

**HIGH PERFORMANCE AND
OPERATIONAL EXCELLENCE
(FROM SURVIVING TO THRIVING)**

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August 13, 2012

Ever Feel Like This?

Improve productivity

Improve Core Measures

Improve HCAHPS

Standard Work

Improve margins

Improve support processes

Improve core processes

Great Places to Work

Improve communication

Improve patient/customer satisfaction

Improve employee training and development

Innovate

Improve reward & recognition

Improve quality

Improve leadership

Improve compliance

Improve results

Magnet

Improve access

Improve competitiveness

Improve accuracy

Improve NOI

Improve measurement

Improve supplier performance

Improve decision making

Improve efficiency

Improve morale

Improve goal-setting

Improve ethics

Improve recruiting

Improve safety

Improve cycle time

Improve employee satisfaction

Improve value creation processes



Beginning Assumptions...

- Maturation of health care accountability environment will continue and accelerate over the next decade
- Organizations that thrive will develop capabilities to manage strategy, operations and execute in dramatically more effective ways

Topics

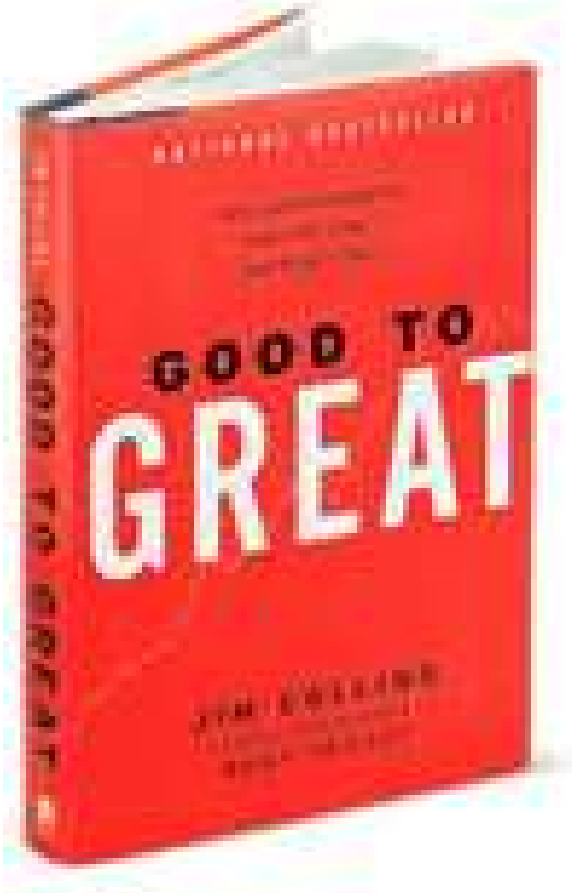
- Brief background on Baldrige
- Why and how use Baldrige ***effectively?***
- Role model practices and turning points

“Performance Excellence” Defined

An approach to organizational performance management that builds

- delivery of ever-improving value to customers and stakeholders
- improvement of overall organizational effectiveness and capabilities
- organizational and personal learning

Thought Leaders



“I see the Baldrige process as a powerful set of mechanisms for *disciplined* people engaged in *disciplined* thought and taking *disciplined* action to create great organizations that produce exceptional results.”

Jim Collins, *Good to Great*

Thought Leaders

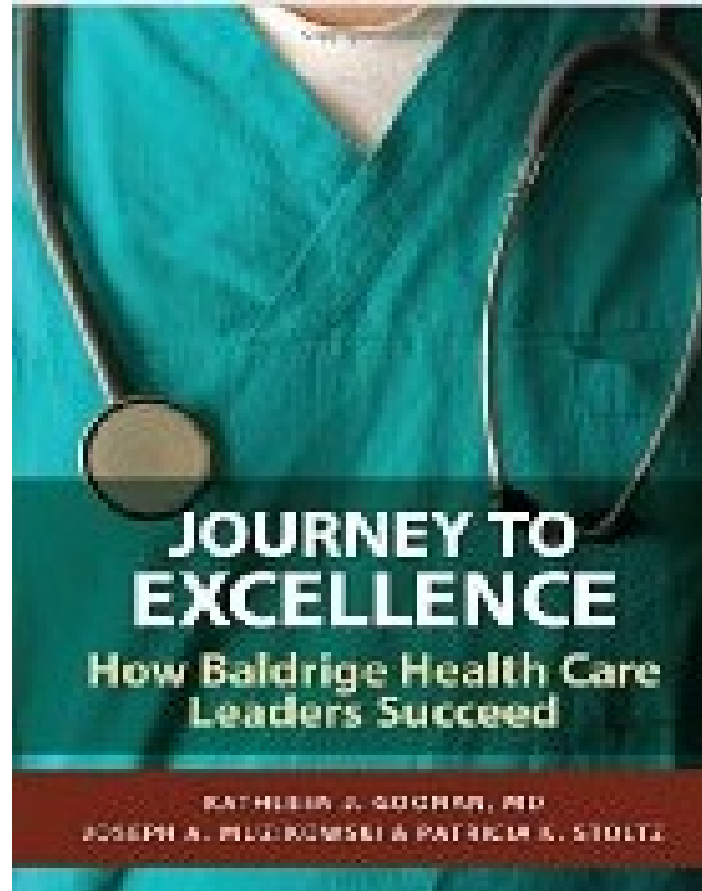


“W. Edwards Deming spoke of consistent, business-driving quality as arising from ‘a system of work’. The Baldrige Performance Excellence approach supplies the only practical, comprehensive outline for health care as a system of production in existence today.”

