

By S. Harvey Price



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About FYA

FYA - *For Your Advantage*, is a free twice - monthly newsletter published by TrendLeader Connections.

With every issue, FYA provides insights into the topics that concern healthcare leaders today and the challenges that will be faced in the near future.

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Take a Bow

It wasn't the Federal Government. And it wasn't the State or local governments that performed well in the two recent devastating hurricanes. It was clearly the hospital community that came through for the public. I hope the Nation remembers that when life settles down to normalcy again.

We are an industry that is accustomed to crisis. Every time our emergency room doors open our priorities change. Our doctors, nurses, professional employees and support staff rehearse for disasters. But disasters rarely follow a script. That means split second decisions to respond to the circumstances. It requires organization, communication and above all dedication.

The examples of heroism and commitment on the part of hospital employees will fill many books and television programs when the full story of Hurricanes Katrina and Rita is told. The doctors that rushed to Louisiana from across the country. The OB-GYN nurse on her way to work stopping on the highway near Dallas to care for the burned elderly people that were saved from a bus that exploded. The healthcare professionals that rushed to the various shelters to provide care for the mostly poverty-stricken patients. The women and men in our industry responded to the needs of the public despite their personal challenges—losing their own homes and being separated from their families.

While political leaders excused their poor performances by pointing to the unprecedented size of the disasters, the hospitals improvised and got the job done. The country learned the difference between planning on the part of hospitals and public officials. The *New York Times* reported that "authorities were sufficiently concerned about hurricanes that last year they pre-positioned 10,000 body bags in New Orleans..." At the same time, many hospitals moved their generators to floors well above the possibilities of flooding so that they could continue to save lives if power became unavailable.

The message from the twin disasters last month is that the hospital community knows how to deliver exceptional care under exceptional circumstances.

We will have to remind the public of our performance as we enter a new phase of transformation. The media has been focusing on the cost of healthcare. Annual health insurance for a family of four cost employers \$12,000 in 2000. Today that cost is \$17,000 and is projected to cost \$25,000 by 2010. This trend is unsustainable. Just consider what it is

Take a Bow (Continued...)

doing to General Motors. Toyota decided to build its newest assembly line in Canada instead of a U. S. location because of the cost of healthcare here.

Perhaps the last private-sector initiative to stem the dramatic rise in the cost of healthcare is the consumer-directed health plans. A senior vice president of Booz Allen Hamilton recently wrote, "If this solution fails, it is hard to see any alternative but a government-sponsored 'universal' initiative- perhaps not nationalizing assets, but almost certainly involving price controls, supply constraints and utilization mandates."

For the first time, consumers may take the lead in shaping the healthcare system. This gives us an enormous incentive and opportunity to transform.

We can either become partners with the public or watch the Nation take another step toward nationalized medicine.

We have a small window of opportunity to reposition our industry on the side of the patient. The media have described the courage, the self-sacrifice and the success of healthcare professionals in the wake of the hurricanes. We were among the most appreciated responders to the disaster. We were praised while elected officials and authorities were accused of mismanagement and incompetence.

Let's hope that reputation doesn't fade with time.

That's my opinion. What's Yours?

Send it to: hprice@foryouradvantage.com

About



FYA - For Your Advantage is brought to you by TrendLeader Connections. The function of TrendLeader Connections is producing educational materials and seminars that help healthcare executives differentiate between fads and trends; and making connections with "Trend Leaders" within the healthcare industry.

We are committed to delivering new perspectives and ideas, creative and innovative healthcare solutions, provocative concepts and quality educational materials to today's healthcare leaders. We want to concentrate on "what comes after what comes next."

About



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Are You a TEAM Player?

By: Rick Kneipper, Chief Administrative Officer and Co-Founder of PHNS

I believe that hospital executives attend more meetings than executives in any industry I've ever known. It makes me wonder how they ever get any work done with all of those meetings, especially when most of the executives attend most of the meetings. How many meetings do you and your executive managers attend each week?

Perhaps it's catching since we've noticed in our company such an upsurge in meetings that we're going to limit the number of meetings that executives attend, as well as shorten the meetings by taking all of the chairs out of our conference rooms and raising the height of the conference tables so that they can be written on from a standing position only. But if you have a similar problem, let me offer another possible solution --- have you tried delegating to disciplined, performance oriented *teams* in your hospital?

