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By S. Harvey Price



S. Harvey Price is editor of *For Your Advantage*. A health care industry strategist based in Boca Raton, Fla., Mr. Price has worked as an independent consultant since 1971. His clients are community hospitals, hospital systems and major corporations that have products or services for the healthcare industry.

About FYA

FYA For Your Advantage, is a free twice-monthly newsletter published by American Governance & Leadership Group and sponsored by Eclipsys.

With every issue, Editor S. Harvey Price provides insights into technology and e-health and how they relate to healthcare management and leadership today and into the future.

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Sitting up, taking nourishment and more...

At an age when most people would welcome the ability to sit up and take nourishment, Peter Drucker is doing very well, thank you. He is now 92. He uses a cane and he needs hearing aids, but he needs no help to think clearly.

He is every bit as relevant today as he was 63 years ago when his first book was published. Imagine a career that spans clients like IBM and General Motors—during their pioneering years—and today's Internet companies in their pioneering period.

Most leaders today are struggling with the discontinuity that the Internet is causing. Drucker wrote about the impact of new technology in his book, *The Age of Discontinuity*, in 1969. In that same book, he introduced the term, "knowledge worker."

If he was so right on so many management trends in the past, what does he have to say now that will help us succeed tomorrow?

In his latest book, *Managing in the Next Society*, published last month, an interview is reprinted. In it, Drucker answers the question: "How do you turn transition into an advantage?"

Drucker states: "By looking at every change, looking out every window. And asking: Could this be an opportunity? Is this new thing a genuine change, or simply a fad? And the difference is a very simple: A change is something people do, and a fad is something people talk about. An enormous amount of talk is a fad.

"You must also ask yourself if these transitions, these changes, are an opportunity or a threat. If you start out by looking at change as threats, you will never innovate. Don't dismiss something simply because this is not what you had planned. The unexpected is often the best source of innovation."

Drucker cited the Rockefellers, who were captivated with kerosene. Initially, they considered gasoline a fad. Thomas Watson became general manager of the Computing-Tabulating-Recording Co. in 1914. The company was renamed International Business Machines (IBM) in 1924. Watson, who later became chairman of the company, envisioned the computer as early as 1929. However, he did everything he could to prevent its emergence because he saw the computer as a threat to IBM's punch-card business. The zipper was invented to close bales of heavy items, such as grain, in the port. Nobody thought of clothes. The market often turns out to be not where the inventor thought it would be.

Drucker was asked if he believed that an organization should be involved in the process of creative destruction—a strategy that is being proposed by many of today's management advisers. His answer:

Sitting up, taking nourishment and more... (continued)

“Absolutely, but this needs to be an ongoing process and it has to be organized. Let me give you an example of a company that I’ve worked with...every three months, a group of people from the organization...sits down and looks at one segment of the company’s products, or services, or process, or policies with a question: If we didn’t do this already, would we go into it the way we are now? And if the answer is no, then the question is what would we do? Every four or five years, that company has systematically abandoned or at least modified, every single one of its prod-

ucts and processes, and especially its services. That’s the secret of growth and its profitability.”

Drucker, the sage of the 20th century, remains a sage in the 21st century. On my desk and in my computer bag, I keep one of his quotations. It’s a succinct statement on managing change: “If you want to start doing something new, stop doing something old.”

That’s my opinion. What’s yours? Send it to hprice@americangovernance.com

Tips for Selecting the Right Decision Support System

By Tina Shapleigh, MD, MBA

Studies show that decision support systems are effective in improving processes. Decision support systems empower organizations to measure progress in dollars saved and outcomes achieved—a crucial distinction when refining the care process.

Using decision support, clinicians and managers can evaluate effectiveness and gather the actionable information required to effect organizational change. But like any technology initiative, success lies both in the quality of the system and in the way managers deploy the information to achieve benefits.

To maximize the return on investment, the ideal decision support system will provide:

- **Clinical and financial decision support**

The system should offer a broad range of integrated applications drawing from a central repository of clinical and financial data at the patient level. It should also integrate data from existing measurement systems to correlate processes and outcomes for executives, clinicians and managers.

- **Strategic planning and budgeting**

The strategic plan should link to the budget since it serves as the operational roadmap to the strategic plan. This, in turn, generates a budget that can be used to establish expectations and accountability.

- **Profitability analysis by service line**

The system should offer flexible definitions of services lines, true cost accounting and accurate revenue calculations.

- **Identification and recovery of underpaid claims**

Specifically, it should include detailed reimbursement methodologies, clear explanations of how expected payment is calculated and tools to track variances.

- **Clinical process reengineering**

The system should provide the ability to track variances retrospectively across flexibly defined populations and analyze utilization to aid in developing clinical order sets, pathways and rules.

- **Availability to senior management and middle managers**

Information is most likely to be used if it is widely distributed and readily accessible by decision-makers.

- **Proof of tangible benefits**

The vendor should have numerous proof statements detailing benefits that clients have received from using its system.



Tina Shapleigh, MD, MBA, is senior vice president of Eclipsys Corporation’s Business Solutions Group and Decision Support. On the leading edge of innovation in software and services solutions that improve healthcare outcomes, Eclipsys has a proven track record in empowering healthcare organizations to realize greater return on their IT investment.

About AG&L Group LLC

American Governance & Leadership Group is a partnership of the American Hospital Association, futurist and governance consultant James E. Orlikoff, and publisher and educational developer Jerry F. Pogue, and recently joined by governance experts Dennis D. Pointer and Mary K. Totten.

We are committed to delivering quality education to trustees, healthcare leaders and clinical leaders who are serious about improving their governance and management.



In addition to our educational conferences, we now offer three publications: the *American Governance Leader* for trustees, *Healthcare Leadership & Management Report* for the executive staff and physician leaders, and *Disease Management & Quality Improvement Report*, a journal for the clinical and quality improvement leadership and your source for the latest in disease management, quality improvement and outcomes measurement.



About Eclipsys Corporation

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Founded with the mission of better health care through knowledge™,

Eclipsys' 1,500-member team is committed to exceeding your expectations by focusing on your strategic goals. For more information, visit <http://www.eclipsys.com> or e-mail the company at info@eclipsys.com.



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Factoids: Things You Might Not Know

- Michael Jordan makes more money from Nike annually than all of the Nike factory workers in Malaysia combined.
- The first product to have a bar code was Wrigley's gum.
- Apples, not caffeine, are more efficient at waking you up in the morning.

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The Annual Symposium on Governing & Leading Healthcare Organizations

(Fall Edition)

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St. Regis Hotel, Aspen, Colorado

The Annual Symposium on Governing & Leading Healthcare Organizations

Jan. 27 to 29, 2003

The Phoenician, Scottsdale, Arizona

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