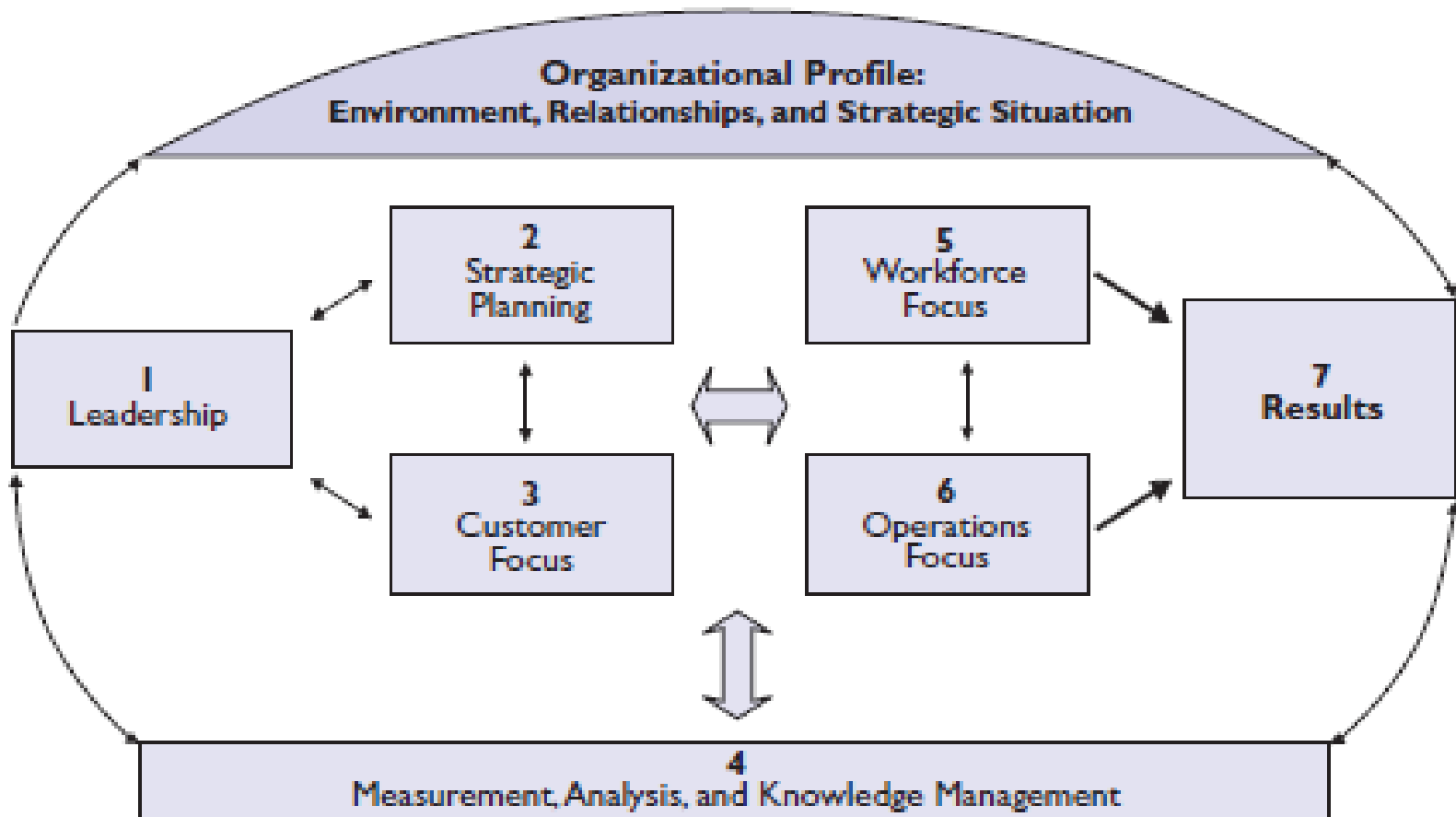
Brent James, MD

Intermountain Health Care

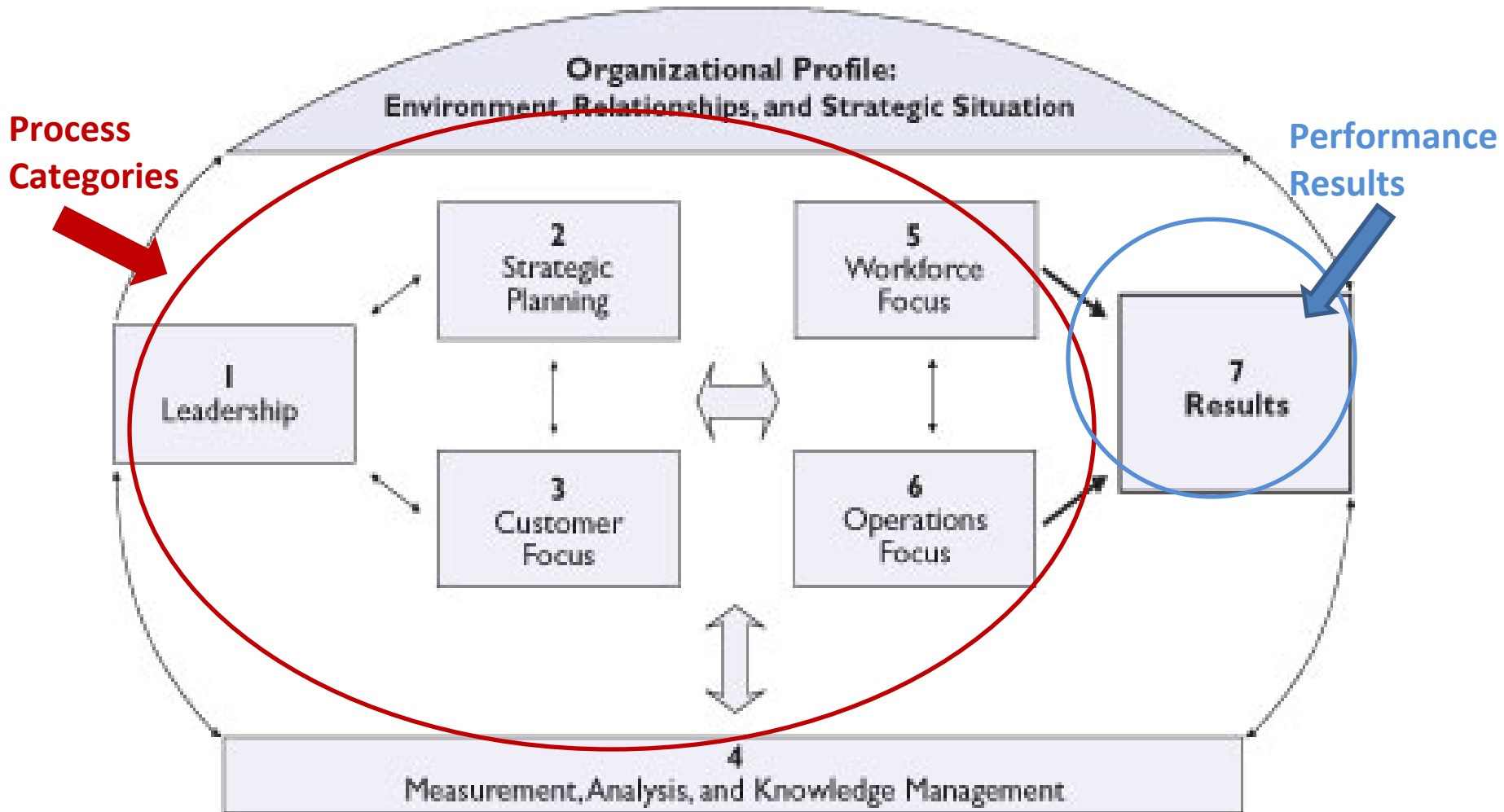
Our Contribution...



Baldrige Criteria Framework: A Systems Perspective



Baldrige Systems Framework



Category 1: Leadership

- 1.1 How do your senior leaders lead?
- 1.2 How do you govern and fulfill your societal responsibilities?

Category 2: Strategic Planning

2.1 How do you develop your strategy?

2.2 How do you implement your strategy?

Category 4: Measurement, Analysis, and Knowledge Management

4.1 How do you measure, analyze, and then improve organizational performance?

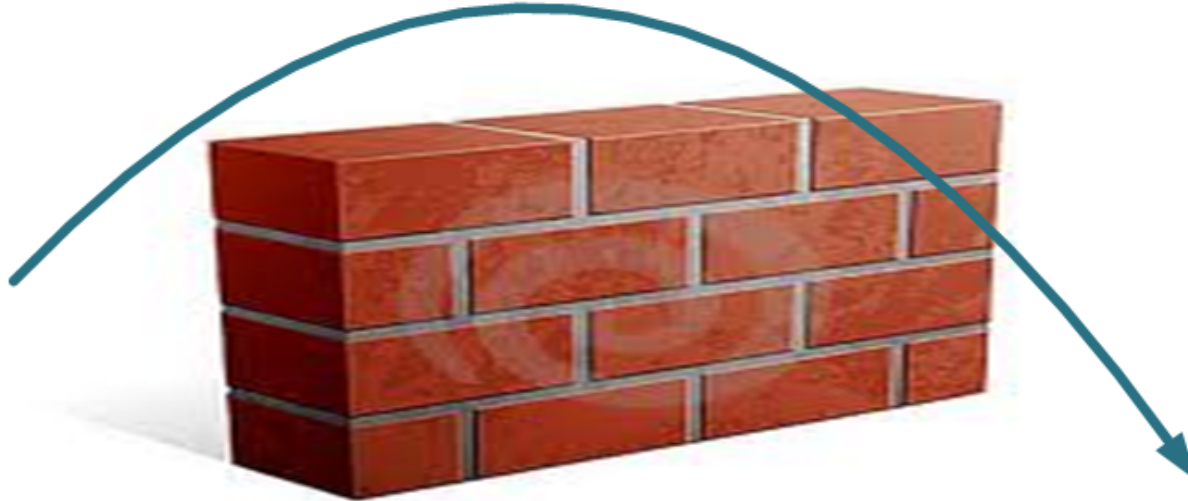
4.2 How do you manage your information, organizational knowledge, and information technology?

Building “Process Literacy”

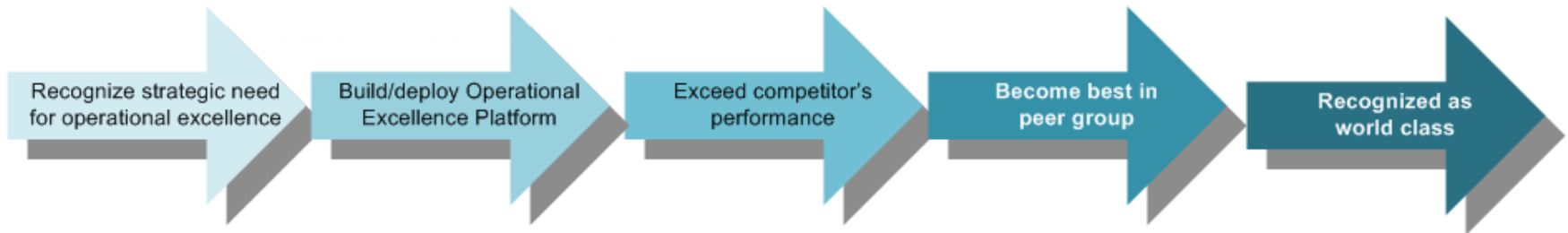
Continuous Improvement HURDLE

Random Acts of Goodness

Pockets of Excellence



Systematic, Fact-Based, Evaluation and Improvement Consistently Deployed Across System



