

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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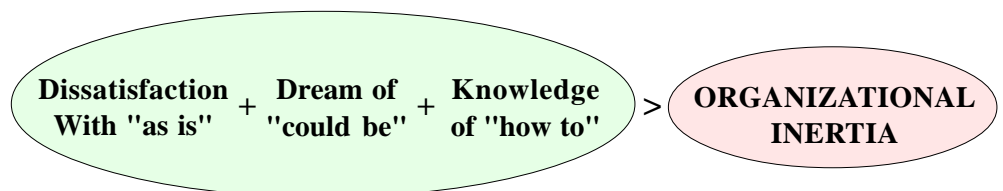
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Dissatisfaction Is the Father of Improvement

By Fred Lee

If necessity is the mother of invention, dissatisfaction must be the father of improvement. Necessity may invent the mousetrap, but dissatisfaction builds a better one. The curious truth is that being good is the enemy of being great. Complacency is the adversary of excellence.

Martin Stankard, a national Malcolm Baldrige Award examiner who trains other examiners, shares this formula for a culture of continuous improvement and excellence:



Dissatisfaction with the status quo, plus the dream of what greatness would look like and the knowledge of how to get there, must be greater than an organization's natural inertia. Notice that the formula begins with dissatisfaction. How do you overcome the comfort zone of personal and organizational inertia without being dissatisfied with the way things are? Plus, all this has to happen before the hard work of improvement can even begin.

Behavioral science confirms this equation. If I want to lose 15 pounds, it starts with dissatisfaction over my current state of being. In addition, I will need to have a vivid picture of how I want to appear, how my slacks will fit, how a flatter tummy will look, how much younger people may think I am. Dreams give us the fuel for desire, the energy to get up and do the work. Knowledge of how to lose 15 pounds and keep it off permanently is also important. But my worst enemy is going to be the kind of thinking that says, "Fifteen pounds doesn't really seem that bad. I am actually in pretty good shape for a guy my age. We all gain some weight when we get older. It's natural." Complacency is the human equivalent of inertia.

At every level in an organization where there is work to do, this formula for change applies—at the level of individual effort, at the unit level, at the division level and even the highest level of administration. That's why it is important to cultivate an entire culture of dissatisfaction in order to maintain a momentum for improvement that leads to sustained excellence. Having a few stars that do it is not enough. A department here and there dedicated to improvement won't be able to lift the whole organization.

Beware of a "pop psychology" approach to change. We are a culture that believes there must be an easier way to do anything. We come up to a challenge and want an easy way around it instead of the hard way through it. We are wooed by

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Dissatisfaction Is the Father of Improvement (...Continued)

books and programs that promise quick and effortless solutions to something difficult. With such-and-such a supplement you can lose those pounds without exercising and still eat all you want. You can raise your self-esteem by writing affirmations and telling yourself in the mirror that you're wonderful. You can build muscle strength and tone with our electrical stimulator. You can build up your cardiovascular system in 10 minutes a day on our machine without breaking a sweat. You can simply "think" and grow rich, "think" and grow thin, "think" and get smart, "think" and play tennis, "think" and feel great about yourself.

The dream (the "think" part of these self-help approaches) is vital for improvement. We rarely accomplish anything without a dream, or great things without a vivid obsession. But there are many with the dreams who do not overcome inertia to follow through with the hard work. The dream alone takes you nowhere. If you want the muscles, you have to do the exercises.

The equivalent in leadership psychology is the notion that creating a dream of greatness is the vital ingredient that is missing in most organizations. First, hospitals went through exercises in writing mission statements. When that did not move organizational inertia, we decided we needed statements of core values. Then it was vision statements. We weren't making our mission statements and core values vivid enough.

Our problem is that all these vision statements lack

inspiration. Inspirational leadership is what is needed, but people do not work for a mission, they work for a cause. Semantics aside, it takes the whole formula to overcome inertia.

Vision alone, regardless of what we call it, is not enough to muster the huge effort it takes to defeat the inertia of standard practices, bureaucratic structures, systems and management processes. We still need a relentless dissatisfaction with our performance and a map of how to improve, to get up finally and scale the walls, move the mountains, dam the rivers and drain the swamps that stand in the way of true greatness. It has to be relentless because being the best, or being the greatest, is not done in a day or a month or a year. Ask accomplished athletes. They might tell you about the dream they have had since childhood, but the truth is, the hard work of reaching that dream is relentless. And even if they break a world record, they are still not satisfied! Never being satisfied is the driving force behind individual effort. And, we might add, corporate effort.

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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About



PHNS is an innovative healthcare services company providing strategic outsourcing services in information technology, health information management and receivables management to approximately 160 hospitals. PHNS is not a consultant, vendor or software company but a partner, a solution. PHNS understands healthcare because our partners are healthcare and healthcare only. Unlike its competitors, PHNS strategically aligns itself with a hospital's clinical and financial goals and objectives. Through its unique business model, PHNS reduces costs by aggregating, consolidating and sharing resources among its participating hospital partners. PHNS helps hospitals manage information systems, computer technology, patient records, coding and patient billing to improve patient care, safety and efficiency and increase profitability and efficiency. For more information, visit www.phns.com.

Time for a Cost/Benefit Analysis in U.S. Healthcare?

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

Once again the Brits are taking a leadership role on tough healthcare issues. The British Government has refused to pay for drug treatments "[i]f a drug or type of surgery costs a lot and helps only a little", according to a 11/22/05 front page *Wall Street Journal* article. The Government position has, of course, created a flurry of angry attacks, but the finance director for the British National Health Service unit that oversees hospitals and doctors' offices in Liverpool stated the Government position very succinctly:

"There is not a bottomless pit of resources. We reached the point a while ago where there is far more medical intervention available than any healthcare system can afford."

