

CATALYST PERSPECTIVES

What do we know that isn't so?

Business organizations today are rife with aphorisms – both weighty and trite – that often guide our thinking and too frequently substitute for it. When was the last time you heard someone say, “We need to think outside the box”? But we may be limiting our possibilities and possibly hurting our organizations by blindly following these sayings. How many of these truisms aren't necessarily true?

You were probably very young when you first heard your (most likely) mother say to you, “Child, a bird in the hand is worth two in the bush.” At the time you probably wondered where the three birds were, because you certainly didn't have one in your hand. But over time, you began to realize that she meant it is better to be content with what you have than to try to get something more and risk losing everything. And in most cases, Mother was probably right. So you adopted this principle in life and thrived.

But what about the hunter who needs to supply food for a family of four, and sees two fat turkeys in the bush while the single bird in his game pouch is a quail? Easy shot, lots of meat, happy family: time to violate that life principle. You see, the saying was meant to illustrate broad principles, not to substitute for right thinking and right decision-making.

The scope and velocity of change in the past few decades, particular in the health care industry, have spawned a number of aphorisms that help us deal with complex decisions in a simpler manner. It's not clear, however, that the underlying premise of this conventional business wisdom is correct, certainly not in all occasions. But listen in on

any business meeting or in conversations between executives or managers and you will hear a patois of platitudes that too often substitute for critical reasoning and thoughtful decision-making. “We need to think outside the box.” “We need to deliver on time and on budget.” “Failure is not an option.” “Let’s pick the low hanging fruit.”

Like the proverbial bird in the hand, these business aphorisms need to be subjected to some scrutiny lest they lead our organizations to starvation. Let’s examine a number of these aphorisms and challenge their underlying precepts.

On time and on budget. This one is a favorite of consultants and information technology professionals who promise that they will “deliver the solution on time and on budget”. Aside from the fact that the successful professionals with whom we want to do repeat business frequently deliver their services ahead of schedule and under budget, we ought to ask ourselves, “Is what they are promising to deliver, really what the organization needs? Are there alternative solutions that may be better?” Rather than focusing principally on time and cost, critically evaluate whether the approach to achieving the objective and the people leading the initiative are the right ones for your organization. You may find that culture, people and politics need extra consideration – above and beyond time and cost – to ensure the success of the project. Which leads us to . . .

You can’t manage what you can’t measure. But oftentimes you have to. Culture, individual and group behaviors, political dynamics, competitor actions – all these require some kind of managerial action, even though they can’t necessarily be quantified. Measurement implies clarity and precision; but managing complex systems like health care organizations is rife with ambiguity and uncertainty. The now classic textbook failure of Cedars Sinai to implement an EMR system earlier in the decade wasn’t caused by a bad project plan or inadequate resources. It was caused by a failure to consider appropriately the politics and resistance of the medical staff to the project. Tough to measure, but certainly possible – and necessary – to manage.

Pick the low hanging fruit first. The first person to do this was Eve, and we know the consequences of that decision. This saying is frequently applied in cost-reduction initiatives and suggests that we should do the easy things (cutting the training budget) first, when in doing so, we may overlook some more difficult, but higher-yield opportunities (say, reorganizing our middle management ranks). For many organizations that have gone through multiple rounds of belt-tightening, there just isn’t much low hanging fruit left, having been grazed thin over the years, leaving the plump, ripe opportunities that have been eroding margins for years. Perhaps a better strategy would be to focus first on those things that have the most impact. Energy that is being used on inconsequential issues can better be applied to issues that truly matter.

Thinking outside the box. What are you doing in a box in the first place? How did you get there? Sometimes the best solutions to a problem are the fundamentals: expectations, goal setting, accountability, leadership. How many times in your career have the experts or consultants returned after their analysis with recommendations that seem too obvious,

too simple? As intelligent, educated beings, we often look for an elegant solution for problems, when a simple one would be most effective. Take this challenge: make a critical assessment one of your underperforming units or service lines. Now, what needs to happen to turn it around? Chances are that there are a relatively few, basic actions that would have significant impact: standardize processes, set expectations and hold people accountable, expect high performance, measure performance. Out-of-the-box thinking has its part in health care enterprises, but only if the fundamentals are first practiced consistently. Not all of us will be innovators.