“Process Literacy” Pioneers

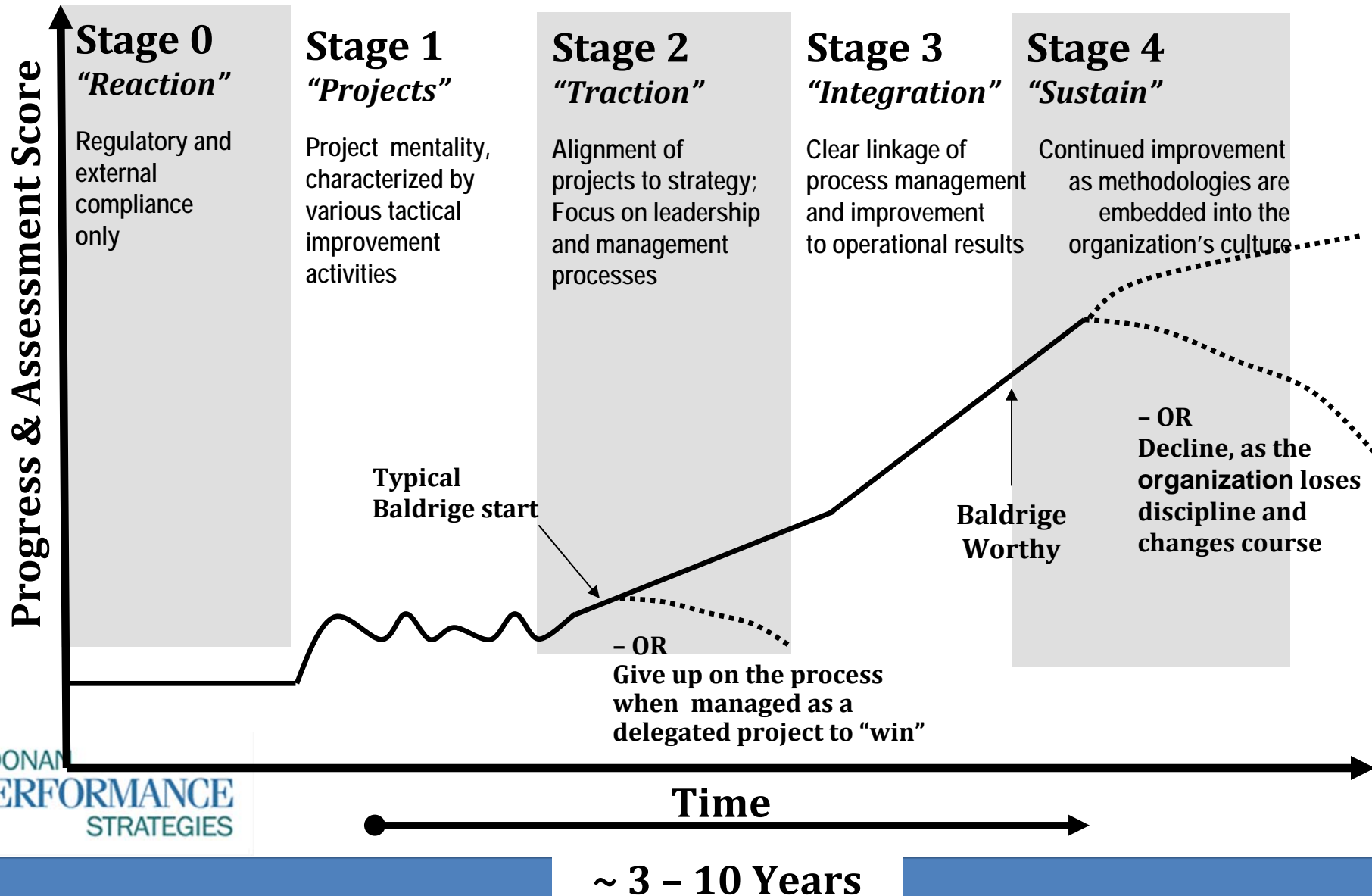
“We get brilliant results from average people managing and improving brilliant processes. Our competitors get mediocre results from brilliant people managing around broken processes. When they get in trouble, they try to hire even more brilliant people. We're going to win.”

Toyota Motors

“Objective is to Thrive”



The Baldrige Journey

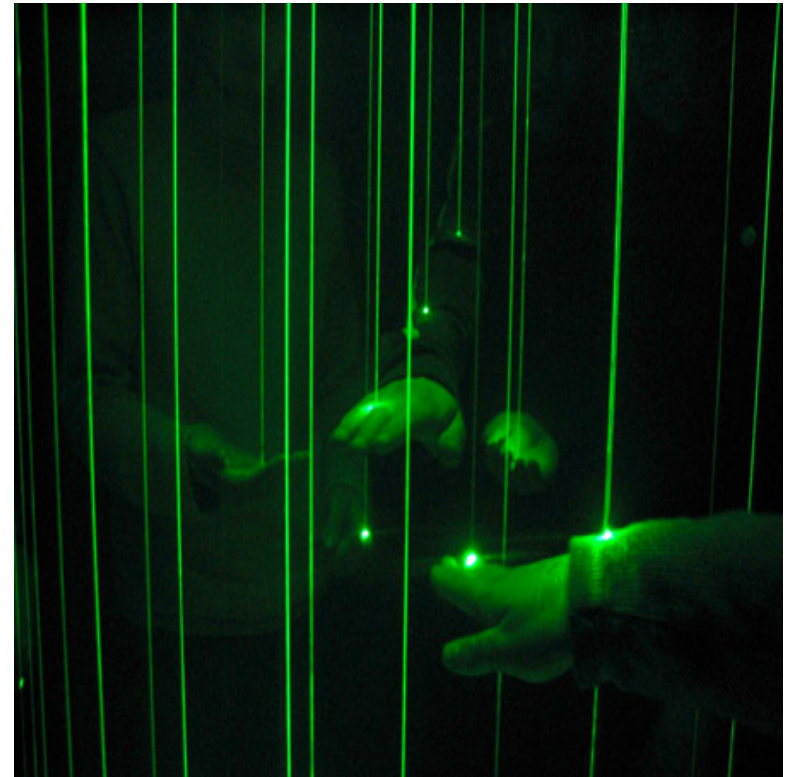




LASER:

Elements Guiding the Journey

- **L**eadership
- **A**ssessment
- **S**ensemaking
- **E**xecution
- **R**esults



Leadership

- Recognize fundamental change is needed
- Welcome evaluation and feedback
- Commit to building a culture of learning

Assessment

- Describe organization using the Criteria
- Conduct periodic enterprise evaluations
- Receive feedback on leadership and management capabilities

Sense-making

- Understand your organization as a system
- Interpret assessment feedback
- Define focus for improvement

Execution

- Make changes from day one
- Set priorities, focus on critical actions
- Establish accountability, action plans
- Integrate address feedback into existing plans, operations

Results

- Strong performance across the board
- Positive trends over time
- Key results compared to benchmarks
- Alignment, focus

LASER

Leadership

Commit to humility, truth-telling

Assess

Diagnose the current state

Sense-make

Understand our gaps

Execute

Deploy an action plan

Results

Prove it to yourselves and others



437

LUNCH	
Paal's Burger	\$4.99
Paal's Sandwich	\$4.99
Paal's Wrap	\$4.99
Paal's Salad	\$4.99
Paal's Pasta	\$4.99
Paal's Rice	\$4.99
Paal's Beans	\$4.99
Paal's Soup	\$4.99
Paal's Drink	\$1.99

MENU	
Paal's Burger	\$4.99
Paal's Sandwich	\$4.99
Paal's Wrap	\$4.99
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Paal's Beans	\$4.99
Paal's Soup	\$4.99
Paal's Drink	\$1.99

Role Model Practices and Turning Points

Selected Role Models

- Henry Ford Health System (2011)
- AtlantiCare (2009)
- Poudre Valley Health System (2008)

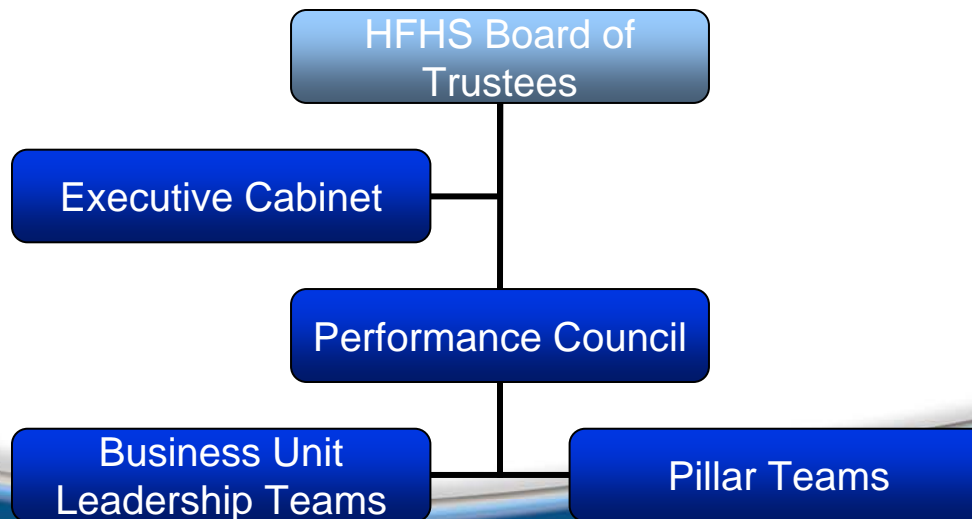
Their work in three key areas that contributed to their return on their Baldrige investment, their transition from “surviving to thriving”

Category 1 Work

- Evaluating and building effective performance oversight bodies
- Ensuring the effectiveness of these teams
- Continually improving leadership skills at the senior level

Performance Council

- Comprised of leaders of every Business Unit, pillar team, and key Corporate area
- Charged with overseeing the Strategic Planning Process and Organizational Performance Review
- Provides clear direction and decision making process to those seeking approval of or input to projects, policies, and initiatives (clarifies role of all leadership teams)

