

# Harnessing our greatest asset: Solving margin issues by investing in frontline leaders

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**Abstract** The rate of change in combination with the scope and magnitude and the need for increased efficacy in healthcare operations are on the rise, especially with the advent of a plethora of patient needs in the post-COVID-19 world. Senior leaders in the field are faced with various operational and financial challenges on account of the new and rapidly rising patient requirements in the healthcare sector, and, instead of optimising existing resources to meet current challenges, they are often persuaded to just add on new programmes, leaving the existing programmes to languish. Thus, to circumvent some of the major issues in healthcare operations, a more effective strategy has to be pursued than the usual one of simply buying and implementing a new productivity system with updated targets or performance benchmarks. The solution is to assess the efficacy

and profitability of existing improvement programmes and resources in the advent of a new set of requirements: deploying burst versus incremental improvement; engaging middle managers to enable their solutions; and achieving organisation speed, spread and scalability across the organisation [Caldwell, C., Cook, K., (2020), 'Achieving speed, spread, scalability, and sustainability in health systems', American College of Healthcare Executives-Cluster Session, Clearwater, FL, 17–20th January]. This paper describes how Dignity Health East Valley was able to optimise the use of existing performance improvement resources and deploy an accelerated improvement structure to achieve rapid gains, followed by incremental improvement to both sustain and further the gains made. The approach included mentoring middle managers to become adaptive change agents and achieve 5 per cent improvement in margins in six months. The burst method described in this paper is based on the findings from the research undertaken by top-performing hospitals that identified five essential characteristics that healthcare's frontline leaders are expected to possess and which are a clear mark of their leadership skills and competence [Caldwell, C., Cook, K., (2020), 'Achieving speed, spread, scalability, and sustainability in health systems', American College of Healthcare Executives-Cluster Session, Clearwater, FL, 17–20th January]. The paper presents the background to this research as well as the structure that builds these top-performer capabilities in the front-line team in order for them to lead change and drive its implementation. The positive results that emerged from the leadership training provided to frontline leaders are substantial, including improved margin, higher patient experience and higher employee engagement.

**KEYWORDS:** leadership development, margin improvement, accountability, change leadership, process improvement

## **INTRODUCTION**

A balance sheet is a common tool to assess the health — in other words, the profitability and sustainability — of an organisation, which presents details on the organisation's assets and liabilities. Yet the balance sheet does not reflect the impact of, perhaps, the greatest asset that exists in most hospitals, which is not bricks and mortar, real estate holdings, equipment or investments, or any capital asset — it is the intellectual and institutional knowledge of the frontline leaders and their ability to shape and strengthen the organisation's financial performance. Managers and directors work closest to patients, families, providers and the community, as they are routinely interacting with the client community and engaged in resolving service issues in individual cases every single day.

There are many strategies or approaches to improving performance and operational excellence. Even with existing resources at their disposal, healthcare systems are best-positioned to evaluate options in order to fulfil a specific need, be it about increased margins or higher operational efficiencies. Yet it is also true that various traditional and standardised techniques are repackaged with new terminology but rely on the same set of tools, resources and methods. There is variation in how these approaches are applied and, thus, their results. Though many such approaches seem to focus on education and tools, there are also those that give priority focus on leadership development. In other words, there are approaches that achieve rapid results while investing in the greatest asset of the organisation — the frontline leaders.<sup>1</sup>

John Kotter (HBR contributor) provided some major recommendations in his paper titled ‘Never Underestimate the Power of the Status Quo’.<sup>2</sup> Engaging the frontline leaders to think out of the box and then deploying a structure that encourages them to initiate change instils the desire and drive to take action proactively instead of merely engaging in a defensive pushback against external numbers, benchmarks and best practices of other entities operating in the field. What works as standard or best practice in one organisation may not work for another, any better than an Android app will work on an iOS phone.

**The case of Dignity Health Arizona East Valley**

Let us explore the case of Dignity Health Arizona East Valley (DHEV). The DHEV region includes hospitals, physician clinics, ambulatory services and free-standing Emergency Rooms (ERs). DHEV is one of the largest markets in CommonSpirit Health System, which is one of the larger systems in the United States, comprising 137 hospitals across 21 states.

To give context, DHEV is located in the greater Phoenix, AZ (the greater metropolitan area is sometimes referred to as ‘The Valley of the Sun’ or simply ‘the Valley’). This service region is of the larger markets in the CommonSpirit system and is shown in Figure 1. Figure 1 displays the locations of Dignity Health operations as well as those of other providers in the market. The two largest Dignity Health facilities in East Valley are Chandler Regional Medical Center and Mercy Gilbert Medical Center, and the primary service area is roughly bounded by the orange border in the diagram.

This service area includes a population over 2 million in the East Valley portion of the greater Phoenix area. The market is characteristic of high growth, higher than average income and low unemployment among the population. These demographics provide for a DHEV income stream that is 35 per cent, Medicare 35 per cent Commercial and 20 per cent Medicaid — a very advantageous payer mix for US healthcare facilities. And for this market, DHEV has about 46 per cent of market share for hospital stays.

