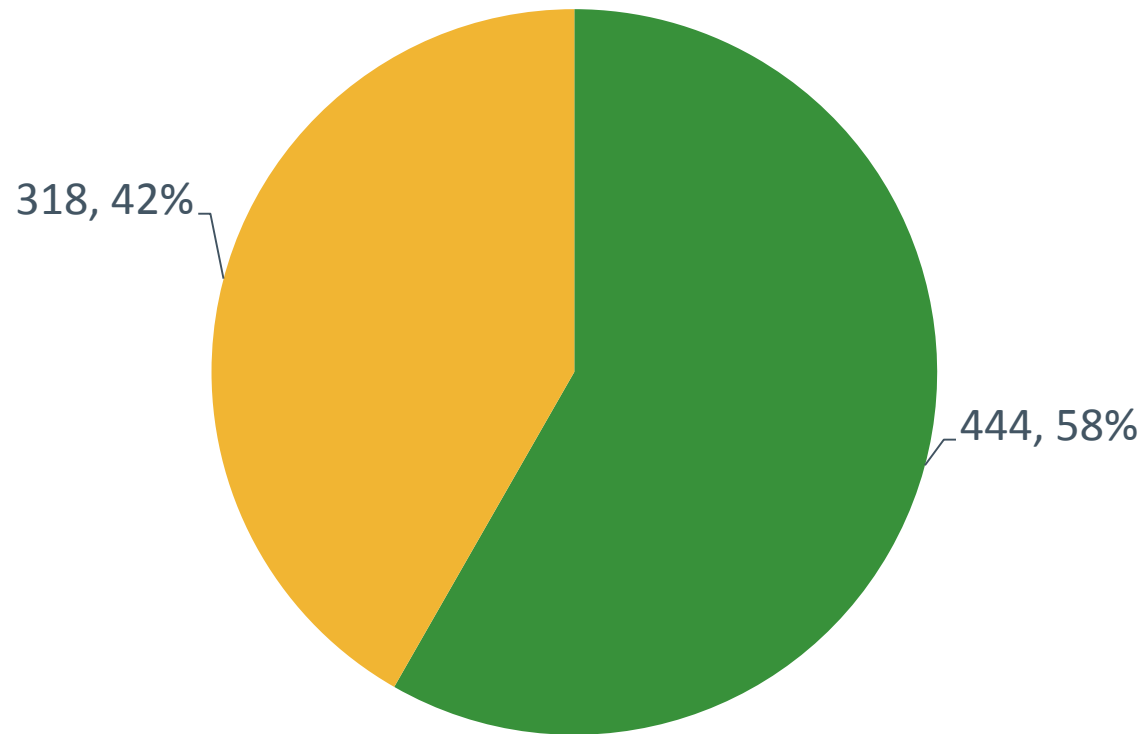
■ Participated in Linkage Survey　　■ Did not participate
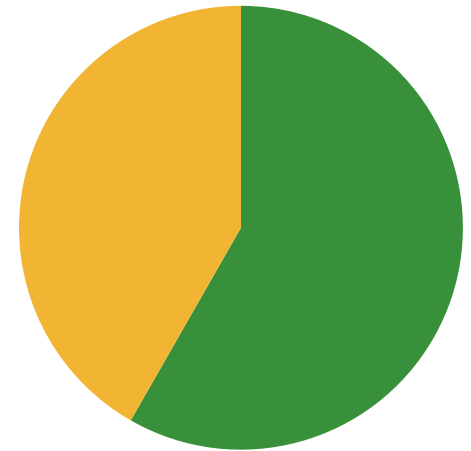
N = 762

189

October 2012 Linkage Survey
762 potential respondents

Community Health Network Partner Site

- 97 % of survey respondents (431) registered on the Community Health Network / Studer Group Partner Website **(short 331)**

- 75% of survey respondents (333) saved the link on their desktop **(short 429)**

LDI Learnings

- 94% of survey respondents (417) read *Hardwiring Excellence* **(short 346)**

- 94% (417) of survey respondents communicated LDI learnings with their staff and discussed "Why" CHNw is providing leadership training **(short 346)**

58% response rate – 444/762

October 2012 Linkage Survey
762 potential respondents

Rounding on Direct Reports

- 98% of the applicable respondents began rounding on direct reports

- 91% of these leaders used the Rounding Documentation Log
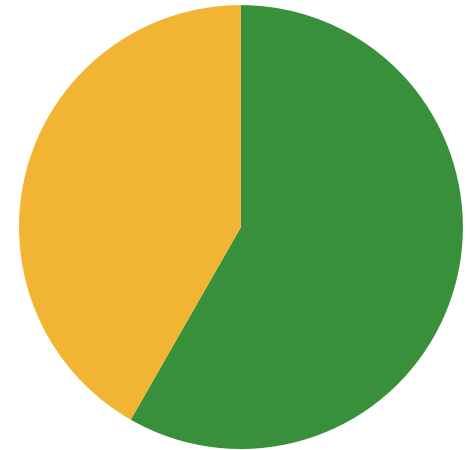
LEM

- 76% of survey respondents (337) watched the LEM training video **(short 425)**

- 78% of survey respondents (346) reviewed and refined their goals with their Leader by December 21st **(short 416)**

58% response rate – 444/762

Day 2: Preview

Judy Kees, Studer

Execution Framework
Evidence-Based Leadership^{SM}

Breakthrough

Foundation

STUDER GROUP®:

| Objective Evaluation System | Leader Development | Must Haves® | Performance Management | Standardization | Accelerators |

Aligned Goals

▼ Implement an organization-wide staff/leadership evaluation system to hardwire objective accountability

▼ *Principle 1, 2, & 7*

▼ Create process to assist leaders in developing skills and leadership competencies necessary to attain desired results

▼ *Principle 4 & 8*

Aligned Behavior

▼ Agreed upon tactics and behaviors to achieve goals

▼ *Principle 3, 5, 6, & 9*

▼ Re-recruit high and middle/solid performers

▼ Move low performers up or out

▼ *Principle 4*

Aligned Process

▼ Processes that are consistent and standardized

▼ Process Improvement
  ▼ *PDCA*
  ▼ *Lean*
  ▼ *Six Sigma*
  ▼ *Baldrige Framework*
▼ *Principle 1 & 2*

▼ Software

Rev 4.8.11

StuderGroup▼ ©2013

Video

- "The Power of Words"

http://www.youtube.com/watch?v=Hzgzim5m7oU