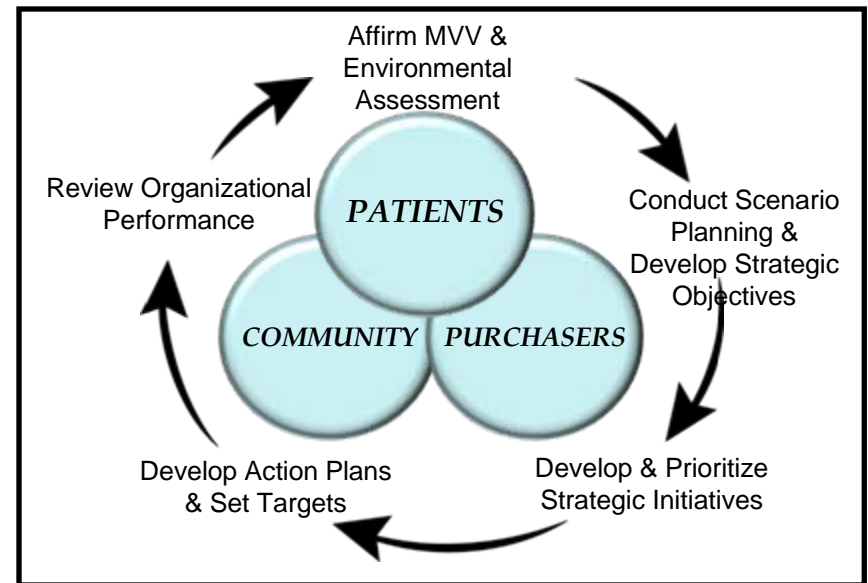


Category 2 Work

- Building a planning process that is highly participatory and well defined
- Creating critical targets and goals systematically deployed to entire workforce, as well as partners and suppliers
- Building disciplines for a strong focus on plan execution and agility

Improved Strategic Planning and Implementation

- Multiple refinements to the Strategic Planning Process
 - New processes focused on the criteria
 - New common vocabulary:
 - Strategic Objectives
 - Strategic Initiatives
 - Action Plans
 - Performance Targets
 - Aligned the strategic planning and budgeting processes
 - Clear expectations for aligned action planning



Planning Process



Strategy Map

VISION: WHERE WE ARE HEADED - ATLANTICARE BUILDS HEALTHY COMMUNITIES



MISSION: WHY WE ARE HERE

WE DELIVER HEALTH AND HEALING TO ALL PEOPLE THROUGH TRUSTING RELATIONSHIPS.



Connecting The Dots

VISION: WHERE WE ARE HEADED – ATLANTICARE BUILDS HEALTHY COMMUNITIES



AtlantiCare's Tight-Loose-Tight Approach

- Senior leaders create a sustainable innovative organization through use of a decentralized leadership approach (TLT) that supports innovation, agility, and workforce engagement.
 1. To create focus, senior leaders set the 5B objectives (Tight)
 2. BU specific action plans support organizational strategic initiatives (Loose) and approved by the SLT.
 3. Senior leaders of BUs are accountable for achievement of performance targets (Tight).
 4. Senior leaders share and support each others' improvement work on a regular basis.



Care to Join Our Measuring Club?



Are You Measuring Whatever Moves?



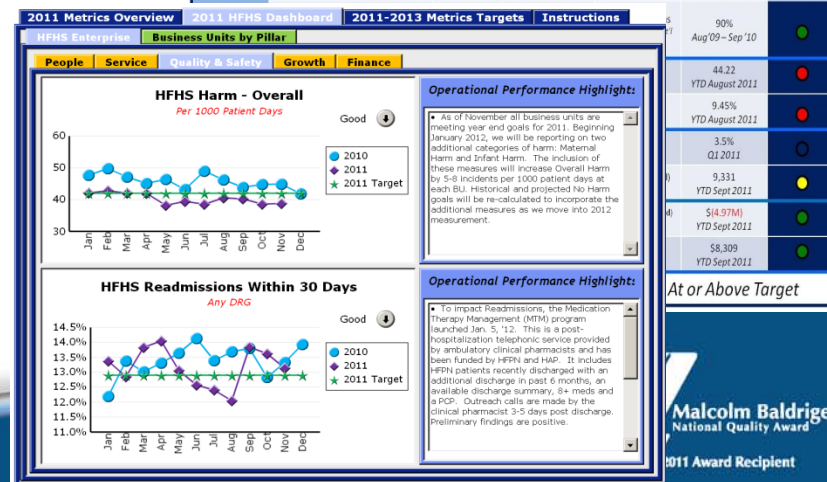
Category 4 Work

- Aligning and improving actionable measures
- Building consistent fact-based organizational performance reviews and decision making
- Ensuring quality, causal data sets in use
- Wide deployment and accessibility of data and information

Inclusive and Transparent Performance Measurement

- New Metrics Committee:
 - Comprised of operational, financial, and pillar leaders
 - Provide oversight and expertise to pillar teams and the Performance Council on definition, display (dashboards), comparisons, and analysis of organizational performance
- New HFHS Analytics department to drive information and knowledge management System-wide
- Transparency of results for greater knowledge transfer and better future planning

Pillar	Performance Indicator	Freq.	2010 Actual	2011 Target	2011 Current	Current Status
People	Turnover Total	Monthly	15.62% 2010 Year End	9.5% (year end) 7.12% (YTD)	11.1% YTD Sept 2011	●
	Employee Engagement Gallup Q12 and Pulse Surveys	Annual	3.99 April – Gallup	N/A	N/A	●
	Customer Engagement Top Box "Likelihood to Recommend"	Semi-Annual	3.69 Dec – Pulse	4.17 – Pulse	3.98 Oct – Pulse	●
		Monthly	81.6% 2010 Year End	82.5%	81.1% YTD Sept 2011	●



Measure, Analyze and Improve

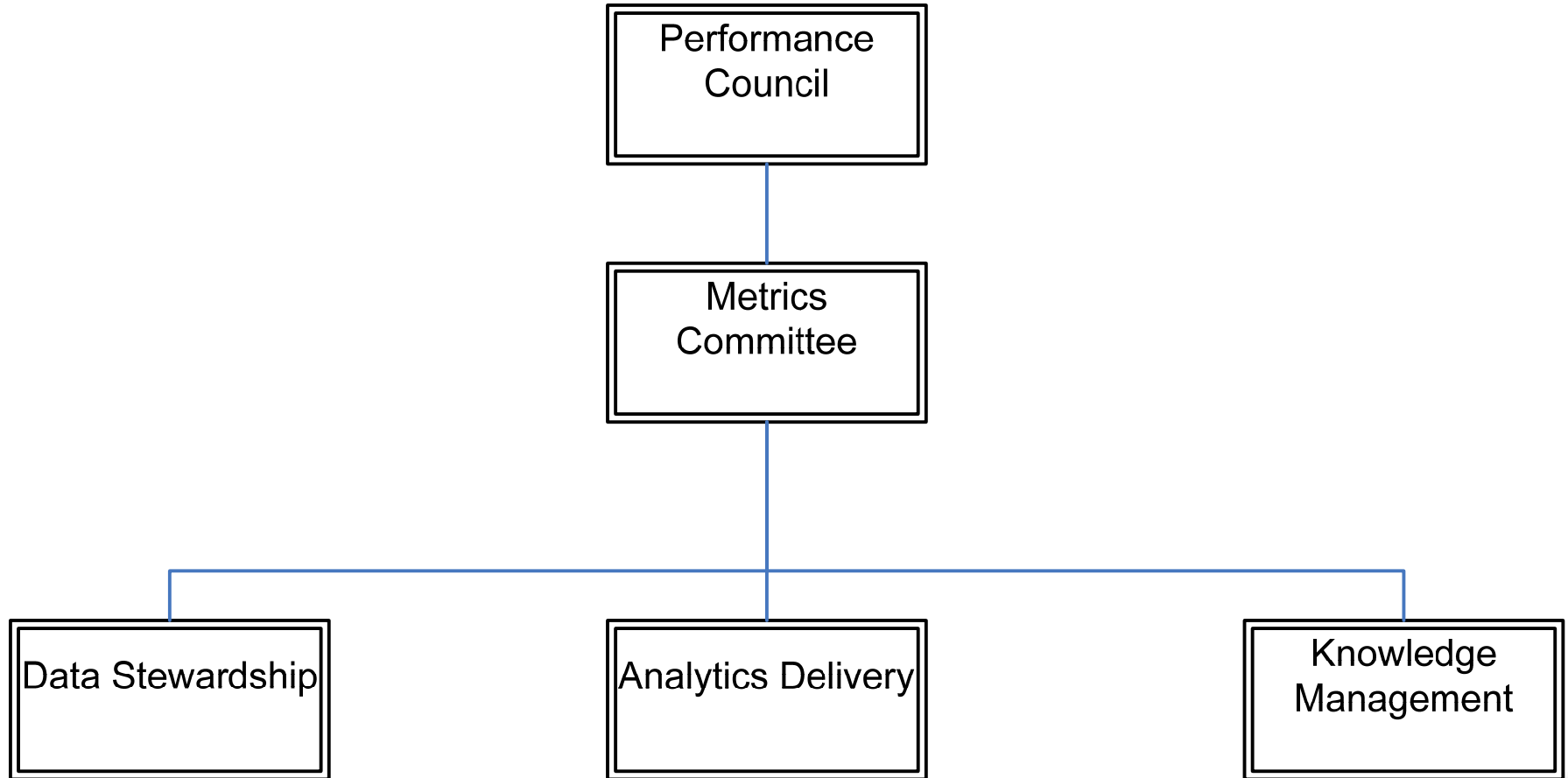
- Metrics Committee operational, financial, and pillar leaders who provide oversight and expertise to pillar teams and the Performance Council on the best way to define, display (dashboards), compare, and analyze organizational performance.