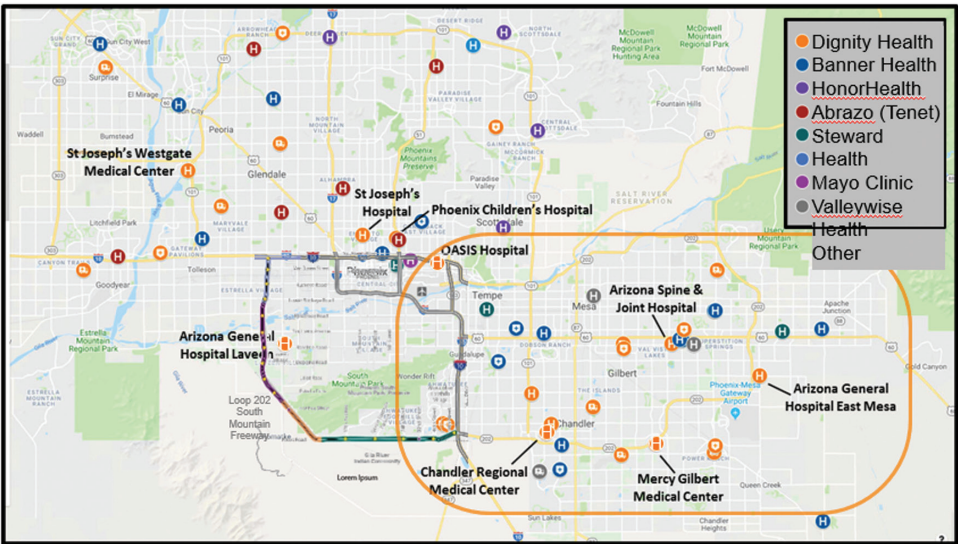


Figure 1 Dignity Health Arizona East Valley Market snapshot

This DHEV region has two hubs anchored by hospitals that are the focused on in this paper; they are shown in the lower-right quadrant of Figure 1. These sites are Chandler Regional Medical Center and Mercy Gilbert Medical Center.

Chandler Regional is the tertiary hub for this market, a level 1 trauma centre and one of the busiest ERs in the state of Arizona. Recently, the facility has grown from 380 to now 429 inpatient beds, simply trying to keep up with the area growth.

Chandler Regional Medical Center, FYE-20 statistics:

- 429 beds
- Annual operating expense: US\$560m
- Total admissions: 24,142
- ED visits (including trauma): 62,716
- Total hospital-based surgical: 14,604
- Deliveries: 3,121

Mercy Gilbert is more of a community hospital serving the suburban southeast Valley. The facility has grown from 197 beds to 278, again as a response to population growth in the area.

Mercy Gilbert Medical Center, FYE-20 statistics:

- 197 beds (Increasing to 278 beds)
- Annual operating expense: US\$307m
- Total admissions: 14,752
- ED visits (including trauma): 38,586
- Total hospital-based surgical: 8,648
- Deliveries: 2,522

Both hospitals have a historically higher-than-average EBITDA (about 15 per cent Chandler and about 13 per cent for Gilbert, some of the strongest markets in CommonSpirit). Again, in US healthcare, this level of margin is higher than average and allows these hospitals to both reinvest in their region and provide overall support for Dignity Health. However, being part of a system and having a historically high

EBITDA also create healthy expectations, both locally and at the system level.

In late 2018, about halfway in the fiscal year, DHEV was about US\$9m short of their EBITDA targets.

Executive leadership sought an approach for rapid improvement that would align with existing organisation improvement structure. DHEV is one of the first hospitals in CommonSpirit to pursue a High-Reliability Organisation model (HRO). In the first five-year period pursuing an HRO approach, DHEV achieved two years with zero harm (ie two years, 365 days each, without a serious safety event). One goal was to preserve or even enhance this aspect of the organisation while quickly closing the gap on operational and financial performance, in other words an accelerated approach or a 'burst' improvement building on recent successes.

DHEV sought an evidence-based improvement approach to provide accelerated results, complement the existing methodologies and maximise the use of its existing investments in tools and resources. Keeping in mind the fundamentals, DHEV followed the 80/20 rule of methodologies as shown in Figure 2.

It is typical that a majority of the time and effort dedicated to hospital performance fall under the 'control' category as shown. The observation is successful organisations spend about 80 per cent of the resources (time and investment) on control-based methodologies and about 20 per cent on accelerated methods. The accelerated methods provide much higher returns especially when integrated with control approaches that work to hold the gains after accelerated changes are incorporated into the workflow. Thus, the blend of control and accelerated methods can be highly successful.

