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## How to Sell What Works: Collaboration from a Point of Strength and the Impact on Communications

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It's relatively easy to win support to fix an organization that is clearly broken. When every observer knows the business is losing money, the customers are going elsewhere, and the staff is leaving to join competition, the company's leadership has broad permission to make dramatic changes to ensure the organization's ongoing viability and prosperity.

In business slang it's called a "burning platform." It's the idea that radical change can only occur when instincts of survival trump those of comfort.

But what should leaders do when the platform isn't burning yet, and they know the fire is coming? How can visionary healthcare leaders transform their successful systems today so they can be successful tomorrow, too?

In short, how can you enact radical change without the threat of imminent failure?

It's a question on the minds of hospital and health system leaders as they ponder the consolidation and collaboration that are reshaping our nation's care delivery system and preparing them to compete in a population health management future.

Unlike the more straightforward transactions of yesterday, today's healthcare partnerships are often more creative, take longer to complete, and are strategic by design. They may not be financially necessary now, but they are vital to a strong tomorrow.

These changes demand a new approach to communications and make deliberate engagement more important than ever before. In this environment, leadership must articulate a threat some cannot see and develop a clear, compelling, and strong vision for the partnership—one that resonates with the health system's constituents. Then, they must continually sell these constituents on the need to transform and collaborate. The result can accelerate the pace of needed change and position board members and administrators as the visionary, well-intentioned leaders they are.

### Today's Reality: A Web of Complexity

A hospital board member in today's reality faces a web of complexity unimaginable just a few years ago. Hospitals and health systems are facing decreasing reimbursements with no end in sight; complicated physician employment, alignment, and integration; demands from consumers for transparency; massive trends to outpatient care delivery; the need—and now the mandate—to invest in very expensive technology; planning for the shift to value-based reimbursement, but still operating in a volume-driven payment system; the rise of non-traditional competitors like urgent care and retail clinics; and the list goes on.

Increasingly, this complexity is leading hospital and health system boards to choose a path that provides scale, which most often means partnerships with other systems and complementary providers. In a recent survey of Healthcare Financial Management Association's senior financial executive members, more than 80 percent responded that they had entered into an acquisition or affiliation arrangement or were actively considering or open to the idea.<sup>1</sup>

Just a decade ago, a hospital transaction was fairly black and white. For those struggling to make ends meet, large hospital operators were on the hunt to buy and link your hospital to a network of others. At that time, it was most typically a buy/sell transaction, sometimes a merger, and rarely a joint venture. And, while it was a significant event for any community, the need for these transactions was not difficult to sell because the reasoning was clear: the hospital will close or be unable to compete if we don't.

Today, it's a very different story. Healthcare providers are approaching these partnerships from a position of strength and with forward-looking vision, rather than financial vulnerability. Think Baylor Health Care System and Scott & White Healthcare in Texas and Conemaugh Health System in Pennsylvania. These systems proactively sought partners not out of

<sup>1</sup> *Acquisition and Affiliation Strategies: An HFMA Value Project Report*, 2014.

desperation, but rather to position for population health, bring new clinical resources to the region, and more.

The current environment also reflects a new level of creativity in partnerships, where non-traditional providers are coming together and large non-equity affiliations are forming, like Stratus Healthcare in Georgia and abouthealth in Wisconsin.

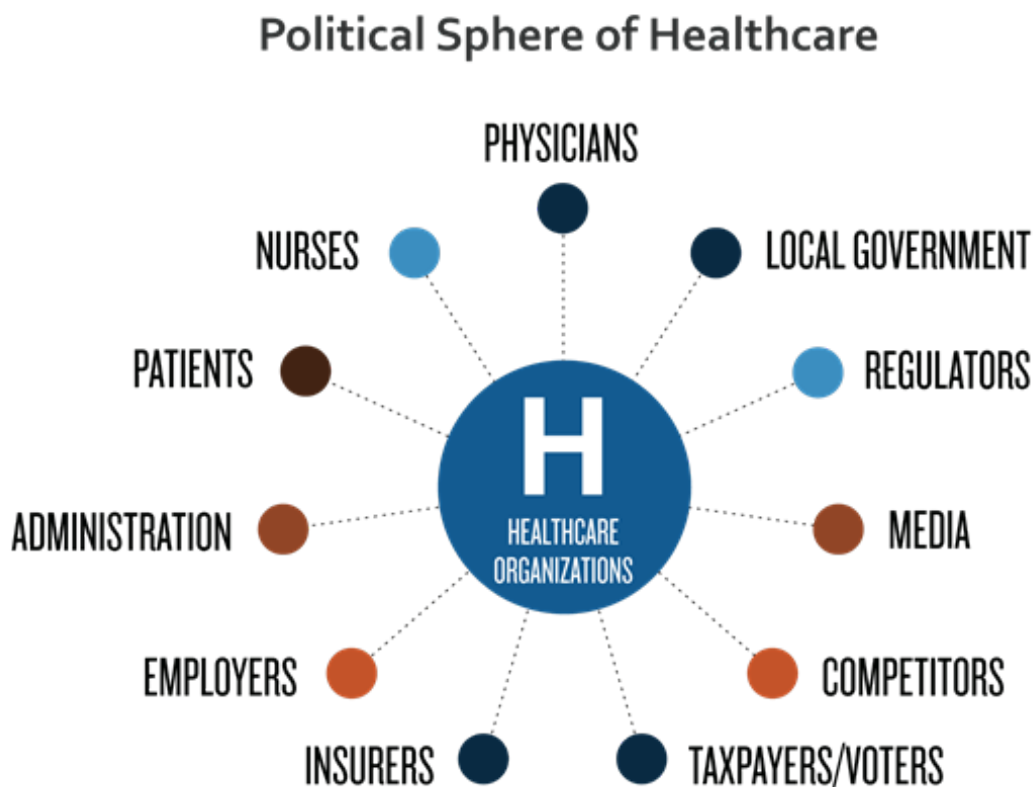
### Complicating the Complexity

While the last decade has transformed the healthcare industry, one thing has stayed exactly the same: healthcare is inherently—and acutely—political.