- HFHS Analytics department
 - Measurement and Comparator Selection
 - Business Intelligence Oversight
 - Dashboards/Organizational Performance Review
 - Knowledge Management

Pillar	Performance Indicator	Freq.	2010 Actual	2011 Target	2011 Current	Current Status
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	Employee Engagement Gallup Q12 and Pulse Surveys	Annual	3.99 April – Gallup	N/A	N/A	●
Service	Customer Engagement Top Box "Likelihood to Recommend"	Monthly	81.6% 2010 Year End	82.5%	81.1% YTD August 2011	●
	HCAHPS Hospital Consumers Assessment of Healthcare Providers and Systems	Quarterly	90% Aug '09 – Sep '10 # domains with results vs nat avg	70% of questions vs 50th tile of nat avg	90% Aug '09 – Sep '10	●
Quality & Safety	Harm – Overall Rate Per 1,000 patient days	Monthly	47.59 2010 Year End	41.8	44.22 YTD August 2011	●
	Readmissions to the Hospital All patients	Monthly	9.22% 2010 Year End	8.85% Q4 (0.5% pt ↓)	9.45% YTD August 2011	●
Growth	Tri-County Inpatient Market Share Med/Surg only	Quarterly	3.4% Q4 2010	TBD	3.5% Q2 2011	●
	Admission Volumes Not including BHS	Monthly	11,238 2010 Year End	13,124 (year end) 9,820 (YTD)	9,331 YTD Sept 2011	●
Finance	Profitability Net Operating Income	Monthly	\$(16.2M) 2010 Year End	\$(12.4M) (year end) \$(9.49M) (YTD)	\$(14.97M) YTD Sept 2011	●
	Cost Per Unit Cost per case mix adjusted admission	Monthly	\$8,747 2010 Year End	\$8,707 Year end 2011	\$8,309 YTD Sept 2011	●

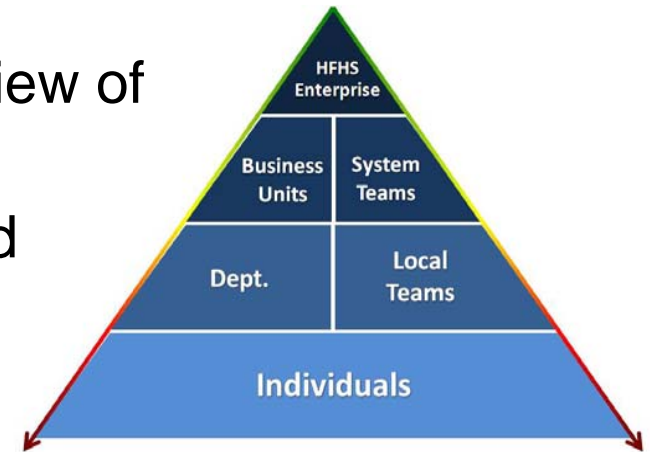
● > 5% Variance to Target ● ≤ 5% Variance to Target ● At or Above Target

Metrics Committee Structure



Organizational Performance Review

- System-level dashboard and monthly review of measures at Performance Council (PC)
- Continuous search for best measures and comparators / databases
- Semi-annual review of all pillars and business units at PC



System Dashboard



Leadership Competencies & Standards: Aligned to Baldrige

- 40% of Leader and Staff evaluations tied to leader/team standards
- Incentives aligned with organizational goals



It all comes back to Leadership!

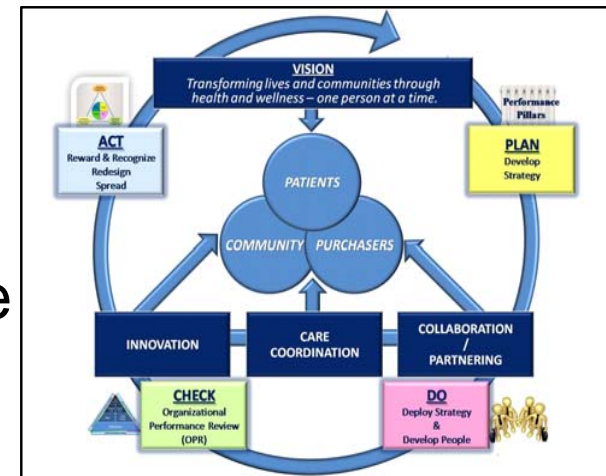
- Putting all the pieces together, over time, to build a leadership system

HFHS Leadership System



Created Performance Council and New Leadership Processes

- Feedback showed incomplete strategic planning steps, deployment, and alignment
- Many performance targets – and results – remained the “responsibility” of a few vs. everyone
- Evaluated all current leadership teams: membership, roles and responsibilities, meeting frequency, and perceived effectiveness
- Created a “picture” of our Leadership System
- Launched the new HFHS Performance Council





PVHS Global Path to Success

A GUIDE TO PERFORMANCE EXCELLENCE

Vision

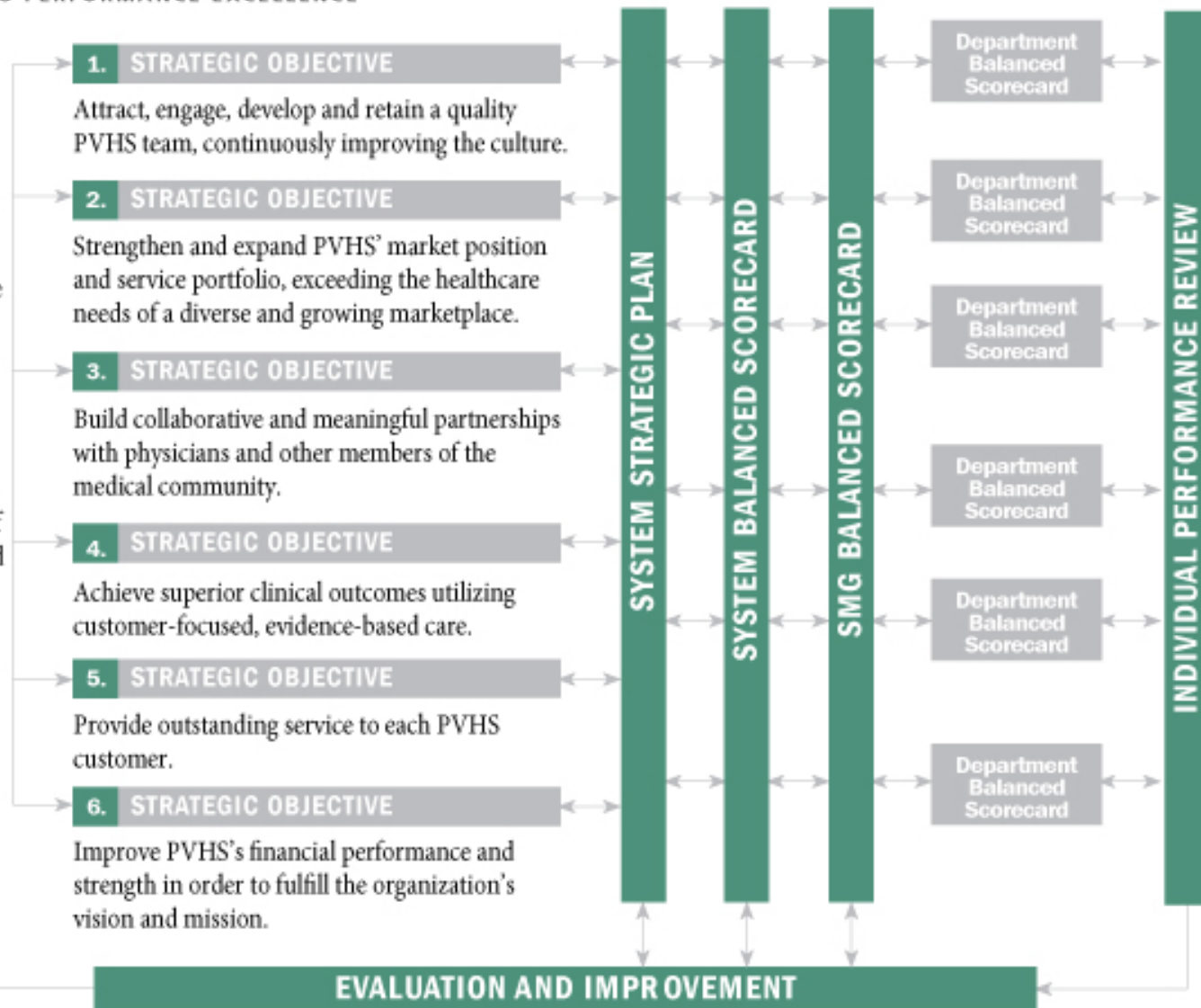
To provide world-class health care

Mission

The mission of Poudre Valley Health System (PVHS) is to be an independent, non-profit organization, providing innovative, comprehensive care of the highest quality and exceeding customer expectations.