When selecting a method, DHEV took into consideration both what the organisation needed and what the frontline leaders wanted. DHEV carried out a survey

## Improve → 80/20 Rule

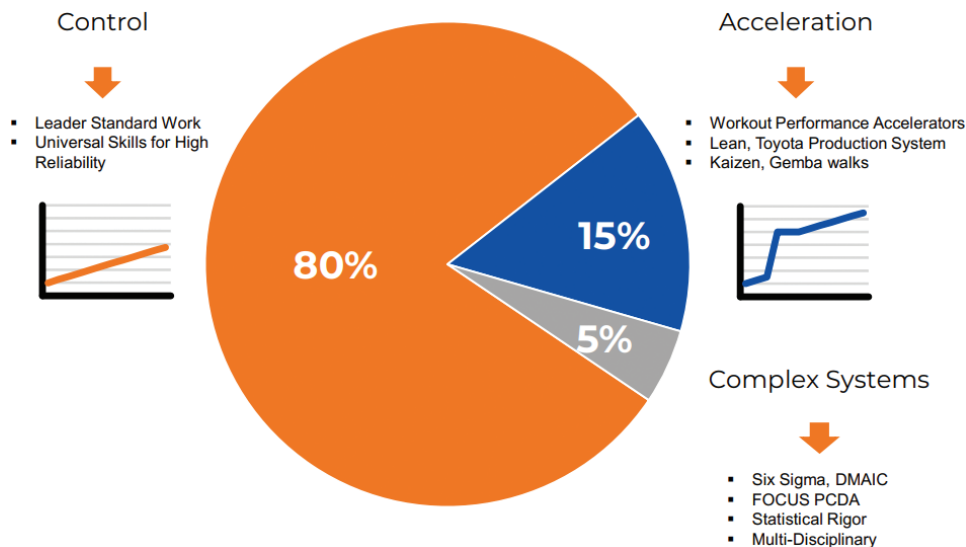


Figure 2 A combination of methods

among frontline leaders (directors, managers and some supervisors), seeking their insights on how DHEV compares to top performers. As part of the survey, these frontline leaders are asked, 'What do you need to support performance improvement?' (Figure 3). The response included these points:

DHEV executive leadership asked, 'How do we address the wants, connect to needs (five essential characteristics) and deliver organizational results?'

Using this information along with the knowledge of the organisation, the executive team reviewed various improvement methodologies.

There are numerous methods used for accelerated performance improvement.<sup>3-6</sup> Recently, the 100-Day Workout Cycle developed by Caldwell Butler & Associates was utilised to achieve some significant improvements in another Dignity Health region as described by then CEO, Patty White.<sup>7</sup>

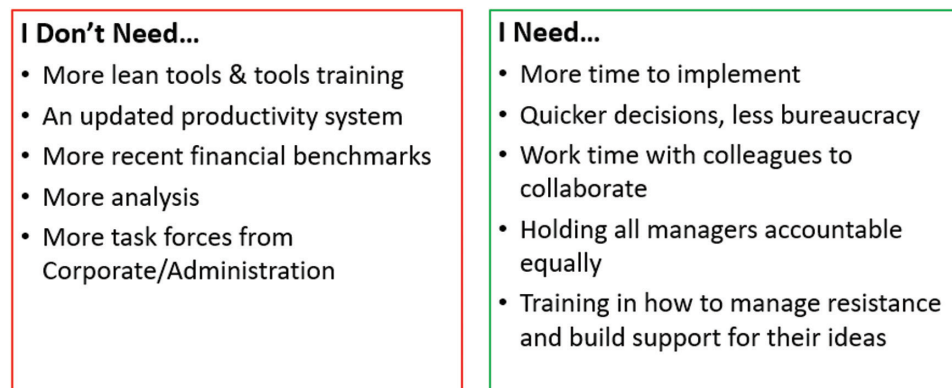


Figure 3 Frontline leaders' response to 'What support and resources do you need to facilitate rapid improvement?'



Some of the other well-established and time-tested methodologies considered included the following as well:

- FOCUS PDCA
- Six Sigma (DMAIC)
- Lean/Toyota production system
- Root cause analysis
- Failure modes and effects analysis
- 100-day workouts

In addition to needs of frontline leaders, DHEV wanted to maintain the *Culture of ALWAYS* and focus on optimising its existing systems, tools and resources.

There are numerous methods used for accelerated performance improvement. The DHEV criteria for selection included these major components:

1. Deploy a structured approach
2. Confirm goal setting (agreement and accountability)
3. Establish measurement rigour with clear progress to goal
4. Maintain clear scope and narrow focus on current priority opportunity
5. Dedicate time frame (time bound to 90–100 days)
6. Utilise experienced coaching resources
7. Provide experienced project management and facilitation resources

The team also considered how the approach would align with future methodologies and resources for performance improvement and its ability to tailor such an approach to align with the evolving management culture.

DHEV choose to pursue the 100-day workout approach as it focuses on developing frontline leaders as adaptive change agents. This focus increases the speed of change as frontline managers initiate their own change plans, individually and collaboratively. The associated structure of the workout model provides for shared accountability and delivers results quickly. Under the model, the frontline team members are provided training on change management techniques and techniques to optimise the use of existing resources. A typical workout provides ‘burst’ improvements generating new margins equivalent to 1 per cent of operating expense, every 100 days. The margin improvement results from a combination of efficiencies, cost reduction, improved throughput and incremental volume growth.

A ‘snapshot’ of the workout process is shown below in Figure 4.<sup>8</sup>

As part of DHEV’s strategy, and consistent with the workout structure to be implemented, the model was modified to incorporate a 90-day cycle against the more typical four-month cycle. The impetus for this adjustment was the desire to complete two workout cycles in the remainder of the fiscal year (DHEV FY has a 1st July–30th June span). The work described here began in January, the seventh month of the fiscal year. To recap, the goal was to close a US\$8.3m gap in the final six months of the fiscal year (Figure 5).

