Strategic Alignment and Accountability: HFHS’s Turning Points

April 17, 2012

Susan S. Hawkins
Sr. Vice-President, Performance Excellence

Panel Discussion

Susan Hawkins  SVP, Performance Excellence  shawkin1@hfhs.org
Jim Connelly  Executive VP and Chief Financial Officer  jconnel2@hfhs.org
Edie Eisenmann  VP, Governance and Chief Governance Officer  eeisenma@hfhs.org
Rose Glenn  SVP, Communications & Chief Marketing Officer  rglenn1@hfhs.org
Robert Riney  President & Chief Operating Officer  rriney1@hfhs.org
Seven Years of Learning

2004
- Increasing attention within health care; our CEO ready

2005-2006
- Self-assessment, with support from consultants
- Established the 7-pillar framework
- Other, more modest changes to leadership processes; reassessment of improvement approaches

2007
- 1st applied to State and National Programs
  - Each application was for the entire System
- October 2007 Site visit by Michigan Quality Council
  - Earned Michigan Quality Leadership Award

Baldrige at HFHS: A Journey of Discovery
Baldrige at HFHS: A Journey of Discovery (cont.)

- 2008 - 2010
  - Applied to National Program each year; no site visits
  - Continuous improvement work based on feedback Strengths and OFIs, as well as best-practice research
  - Significant revisions to application in 2010 based on changes
  - Better at anticipating strengths and opportunities
  - 20+ examiners trained – Michigan and National

- 2011
  - Fifth application submitted, selected for Site Visit
  - Notified November 21, 2011 – WE GOT IT!
  - Feedback report received December 14, 2011

Turning Point #1: Creation of “The Pillars”
“The Henry Ford Experience”: 7 Pillars of Performance

- Mission & Vision are supported equally by all 7 the pillars
- Values, Core Competencies, and Organizational Framework provide the foundation
- “The Henry Ford Experience” is high performance for our customers across all 7 pillars
- Broad communication reinforced this new framework for the organization
- Formally organized strategies and performance targets by pillar
Turning Point #2:

*Receiving the Michigan Quality Council Leadership Award*

First Time’s a Charm

- Inspired great pride and optimism
- Site visit experience built tremendous learning
  - How to communicate/translate Baldrige-speak to HFHS activities for employees
  - How many documents are requested!
  - How to prepare and organize supporting documents
  - How to help design a useful site visit for examiner team
- Celebrated award System-wide
- But we didn’t even get a national site visit…
Turning Point #3:  
**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 Performance Council
Depicting the HFHS Leadership System

- 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)

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)
Performance Council Charter

- Set annual or multi-year System goals *(approved by Board)*
- Review performance against goals on a routine basis *(dashboards and action plans)*
- Discuss and recommend course changes, including changes or additions to strategic initiatives, assigned teams, and action plans
  - Knowledge sharing dialogue – best practices and lessons
  - Resource for other teams to accomplish System objectives
- Model accountability for achieving Strategic Objectives

Other Changes to HFHS Leadership System

- Created an Enterprise Risk Council with System-level goals:
  - Develop and execute/oversee HFHS’s approach to Enterprise Risk Management (ERM)
  - Ensure ERM strategies are integrated into the overall strategic plan.
  - Short-term: Identify top five risk areas that require enhancements to controls or processes to adequately mitigate/prepare for the risk. Integrate these into the current strategic planning process in 2011/12
  - Long-term: Identify a full-scope, repeatable Enterprise Risk assessment process
- Reinforced System-wide teams, accountable to Performance Council, to provide broad inputs and greater spread
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

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
Transparency and Accountability at each Business Unit

- Modeled by senior leaders, starting at Performance Council

### No Harm Campaign
- **Pillar**: People
- **Performance Indicator**: Tumor Tote
- **FREQ**: Monthly
- **2010 Actual**: 15.62% (2010 Year End)
- **2011 Target**: N/A
- **2011 Current**: 11.5% (YTD Sept 2011)
- **Current Status**: Red

#### Customer Engagement Indicators
- **FREQ**: Quarterly
- **2011**: 8.6% (YTD Sept 2011)
- **2011 Target**: 81.5%
- **Current Status**: Red

#### Financial Indicators
- **FREQ**: Monthly
- **2011**: 54.6% (YTD Aug 2011)
- **2011 Target**: 50.8%
- **Current Status**: Green

### Process Improvement Culture
- **Pillar**: Finance
- **Performance Indicator**: Cost Per NUR
- **FREQ**: Monthly
- **2011**: $3.47 (2010 Year End)
- **2011 Target**: $3.97 (YTD June 2011)
- **Current Status**: Green

### Sharing the Good and the Bad

<table>
<thead>
<tr>
<th>INITIATIVES</th>
<th>ACTION(S)</th>
<th>OVERALL (R,Y,G)</th>
<th>LOOKING FORWARD (NEXT QTR)</th>
<th>PC SUPPORT NEEDED?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>No Harm Campaign</strong></td>
<td>- Achieved almost 50% reduction in Employee Harm rate through focused efforts of Safety Championships and Huddle Boards.</td>
<td>RED</td>
<td>- Sustain employee harm improvements</td>
<td>NO</td>
</tr>
<tr>
<td><strong>Care Team Communication</strong></td>
<td>- Conducted an A3 Workshop with staff and patients focused on “Creating and individualized, team-based plan of care developed in collaboration with patients”</td>
<td>YELLOW</td>
<td>- Focused teams to tackle root causes and “baby A3s” including creation of common care plan, consult process improvement</td>
<td>Yellow</td>
</tr>
<tr>
<td><strong>Process Improvement Culture</strong></td>
<td>- Implementing plan for Performance Improvement</td>
<td>GREEN</td>
<td>- Rollout team plan</td>
<td>Green</td>
</tr>
</tbody>
</table>

- **Support and possible participation from key medical group physicians**
Leadership Competencies & Standards: Aligned to Baldrige

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

Lessons Learned

- Essential for senior leaders to drive, support and actively participate in Baldrige improvements
  - CEO commitment
  - Leaders as Champions, Category Co-leads
- The writing (and associated self-evaluation) generates as much learning as the feedback reports
- Spread the knowledge – build examiner competency across the organization (we started at the State level)
- It’s OK to use the “B” word – builds common understanding among the leadership team
- Winning does not mean perfection – perhaps just better at seeking perfection
- Clarify and communicate: award or strategy?
2012: The Journey Continues

- Key System-wide priorities based on examiner feedback and pre-/post-visit self-assessments:
  - Refine our approaches for identifying and spreading improvements, innovations, and best practices; learn from others at Quest
  - Continue to communicate and connect System goals and current performance, opportunities, and responsibilities to individuals and front line teams; refine strategic planning process steps to hard-wire “tight-loose-tight”
  - Re-evaluate and re-align key processes, owners, and measures at all business units and work systems

Panel Discussion

Susan Hawkins  SVP, Performance Excellence
shawkin1@hfhs.org

Jim Connelly  Executive VP and Chief Financial Officer
jconnel2@hfhs.org

Edie Eisenmann  VP, Governance and Chief Governance Officer
eeisenma@hfhs.org

Rose Glenn  SVP, Communications & Chief Marketing Officer
rglenn1@hfhs.org

Robert Riney  President & Chief Operating Officer
rriney1@hfhs.org