Values

Quality
Compassion
Confidentiality
Dignity/Respect
Equality
Integrity





PVHS Global Path to Success

A GUIDE TO PERFORMANCE EXCELLENCE

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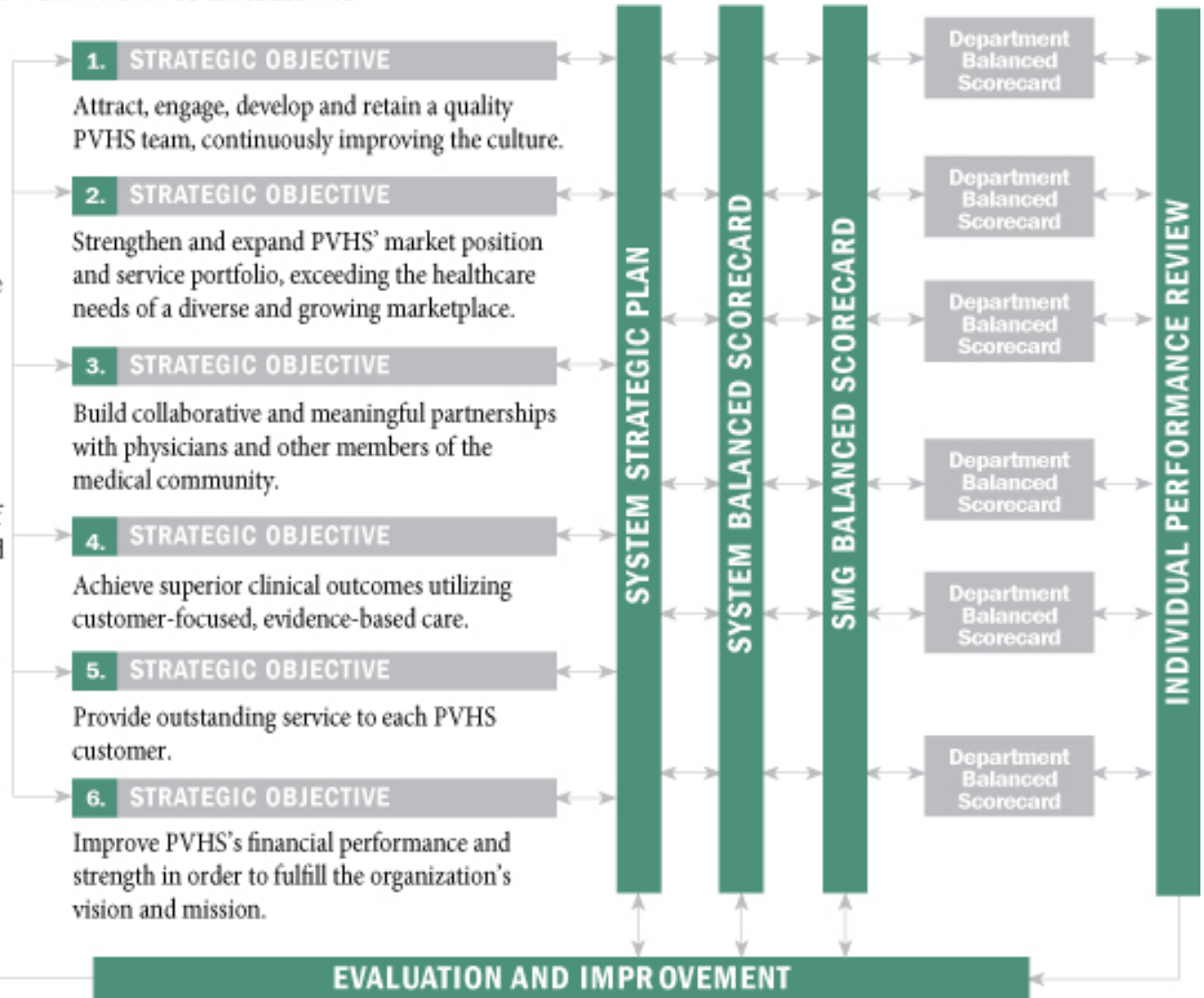
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Our Beliefs