The executive team selected the workout structure as a primary means to close that gap. Because of the extent of the goal, DHEV also included other projects that

Kick-Off	30-Day Check-in	60-Day Check-in	90-Day Check-in	Summation
Workflow Analysis Rapid Cycle Testing Creation of 100-Day Action Plans	Test Concepts Report on Result Accountability	Test Concepts Report on Result Accountability	Test Concepts Report on Result Accountability	Report on Results Celebrate Accomplishments

Figure 4 The 100-day workout cycle

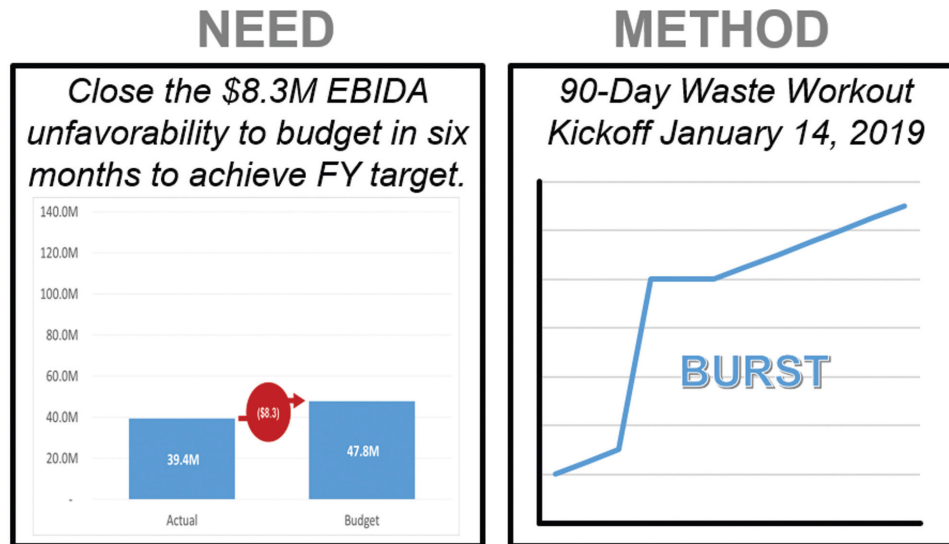


Figure 5 The need and the method to achieve results

generally fall outside the scope of workout yet would produce results.

Let's explore the workout approach method in more detail.

### BACKGROUND ON 100-DAY WORKOUT APPROACH

The 100-day workout is a methodology for achieving rapid gains in operational performance. A specific and rapid improvement opportunity is targeted and assigned across multiple leaders and workout teams. These teams are coached in using the essential elements of lean six sigma, seven categories of waste, non-negotiable goal setting and project management into a 100-day 'Burst' cycle.

Major components of the workout approach include the following:

- Focus on essential characteristics
- A structured methodology
- Develop middle managers (frontline leaders) as adaptive change agents
- Increase accountability

Important roles are assigned, including executive champion, communication

coordinator, finance liaison, workout coordinator and coaches. Coaches work one-on-one with managers to support the achievement of the goal assigned. It is important to know that workout does not replace lean six sigma or other such performance improvement models; rather, as shown in Figure 2, workout optimises the use of these skills and resources in an accelerated approach. At the same time when applied with expert coaching, the process develops frontline leaders as adaptive change agents and engagement of all staff (Figure 6).

In 2012, Caldwell, Butter and Poston published a paper reporting the results of research in the *essential characteristics* of top-performing organisations.<sup>9</sup>

These five essential characteristics are summarised as follows:

- Focus, to include a transparency across the organisation on important initiatives
- Speed to plan change
- Speed to implementation, demonstrating accountability across the organisation
- Collaboration, engaging stakeholders and overcoming shared obstacles to change
- Measure results and carry the outcomes to budget and other essential management

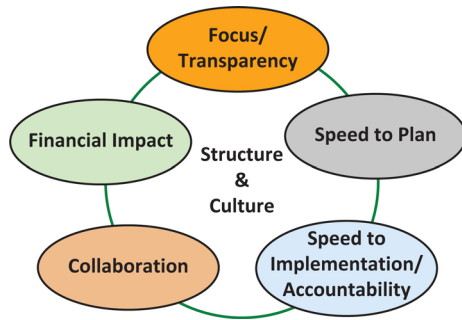


Figure 6 Five essential characteristics of top-performing organisations

The workout structure is directly aimed at improving the underlying skills of frontline leaders' skills by establishing the structure that achieved the five essential characteristics demonstrated by top-performing organisations. A vital aspect of the workout approach is tracking the speed of change (pace — two changes per leader per month) equally with the financial impact of change (point — change plans focused on the metric at the department/cost-centre level), in short, 'Pace and Point'.