That is, of course, a completely valid, albeit troubling, point. Yet few in the U.S. are actively raising the issue, at least publicly, despite the rocketing escalation of healthcare costs and the increasing unwillingness of our federal and state governments and employers to continue to bear these escalations. It is particularly interesting that the Brits are raising this important economic issue despite the fact that, according to the article, "Even after adding in out-of-pocket costs, Britain's per-capita drug bill is less than half of that in the U.S.--- about \$340 a year per Briton versus about \$800 per American...."

The problem is that we in the U.S. are unwilling to deal with the verboten "R" word--- rationing. We're still willing to provide a virtually unlimited amount of healthcare treatments for patients, often without regard to the potential benefits to the patients compared to the cost of the treatments. However admirable that may be, at some point the system cannot bear the cost, especially when it ends up falling hardest on the hospitals and individuals who can not afford it. And so at some point we're going to have to follow the lead of the British and open the dialogue on rationing of healthcare.

The British approach is to refuse to pay for drugs that are "outside the range of cost effectiveness" that the British Government deems appropriate. The decision is based on a complex financial model developed by economists at Southampton University to measure the benefits that patients

taking a particular medication would receive over a five-year period compared to those not taking the medication, which sounds like a very reasonable approach. The economists then convert the benefits into a standard called a "quality-adjusted life year," or a "QALY", which is then used to determine whether the costs per QALY are inside or outside the "range of cost effectiveness that might be considered appropriate" for the British Government.

However unpalatable that may be, at some point our healthcare system can no longer continue to afford unlimited healthcare services. But is the U.S. ready for a British type plan that is based on measuring "how much an improvement in someone's life is worth in monetary terms?" However distasteful that dialogue may be, I think that the Brits are right---we can't afford to continue to ignore this very, very difficult issue, and we have to open a dialogue on the pluses and minuses of rationing and limiting medical services based on a cost/benefit analysis. Are you willing to engage in this dialogue?



I would like to hear your comments.

Send them to:

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About

TrendLeader Connections

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."

END PIECE: Business Thinking Is Not the Answer

Jim Collins is the author of "*Good to Great*." It is one of the best selling business books of all time. It has been read and respected by business executives everywhere. Following the success of this book, Collins explored whether his message applied to the not-for profit world. The result of his research is a self-published monograph available this month with the title, "*Good to Great and the Social Sector*.*"

In his monograph, Collins writes: "We must reject the idea-well-intentioned, but dead wrong-that the primary path to greatness in the social sectors is to become 'more like a business.' Most businesses-like most of anything else in life-fall somewhere between mediocre and good. Few are great. When you compare great companies with good ones, many widely practiced business norms turn out to correlate with mediocrity, not greatness. So, then, why would we want to import the practices of mediocrity into the social sectors?"

Collins continues: "I shared this perspective with a gathering of business CEOs, and offended nearly everyone in the room. A hand shot up from David Weekley, one of the more thoughtful CEOs-a man who built a very successful company and who now spends nearly half his time working with the social sectors. 'Do you have evidence to support your point?' he demanded. 'In my work with nonprofits, I find that they're in desperate need of greater discipline-disciplined planning, disciplined people, disciplined governance, disciplined allocation of resources.'

"What makes you think that's a business concept?' I replied. 'Most businesses also have a desperate need for greater discipline. Mediocre companies rarely display the relentless culture of discipline-disciplined people who engage in disciplined thought and who take disciplined action-that we find in truly great companies. A culture of discipline is not a principle of business; it is a principle of greatness.'

"Later, at dinner, we continued our debate, and I asked Weekley: 'If you had taken a different path in life and become, say, a church leader, a university president, a nonprofit leader, a hospital CEO, or a school superintendent, would you have been any less disciplined in your approach? Would you

have been less likely to practice enlightened leadership, or put less energy into getting the right people on the bus, or been less demanding of results?' Weekley considered the question for a long moment. 'No, I suspect not.'

"That's when it dawned on me: we need a new language. The critical distinction is not between business and social, but between great and good. We need to reject the naïve imposition of the 'language of business' on the social sectors, and instead jointly embrace a language of greatness.

"Business executives can more easily fire people and-equally important-they can use money to buy talent. Most social sector leaders, on the other hand, must rely on people underpaid relative to the private sector or, in the case of volunteers, paid not at all. Yet a finding from our research is instructive: the key variable is not how (or how much) you pay, but who you have on the bus. The comparison companies in our research-those that failed to become great-placed greater emphasis on using incentives to 'motivate' otherwise unmotivated or undisciplined people. The great companies, in contrast, focused on getting and hanging on to the right people in the first place-those who are productively neurotic, those who are self-motivated and self-disciplined, those who wake up every day, compulsively driven to do the best they can because it is simply part of their DNA. In the social sectors...lack of resources is no excuse for lack of rigor-it makes selectivity all the more vital.

Collins concludes: "We can find pockets of greatness in nearly every difficult environment-whether it be the airline industry, education, healthcare, social ventures, or government-funded agencies. Every institution has its unique set of irrational and difficult constraints, yet some make a leap while others facing the same environmental challenges do not. This is perhaps the single most important point in all of *Good to Great*. Greatness is not a function of circumstance. Greatness, it turns out, is largely a matter of conscious choice, and discipline."

*You can buy the complete monograph only from the on-line book dealers. E-mail your comments to hprice@foryouradvantage.com.