I was introduced to the power of teams within a business organization by a friend of mine, Doug Smith, who in 1993 co-authored (with his McKinsey partner Jon Katzenbach) one of the leading books on teams called *The Wisdom of Teams: Creating the High-Performance Organization* (Harvard Business School Press). The book is based on their detailed research of the pluses and minuses of team performance at 47 business organizations. The following are some powerful conclusions drawn from my recent re-reading of the book that I hope will encourage you to get a copy and see whether it could help improve the performance of your hospital:

- **The underused power of teams:** "most models of the 'organization of the future'...are premised on *teams surpassing individuals as the primary performance unit in the company.*" However, "the potential impact of single teams, as well as the collective impact of many teams, on the performance of large organizations is woefully underexploited---despite the rapidly growing recognition of the need for what teams

have to offer." Their research demonstrated that a truly committed team is the "most productive performance unit management has at its disposal---*provided there are specific results for which the team is collectively responsible, and provided the performance ethic of the company demands those results.*" That qualification may be problematic for many hospital organizations that do not have demanding performance ethics.

- **Commitments are key:** The performance of a team is directly dependent on the commitment of the CEO to the team, and on the commitments of the team members to the team and each other. The authors found that a team works best where the CEO gives the team a clear performance goal, a strong mix of skills on the team, and a personal commitment to follow through by implementing whatever solution the team proposes. That is a tough delegation decision for many CEOs. As for the team members' commitment, their research found that "What sets apart high-performance teams...is the degree of commitment, particularly how deeply committed the members are to one another." The team members must move from "individual accountability to mutual accountability" in order to be successful, which can dramatically change and improve the culture of many organizations.

If you have used teams in your organization, please send me an e-mail to share the results. If you haven't, I hope this will inspire you to read this book and see whether teams could help you manage.

I would like to hear your comments.
Send them to:
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Disney Doesn't Measure Guest Satisfaction

By Fred Lee

When I went to work at Disney, I was eager to see their customer-satisfaction data. I was certain their scores would be far higher than those of a typical hospital. After all, how hard is it to please a family at a fancy resort, on vacation, being entertained all day?

Compare Disney customers to hospital patients, and they are at opposite ends of a scale of difficulty. Hospital employees have a much tougher customer to please, and a much tougher job to do. The hospital experience cannot be standardized like a ride at Disney. Their employees spend a few minutes interacting with their guests; we spend hours, even days and weeks. Comparing our "moments of truth" with theirs had to be like comparing real mice with Mickey Mouse. We were in the real world of pain and suffering and grief. They were in the land of fantasy, pixie dust and family fun. Could any two service organizations be more different?

One day I had the opportunity to see what kind of guest satisfaction scores they got at Disney and compare them to ours in hospitals.

When I became a cast member at Disney, I wore an oval badge with my first name, FRED, in large letters. This badge allowed me to go backstage into areas not open to guests. On one of my very first scouting trips, I went backstage at one of Disney's luxury family resorts. On a large wall near the cast dining room was a gigantic poster that listed seven or eight questions that determine guest satisfaction at the resort. Beside each question was a percentage number. I assumed this number represented the percentage of guests that had indicated they were satisfied with the resort's performance on that item on a questionnaire.

What surprised me was how low these scores were compared to the scores we generally see in hospitals. The highest score was in the 60s. Typically in a hospital scores run 10 to 20 percentage points higher than that! Given my perceptions about how much easier it must be to deliver guest satisfaction at Disney than in a hospital, I was surprised, almost shocked.

I thought I must be missing something, so I stopped a

person who looked like a manager and asked, "Are those the questions you ask your guests?"

"Yes."

"I'm surprised at the percentages," I continued. "Is that the percentage of respondents who say they are satisfied with your performance on that item?"

"Not exactly," the person replied. "That is the percentage of respondents who said they are very satisfied. We use a five-point scale. A four means you are satisfied. A five means you are very satisfied."

"Oh," I said. "I came from a hospital where we combined the threes, fours and fives because they are all satisfied."

The person chuckled. "If we did that, all our scores would probably be 99 or 100 percent, and what would that tell our employees? That we are perfect? But we are not perfect unless everyone gives us fives."

Later I spoke to my boss at Disney about this encounter. He gave me an article from the Harvard Business Review on customer loyalty. In it, the authors presented research showing that satisfied customers are not necessarily loyal. On a scale of one to five, a customer who marks a four is six times more likely to defect than a customer who marks a five. In other words, there is a six-fold increase in customer loyalty between fours and fives.

Disney does not display guest-satisfaction scores to its cast members. They are not measuring customer satisfaction; they are measuring customer loyalty.

When you think about it, customer loyalty, not mere satisfaction, is the only protection any organization has against serious competition in its future. Security, then is not rooted in patient satisfaction, it is linked to their loyalty.

Fred Lee is a highly popular speaker; and the author of "If Disney Ran Your Hospital." His book was named the 2005 book of the year by the ACHE.

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