A side note is needed here to define a change in the construct of workout. A 'change plan' in the workout methodology is a defined action plan, initiated by a frontline leader who meets these criteria. First, the change requires the frontline leader's effort. They cannot enter a change plan solely for someone else to execute. Next, the scope of the change is 'small bites'; it can be implemented within 100-days timeframe for a workout. Lastly, the change plan must have

### What is a change?

- Requires **effort**
- Can be **implemented** in a less than 100 days
- Has a **measurable** impact that can be **budgeted/recorded**
  - ❖ Financial **Impact**
  - ❖ Quality **Metric**

an outcome that will have a sizeable impact on a cost centre vis-à-vis the goals set for the cost centre. The target cost centre can be the responsibility of a collaborator (another frontline leader), but the result, whether financial, quality or satisfaction, is measurable at a specific department level. This aspect or tracking is one of the essential elements needed for sustaining the impact and assuring accountability. It is important to note that the average financial impact of a change plan is US\$7,500 annually.

Thus, a change plan in 100-day workout is not in the scope of world hunger. Rather, it is providing one's neighbour's a meal after she had orthopaedic surgery. The intent: small, discrete changes that a frontline leader can achieve quickly.

The definition of a workout change plan recognises that operational change does not happen at the health system level or the organisation level unless frontline actions are initiated. There are cases where a hospital pushes down updated goals, creating unfavourable variances in productivity and cost that need to be closed, and senior leaders expect 'our team will respond.' Yet there is not a defined method to connect frontline leader initiative with existing resources for them to respond. Nor is there a method that tracks the result back to operating unit (cost centre).

Some leaders push back on the introduction of a new *structure* questioning the time involved. The workout model addresses this obstacle and also stated in the 'What I need' response provided in Figure 3. Hospitals tend to involve the same small group of directors and managers in every initiative. These frontline leaders' schedule becomes dominated with meetings and sessions related to desperate projects. A desired state, and the one employed by DHEV, is to create a common session for all directors and managers where they have an opportunity to collaborate, akin to a 'speed-dating' environment. Also included in



the ‘check-in’ is time to share the status of change plans in play and discuss both plans that have been implemented and those that have failed —the failures are celebrated for the initiative that it takes to try — and share the lessons learned as a result.

Top-performer organisations often replace the typically asynchronous monthly department manager meeting with an ‘Accountability Check-In’. These sessions are at a time and place where it is most convenient and effective for the frontline leaders to collaborate, share ideas, share solutions and address obstacles, collectively. The need for many other meetings goes away, and the check-ins provide transparency to efforts and the process advances a culture of accountability. In Figure 7, a ‘check-in’ is an important monthly event in the workout cadence as provided in Figure 4.

The effectiveness of check-ins and overall workout results are driven through *frontline leader development*, as adaptive change agents. This relatively unique component addresses one important success factor for adult education. Most adults learn best when they use a tool or technique in work that is relevant to them. There is the old proverb.

*Tell me, I forget.  
Show me, I remember.  
Involve me, I understand.*

In the workout structure, Caldwell Butler provides frontline leadership coaching

with experienced senior operators who have worked in multiple organisations and thus have both a broad view of healthcare operations. The prescription is for at least one session per month, between the other important events that are part of the workout methodology (Figure 8). This coaching is focused on facilitating the leader’s development as an adaptive change agent. The context of these coaching sessions content includes:

- Generation and clarification of Ideas
- Guiding leaders to ‘Achievable’ change plans
- Targeting specific process changes
- Engaging stakeholders
- Identifying and elevating obstacles
- Quantifying results (financial acumen)
- Achieving metrics and establishing accountability
- Keeping pace with implementation of change plans.

During each 100-day workout, each middle manager is made *accountable* for making two changes per month or eight changes over a 100-day workout. This pace makes managers more effective change agents. The process of requiring the managers to make a change gets the manager out of their comfort zone. The manager becomes more aware of how they can make necessary changes that will improve the margin and effectiveness of their area of responsibility.

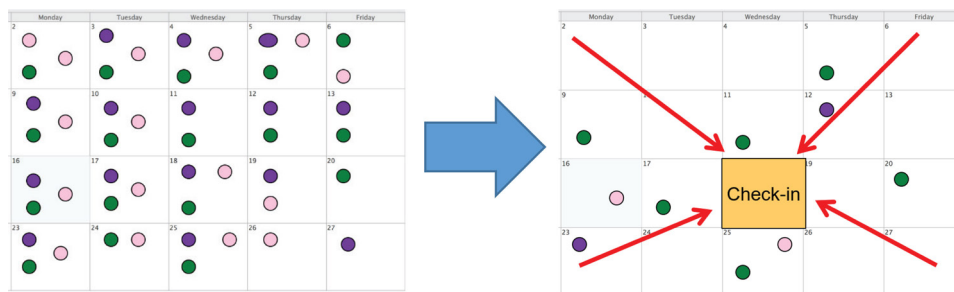


Figure 7 A benefit of the workout structure, fewer meetings

■ Kick-off:	- Sept. 18	
■ EXCEerator Orientation:	- Sept. 18	Mentoring & Coaching
■ 30-day Check-in:	- Oct. 16	Mentoring & Coaching
■ 45-day Structured Review:	- Oct. 30	Mentoring & Coaching
■ 60-day Check-in:	- Nov. 20	Mentoring & Coaching
■ 90-day Check-in:	- Dec. 18	Mentoring & Coaching
■ Summation/Kick-Off WO#2:	- Jan. 15	Mentoring & Coaching

Figure 8 Workout coaching, example schedule

A structural component called the *Leadership Effectiveness and Accountability Program (LEAP)* establishes teams of frontline leaders tasked to achieve a goal, individually and collectively. Certain frontline leaders rise to the top as super change agents, and these individuals are subsequently trained to become the coaches for future workouts. As a result, the structure itself becomes sustainable, speeding change and generating results.