You can't compare apples and oranges. Often used as a criticism of a false choice between two options, this idiom actually should be adhered to more frequently. Every day our organizations are confronted by choices between options that appear to be incompatible. It's easy to say that we can't build both the new cath lab and the new ED. It's more difficult – but just as valid – to suggest that we need to choose between building the cath lab and acquiring that physician practice. One is a capital project, the other a strategic initiative; but making choices between alternative, attractive options is the dilemma we constantly face in management. Every time we go to the grocery store for fruit, we compare apples and oranges. They are both fruit, but each has different attributes; that's why we compare them.

Failure is not an option. Well, yes it is. Failure is always an option – or at least a possibility – albeit an unattractive or unacceptable one. In fact the prospect of failure and its consequences motivates us to be thoughtful and careful in our decision-making. But fear of failure can freeze us into inaction at a time when innovation and risk-taking is rewarded like never before. On the other hand, how much can we learn from failure? Remember the failed physician practice acquisitions by hospitals in the 1990's? The provider industry is going through a similar acquisition surge right now, but the failures of the last decade certainly have informed how we approach these opportunities now and the structure of these acquisitions is dramatically different from the past. In some cases, failure should be explicitly considered an option. One lesson that can be applied to large-scale change (e.g., a new clinical information system, a merger or acquisition) in which there is an incompatibility between the culture and the type of change is, “Change the culture; change the change; or prepare to fail.”

A glass half empty is a glass half full. Not necessarily. Perhaps the glass is twice as large as it needs to be. The point here is that there are usually more than two opposite perspectives on an issue. Most leadership and management challenges we face aren't “either/or”, they are most likely “and/or”. On the other hand, think innovatively: why do you even need the glass?

Trust the wisdom of crowds. The teaming trend of the reengineering revolution of the 1990's appears to continue unabated in this decade. Health care organizations have executive teams, quality improvement teams, process improvement teams, project teams, innovation teams, design and implementation teams – you name it. And while teamwork is more important than ever in this era of constant and ubiquitous information flow, there

is something to be said for individual insight, execution and accountability. Managers need to be constantly vigilant to foresee when the wisdom of crowds dangerously morphs into merely following the herd – right off the cliff. Teams can be a powerful and influential tactic for executing organizational strategies; just make sure that they are working on the right thing and that there are adequate safeguards in place to prevent dangerous groupthink.

Physicians are our customers. No they're not. Patients are your customers. Physicians are your partners. And if they're not, they need to be. This is a crucial principle that organizations that have earned the Malcolm Baldrige National Quality Award have learned. These are organizations that have achieved lasting improvements in quality and customer service that have come only by working in partnership with their physicians to better serve their customers – patients and the public.

No margin, no mission. This overused aphorism has been used to cover a multitude of corporate sins. First coined by the chairman of the (then) Daughters of Charity Health System, this saying has been repeated in boardrooms and executive suites probably in every hospital or health system in the country. I rather prefer the inverted notion that without a mission the organization has no reason to generate a margin. No less than Peter Drucker states that the fundamental principle of any non-profit business is its mission, and every decision that that business makes needs to be considered on its ability to impact the organization's mission. Gary Hamel, in *The Future of Management*, says simply, "Mission matters." Even Johnson & Johnson, a paragon of a successful profit-making business, says its famous credo "challenges us to put the needs and well-being of the people we serve first" and that the company's final – not first – responsibility is to its stockholders. How's that for mission first?

We have all practiced these and a host of other truisms in our personal and business life. But turning them inside out provides a wholly different perspective that may broaden our options, generate alternative solutions or illuminate our decisions. The next time you find yourself lost in clichéd management thinking, pause for a moment and see if you might look at it inversely. As Charles Munger, Warren Buffett's business partner would put it, "Invert. Always invert." It seems to have served him well.

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