PVHS Global Path to Success

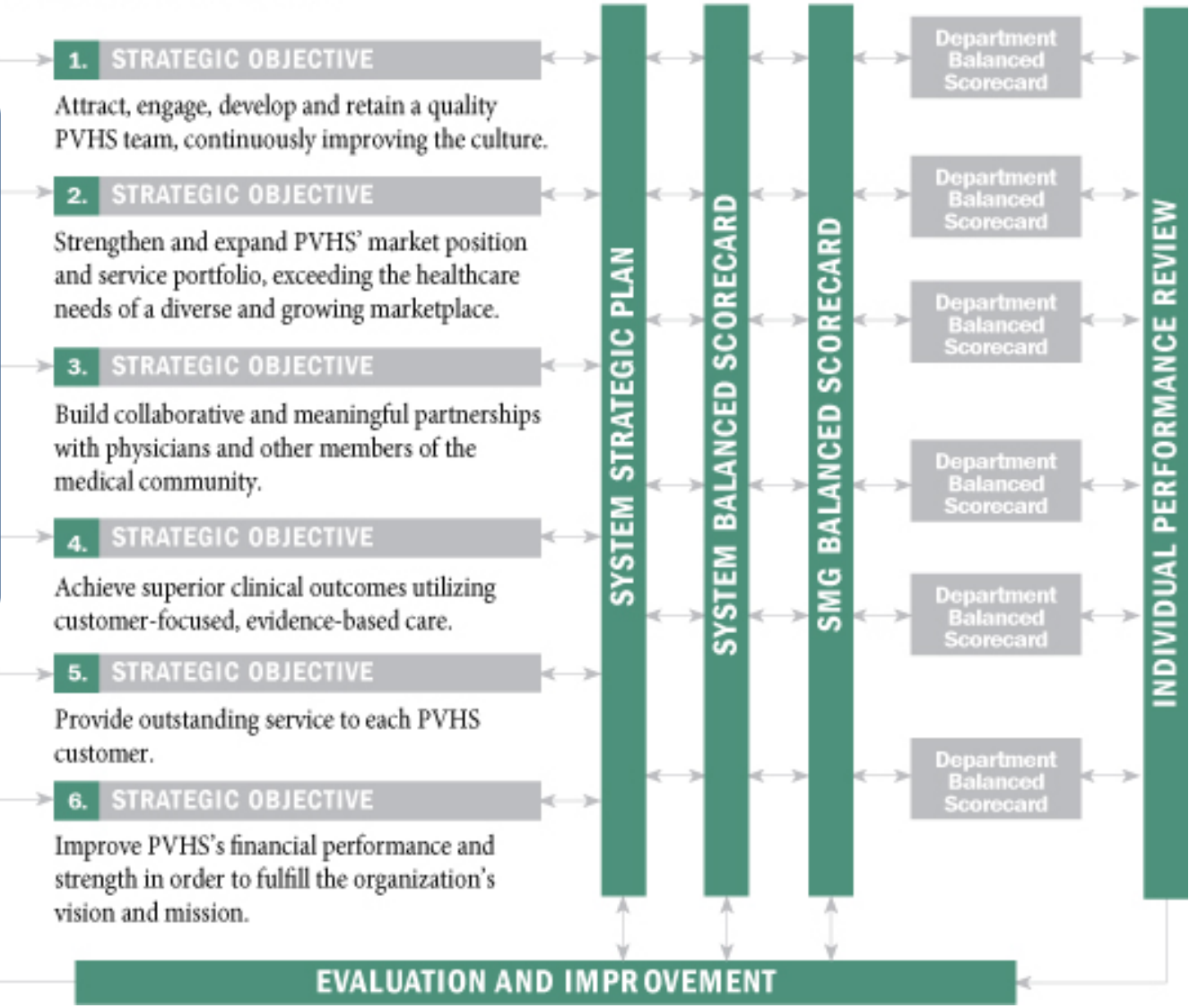
A GUIDE TO PERFORMANCE EXCELLENCE

Setting Direction

Vision
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Vision

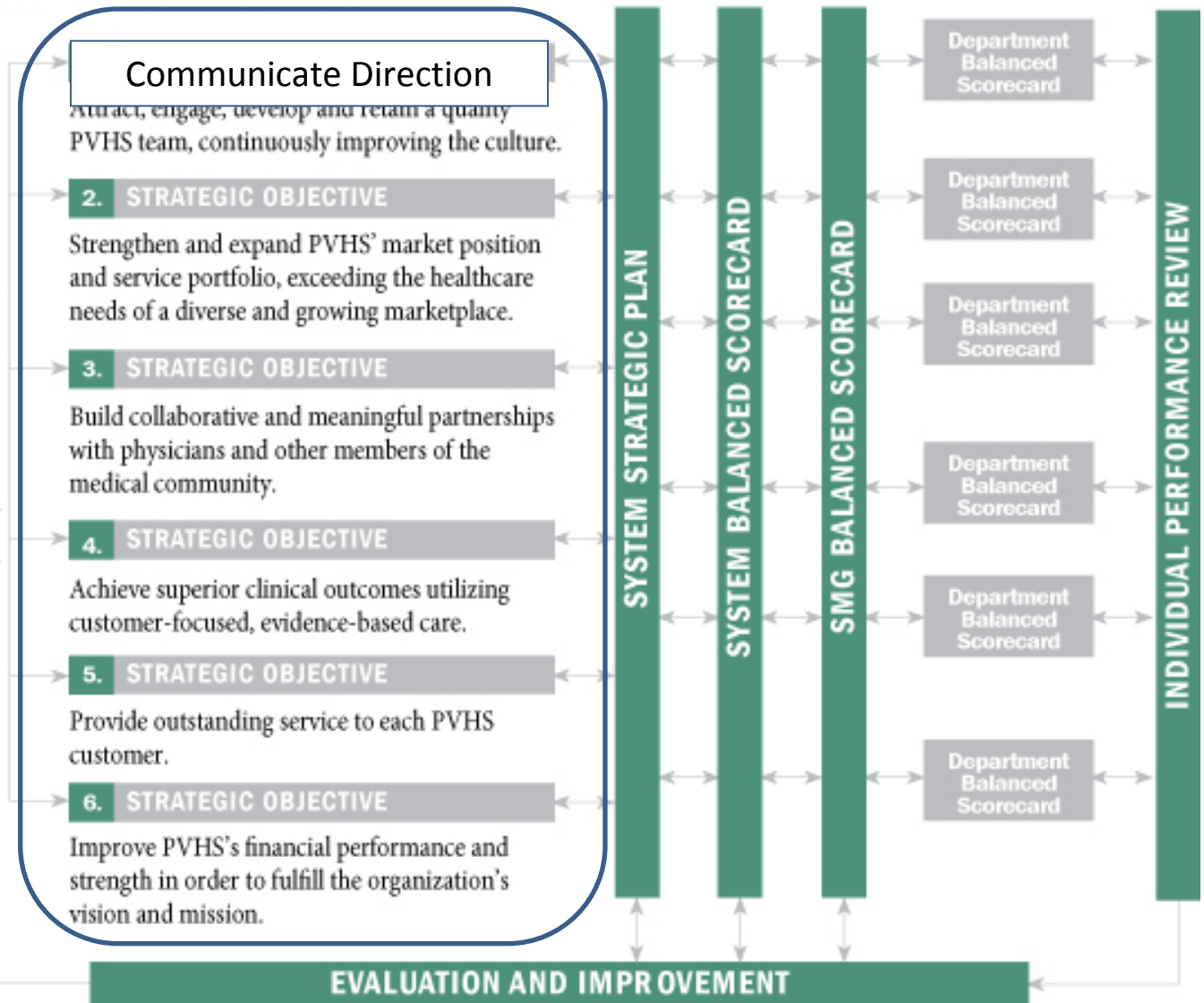
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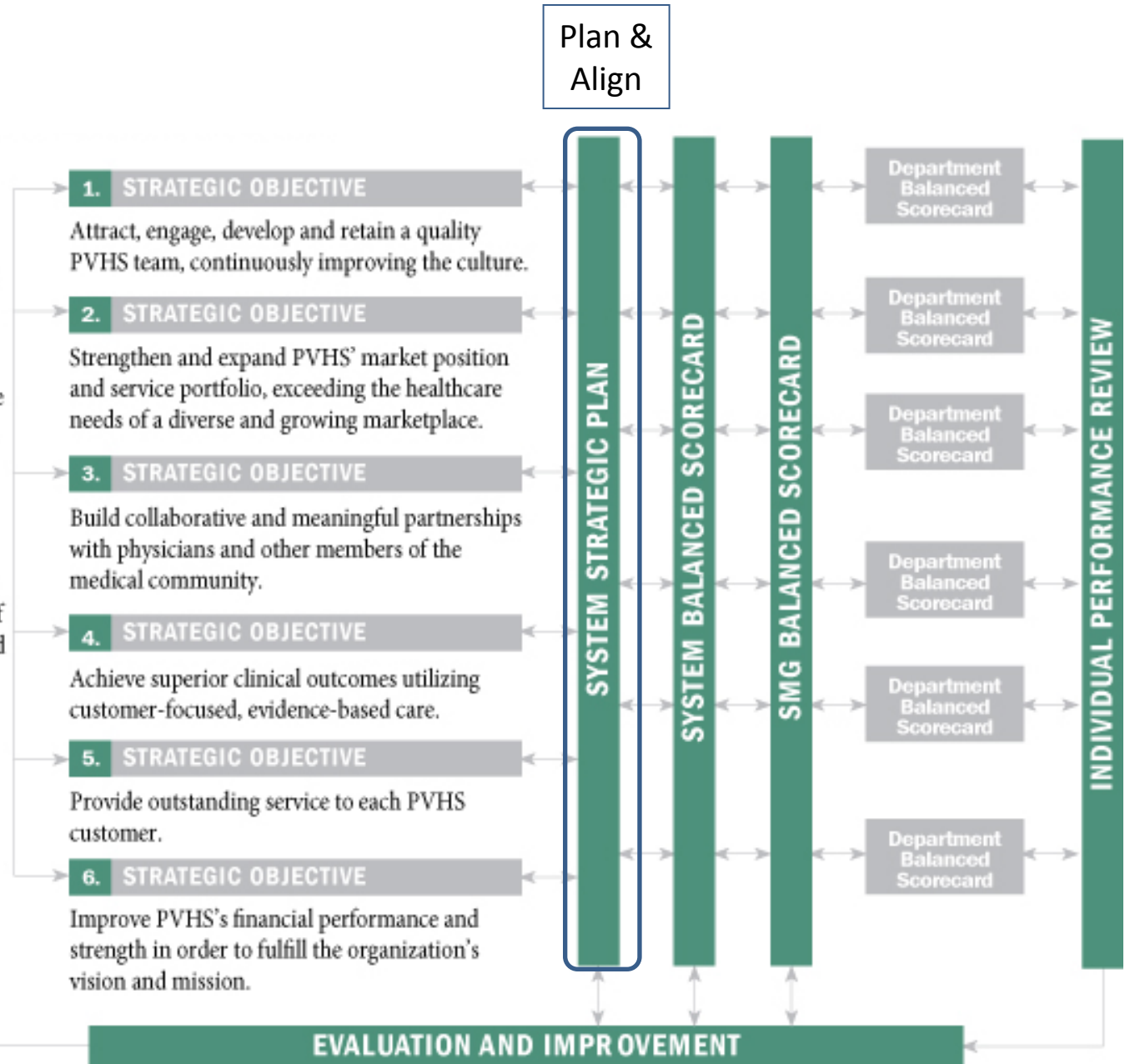
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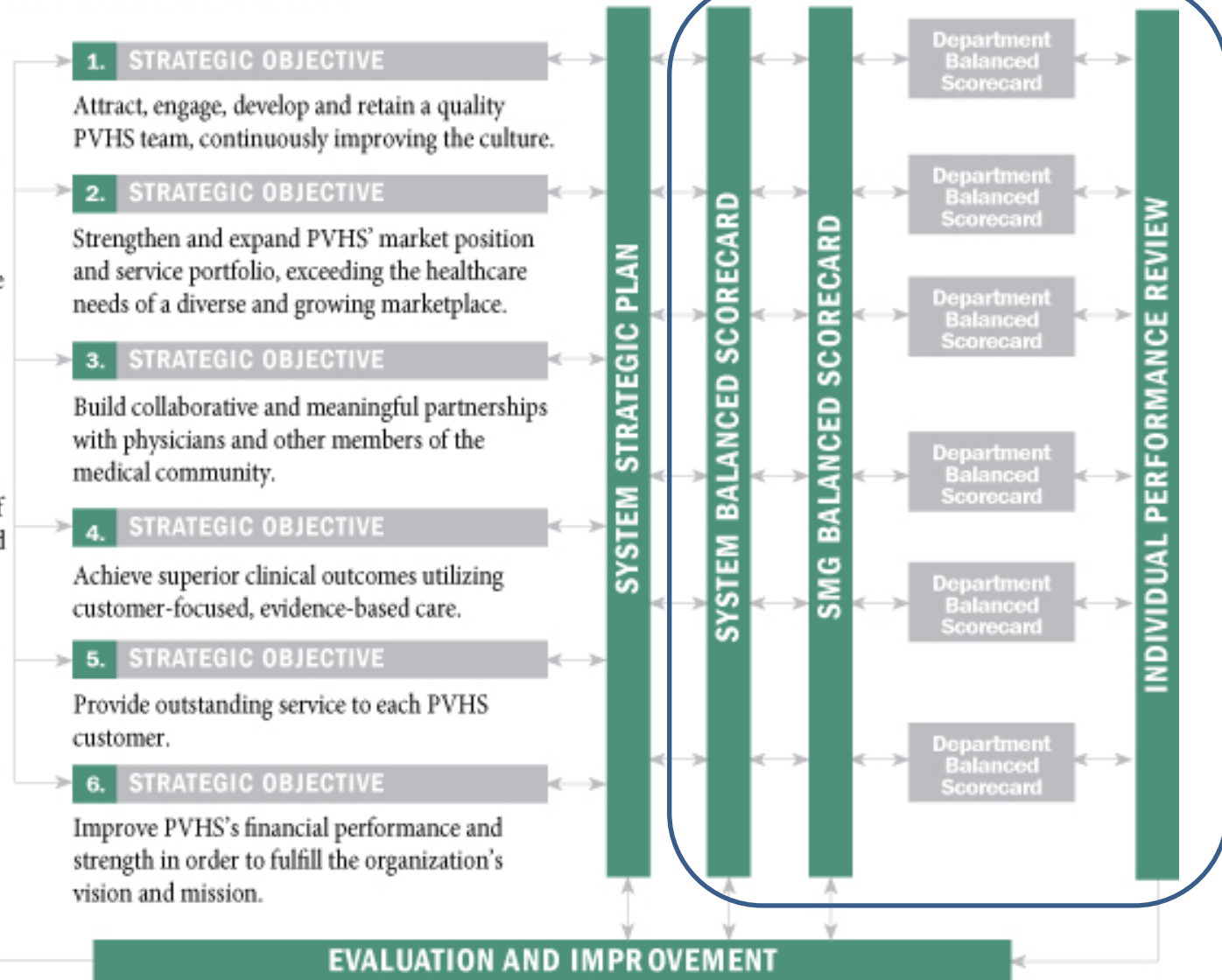