During each workout, it becomes obvious as to which manager will be an effective change agent. The data will show which manager has been making the changes versus the manager who has just shown up for meetings. After the first workout, those leaders who have exhibited the greatest skill development will become team leads for the next workout (or LEAP Leaders).

These LEAP teams consist of 8–10 frontline leaders and are a cross-section of other department managers. Each LEAP team must make two changes per month per manager, as a group, as well as individuals in the group to reach.

This process is utilised for subsequent workouts, where top-performing change agents for each workout are identified. What is noteworthy in this process are the collaboration and interdepartmental changes and improvement in systems efficiencies that come about; in part due to collaboration within the team as well as due to peer pressure to not let other team members down. Thus, an increase in accountability.

One last item regarding the workout methodology is a recap of typical results based on over 160 organisations studied and a database of over 200,000 change plans maintained by Caldwell Butler. While the workout structure is very focused on leadership development, particularly aligned with the five essential characteristics of top-performing organisations, the exhaust of the approach is noteworthy. A fully implemented workout structure generates new margins. In the database of 200,000, the average impact is US\$7,500 per change plan.<sup>10</sup> How do these metrics translate to projected impact?

If a hospital has 50 participating frontline leaders, and the average number of changes implemented by a frontline leader in a workout is 6.4 changes, it means this hospital will have 320 implemented changes during the first workout. At US\$7,500 per change, that is an annualised financial impact of US\$2.4m in 100 days. This math reflects the result of small changes, led by the frontline manager. And the process demonstrates an investment in the frontline managers as they are enabled with structure and coaching.

### Did it work? Results at Dignity Health East Valley

As speed to result was a major impetus, DHEV engaged Caldwell Butler to roll out the workout structure, provide change management coaching to frontline leaders and facilitate the executive team in meshing essential components of the workout methodology into the ongoing management system. Collectively, the combination of methods was guided by these principles:

- De-bureaucratise decision-making to the first level of knowledge (frontline leaders). Eliminate 'vetting' by senior leaders by developing managers.
- Add '# changes per manager per month' to organisational scorecards.

- Convert monthly department management meeting to a change accountability 'check-in'.
- Save time by integrating existing initiatives into the monthly 'check-ins' to increase visibility and accountability and solve barriers (use workout as the organisations change engine).
- Develop/acquire a real-time change results tracking.
- Provide each director and manager with monthly mentoring and coaching from experienced change agents.

Consistent with the workout approach, DHEV selected 125 frontline leaders across the two hospital organisations and associated ambulatory services to implement two changes per leader per month. The kick-off event occurred on 14th January with check-ins roughly 30 days apart consistent with the structure.

The overall team was anxious at the beginning and concerned about 'oh no, one more thing I have to do.' Yet the team quickly adapted to the model and began to use the activities in the workout structure to get work done. Frontline leaders often encounter repetitive issues that interrupt their day. At DHEV, the leaders recognised those issues as 'process waste' and quickly

developed change plans to address the issue. Thus, they saw immediate benefit for themselves and the organisation. As a result, the energy level of the workout events increased.

As stated before, DHEV undertook multiple initiatives to close the gap and achieved a total of US\$11.6m in impact in a six-month period. Not all of the gains came through workout, but most did, about 86 per cent (or US\$10m) as shown in Figure 9.

DHEV did not want to directly take a lot out of labour, as such a step could prove counterproductive in a growth market that also experiences seasonal shifts in volumes. Yet there were savings in labour associated with reallocated and redesigned work, reducing the need for premium pay, adjusting span of control and skill mix. Most of the financial impact (US\$6.9m) was generated through eliminating process waste (also known as quality waste), reducing delays and creating capacity for new volumes. Being in a growth market, the capacity was quickly filled, and the community and physicians responded favourably as access increased.

The improvement went beyond the bottom line and above the balance sheet. This approach demonstrated an investment

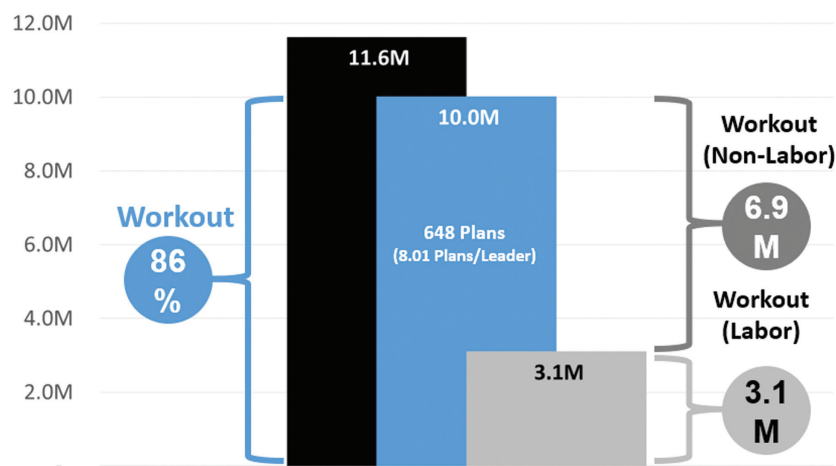


Figure 9 Financial results through two workouts

in the frontline leaders at DHEV. They were given access to experienced coaches who understood the essential tools and resources in a healthcare organisation. DHEV did not have to buy new productivity, accounting or benchmarking systems. The frontline leaders improved their use of the existing tools and increased their own business acumen.

One measure of the leadership development is indicated by the Top Performer Survey that captures the frontline leaders' mind-set related to the five essential characteristics of top-performing organisations. These characteristics are listed in Figure 6. The 'Pre-Post' survey reflects the frontline leaders' attitudinal response to questions associated with each of the five essential characteristics. The results of this subsequent survey are shown in Figure 10.

In this chart, the first bar of each set (red bar) represents the survey results prior to launching the workout approach. The second bar (purple) represents the DHEV frontline leaders' response after two workouts. The third bar (cyan) is the top-performer comparative based on responses from over

160 hospitals. DHEV advanced in all areas and achieved the top-performer status in two of the characteristics — a. speed to implementation (accountability) and b. the return on a metric, in this case ROI or new margins.

Overall, DHEV achieved these outcomes with the accelerated approach:

- Achieved/exceeded margin improvement goals
  - US\$11.6m overall with US\$10.0m delivered directly through workout
- Reinforced the value of existing resources, tools and methods through leader coaching
  - Implemented 962 changes
- Enhanced frontline leaders' change management skills
  - Achieved top-performer status in two categories, recognised leaders at each check-in for 'Pace and Point'
- Reinforced cross-organisational accountability
  - Results adapted for budget
- Demonstrated the value of collaboration within a multisite region
  - Over 150 plans required collaboration



Figure 10 Pre-post top-performer comparative survey

## Integrating workout into a management model — continuing the journey

One of the reasons for DHEV to choose the workout approach is that it recognised and embraced the tools, resources and methods already in place. The approach includes the coaching and mentoring needed by frontline leaders to optimise the use of existing resources while simultaneously making it easier for them to achieve goals.

One significant advantage of the workout structure is Caldwell Butler encourages organisations to adapt the model to fit the culture transformation that the hospital is seeking. This personalisation takes away the ‘oh another consultant’ response of frontline leaders, and they see the Caldwell Butler team as an extension of their organisation. The Caldwell Butler team worked with the senior team to set the stage and begin the process and then support the process with coaching and mentoring directly for frontline leaders in their place of work at the time they need the support. Over time, the coaching role is

assumed by the LEAP leaders developed over the course of four-to-six workouts.

DHEV modified the approach to fit to the then current management structure and cadence and to consider the notable seasonality impact of the geographic market. The resulting process is now timed with the 1st July fiscal year start to include these objectives:

- Coordination and coaching resources are essential to maintain disciplined approach.
- Accelerated improvement sessions are spaced to reduce leader fatigue amid the seasonality of volumes in the market.
- Dedicated time is scheduled in the annual business cycle for performance improvement — August to November and February to May.
- Future methodology<sup>11</sup> and resources for performance improvement sessions will be tailored to the improvement needs.

This cycle is repeated annually, as shown in Figure 11.