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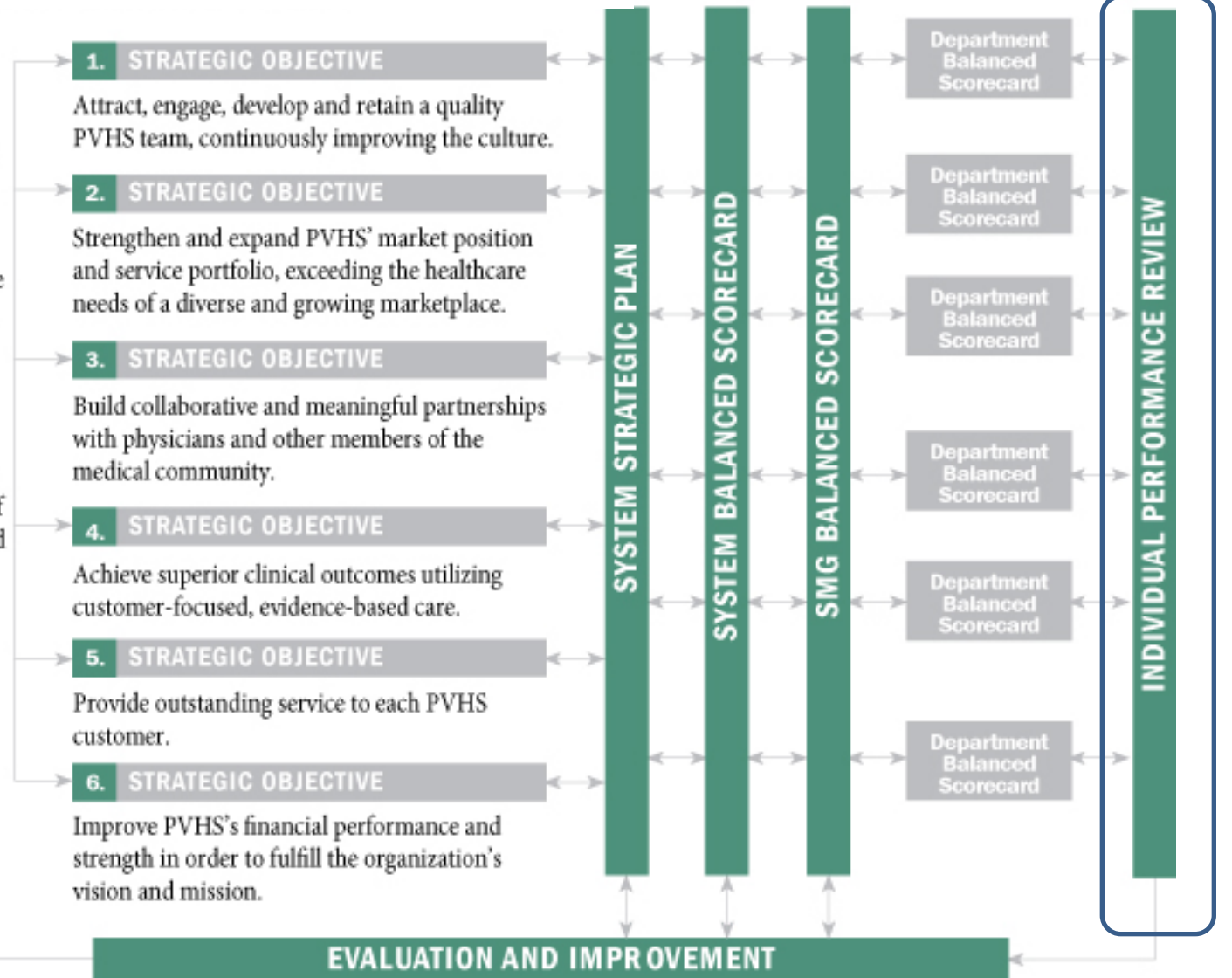
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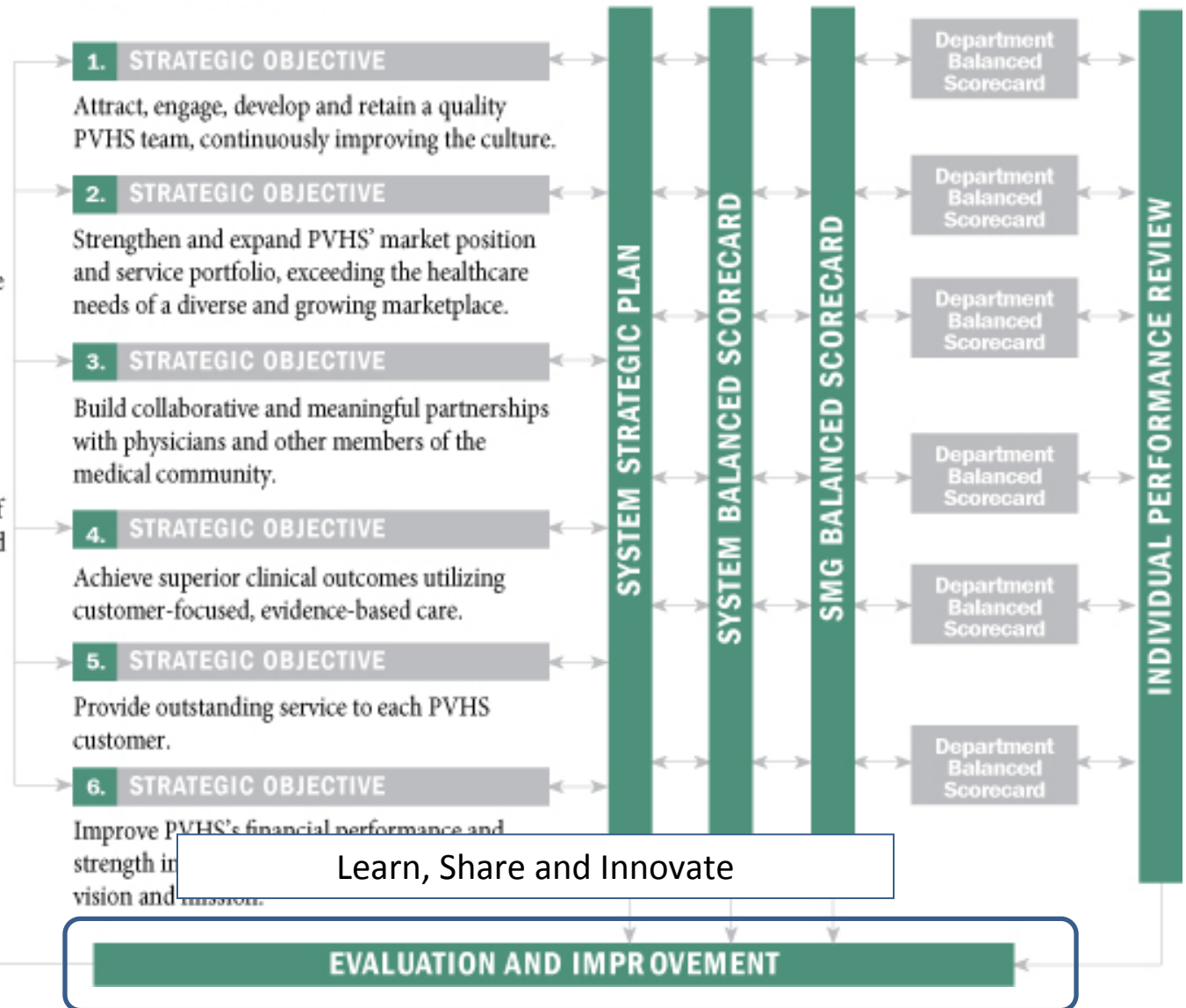
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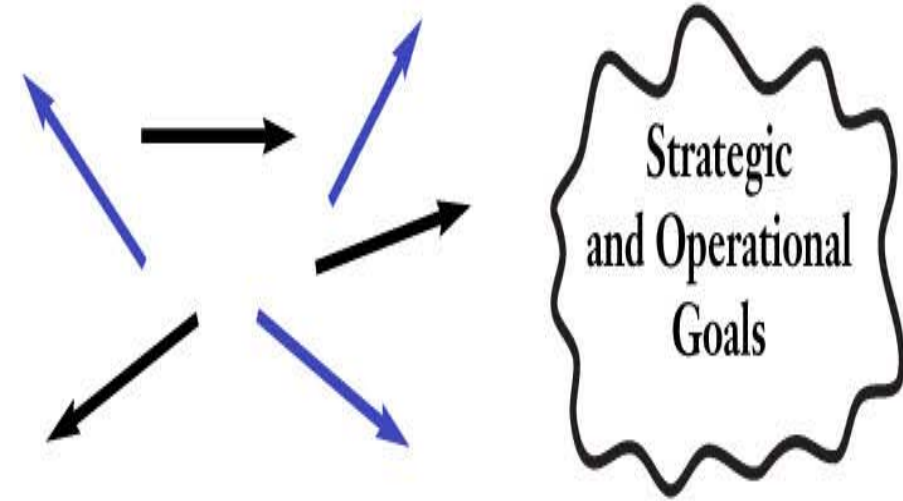
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(1) Reacting to Problems



Thank You!

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