Dignity Health		BUSINESS CYCLE   GOVERNANCE & MANAGEMENT					FY22	Rev.05.17.2021
		Q1 JULY	→ AUGUST	→ SEPTEMBER	Q2 OCTOBER	↓ NOVEMBER		
		<b>Meetings</b> <ul style="list-style-type: none"> <li>BOARD Orientation New Members</li> <li>MEC + CC + PSC + QC</li> <li>MOR + ELT(2) + ELT HR</li> <li>GMEC</li> </ul>	<ul style="list-style-type: none"> <li>BOARD + DEV + EVF + CBC</li> <li>MEC + CC + PSC + QC</li> <li>MOR + ELT(2) + ELT HR</li> <li>S&amp;G 1/2 Retreat mid-point check-in</li> <li>SLT + EF</li> <li>GMEC</li> </ul>	<ul style="list-style-type: none"> <li>BOARD Retreat + Board + EVF</li> <li>MEC + CC + PSC + QC</li> <li>MOR + ELT(2) + ELT HR + S&amp;G</li> <li>GMEC</li> </ul>	<ul style="list-style-type: none"> <li>BOARD + QIC + EVF + CBO</li> <li>MEC + CC + PSC + QC</li> <li>MOR + ELT(2) + ELT HR + S&amp;G</li> <li>GMEC</li> </ul>	<ul style="list-style-type: none"> <li>BOARD + DEV + CBC</li> <li>MEC + CC + PSC + QC</li> <li>MOR + ELT(2) + ELT HR + S&amp;G</li> <li>GMEC</li> </ul>		
		↑ JUNE	GOVERNANCE			MANAGEMENT		↓ DECEMBER
		<b>Meetings</b> <ul style="list-style-type: none"> <li>MEC + CC + PSC + QC</li> <li>MOR + ELT(2) + ELT HR</li> <li>GMEC</li> </ul>	<ul style="list-style-type: none"> <li>BOARD = DHEV Community Board</li> <li>DEV = DHEVCB Development Comm</li> <li>QIC = DHEVCB Quality Improv. Comm</li> <li>CHC = DHEVCB Comm Health Comm</li> <li>EVF = DHEV Foundation Board</li> <li>FND = DHEV Foundation Events</li> </ul>			<ul style="list-style-type: none"> <li>MOR = Mgmt. Operating Review</li> <li>ELT = Exec. Leadership Team</li> <li>ELT HR = ELT High Reliability</li> <li>S&amp;G = EV Strategy &amp; Growth</li> <li>SLT = Senior Leader Team</li> <li>EF = Employee Forums</li> <li>BDGT = Budgetary Items</li> <li>GMEC = Meetings</li> </ul>		<ul style="list-style-type: none"> <li>MEC + CC</li> <li>MEC Christmas Party</li> <li>MOR + ELT(2) + ELT HR + S&amp;G</li> <li>EV ELT Christmas Party</li> <li>GMEC</li> </ul>
		↑ MAY	Q4 APRIL	← MARCH	← FEBRUARY	Q3 JANUARY		
		<b>Meetings</b> <ul style="list-style-type: none"> <li>BOARD + DEV + QIC + CBC + EVF</li> <li>MEC + CC + PSC + QC</li> <li>MOR + ELT(2) + ELT HR</li> <li>ELT Retreat – Leadership Dev/Goals</li> <li>GMEC</li> </ul>	<ul style="list-style-type: none"> <li>BOARD + DEV</li> <li>MEC + CC + PSC + QC</li> <li>MOR + ELT(2) + ELT HR</li> <li>GMEC</li> </ul>	<ul style="list-style-type: none"> <li>BOARD + QIC + EVF</li> <li>MEC + CC + PSC + QC</li> <li>MOR + ELT(2) + ELT HR</li> <li>GMEC</li> </ul>	<ul style="list-style-type: none"> <li>BOARD + DEV + EVF + CBC</li> <li>MEC + CC + PSC + QC</li> <li>MOR + ELT(2) + ELT HR</li> <li>S&amp;G Retreat</li> <li>MEC</li> </ul>	<ul style="list-style-type: none"> <li>BOARD + QIC + EVF</li> <li>MEC + CC + PSC + QC</li> <li>MOR + ELT(2) + ELT HR + S&amp;G</li> <li>GMEC</li> </ul>		
		↑	←	←	←	←		
		<b>Action</b> <ul style="list-style-type: none"> <li>BDGT – Prioritize &lt;\$500k routine CAP</li> <li>SERVICE AWARDS CELEBRATION - TBD</li> <li>Goals Finalized</li> </ul>	<ul style="list-style-type: none"> <li>BDG – Operating Pass</li> <li>WORKOUT 100-day check-out</li> <li>FND – Hummingbird's 5k</li> <li>BDGT – Operating 2<sup>nd</sup> Pass</li> <li>HOSPITAL WEEK</li> </ul>	<ul style="list-style-type: none"> <li>BDG – Operating Pass</li> <li>WORKOUT 60-day check-in</li> <li>FND – George Rosa Golf</li> <li>BDGT – Solicit &lt;\$500k routine CAP</li> </ul>	<ul style="list-style-type: none"> <li>BDG – Operating Pass</li> <li>WORKOUT 30-day check-in</li> <li>FND – Employee Campaign</li> <li>BDGT – Finalize budgeted labor standards</li> </ul>	<ul style="list-style-type: none"> <li>STRATEGY Plans updated FY start</li> <li>WORKOUT 100-day begins</li> <li>BDGT – Axiom budget workbooks open for dept. input</li> <li>BDGT – Preliminary EBIDA targets rec'd from Corp.</li> <li>3<sup>rd</sup> Pulse Survey - TBD</li> </ul>		

Figure 11 Resulting DHEV business cycle



**What made this approach successful?**

DHEV had an immediate need to close a financial gap. The executive team knew many methods and tools were available, and they sought an approach focused on investing and developing frontline leaders where the exhaust includes significant margin improvement. The structured process was couched in existing resources setting the stage for a 'combination of methods' that integrated with the overall management operating system. Thus, the accelerated improvement workout's 'burst' provided immediate results, and existing methods further sustained the gains.

In brief, why did this approach work?

- An evidence-based methodology was deployed in a way that aligned with existing resources.
- DHEV invested in the frontline leaders, increasing the change capacity of the organisation and preparing it for future challenges.
- Established leaders' awareness of financial goals provided transparency to progress and challenged the team to stay on top.
- Increased collaboration that facilitates plan implementation.
- Used recognition to reinforce desired behaviours and motivate the team.

And now the team is stronger and more prepared.

The future of US healthcare is uncertain, with disruptions driven by new innovations or payment challenges driven by politics, merger and acquisitions driven by a search

for economies of scale — as the old saying goes, 'the only constant is change'. Organisations that adapt the quickest and can implement change at the frontline level using their greatest asset, the middle manager, will be the market leaders.

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