It's political in the literal sense, of course, as a highly regulated industry with long tentacles into local hospitals from our nation's capital, our state governments, and, in many cases, county and city governments that own, lease, or provide ongoing taxpayer support to local hospitals.

Healthcare is also political figuratively, given that the delivery of care is dependent on people. The success of a health system is shaped every day on the interplay between doctors, nurses, unions, administrators, board members, bond holders, donors, payers, local employers, business leaders, and others (see **Exhibit 1**).

**Exhibit 1: Political Sphere of Healthcare**



Source: Jarrard Phillips Cate & Hancock, 2015

Add to these politics an inherent resistance to change, and suddenly the web of complexity of 2015 doubles for hospital board members everywhere.

In fact, according to a recent study, one in four hospital-related transactions falls apart after the letter of intent stage.<sup>2</sup> While the reasons for dissolution

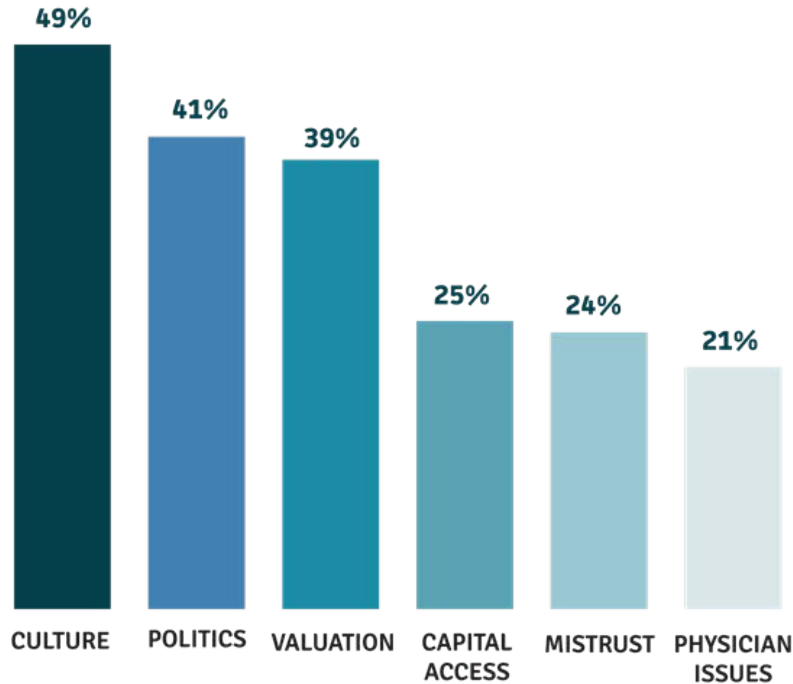
<sup>2</sup> Molly Gamble, "Calling It Off: Why Some Hospital Mergers Fail and Others Don't," *Becker's Hospital Review*, September 23, 2011.

certainly vary, hospital leaders cite the leading culprits not as financial or legal hurdles, but rather a clash of culture and/or politics (see **Exhibit 2** on the following page).<sup>3</sup>

<sup>3</sup> Lindsey Perkins Wade, "Steps You Can Take to Ensure Your Healthcare Deal Closes," *The Private Business Owner*, September 5, 2012.

## Exhibit 2: Deal Pitfalls

### Deal Pitfalls



Source: Don Seymour & Associates

If you are a hospital leader, how do you align the politics to create real transformation for your organization and healthcare in your community that's required to thrive—and survive—in this new era of healthcare? How do you explain why it's critical to pursue partnerships proactively when the need is less clear?

The answer: you run a smart political campaign. Your organization's future is the candidate. Your vision—which must be clear and powerful—is your message platform. The votes you need are the stakeholders of your organization—some more than others. There will be opposition. There will be advocates. You need a campaign plan to win (see **Exhibit 3** on the following page).

#### Building Your Campaign: Checklist for Smart Change Management Communications

1. **Build a powerful story.** A grave mistake leaders make is to lead with spreadsheets and facts to

explain change. Change in healthcare—particularly a partnership—is an emotional event. Speak to it. Build a story that captures the board's vision in a way that connects to people, such as:

- “This partnership will provide us stability so we are here to care for your grandchildren.”
- “We will now have the best equipment and technology so our caregivers can offer the highest-quality care.”
- “People will have greater access and be able to get care when and where they need it.”
- “This is an investment to make our region healthier.”

Call out the threat that most won't yet see, describe a vision of what healthcare can be and should be, and assure them that you will include them along the journey.

## Exhibit 3: Political Campaign Approach

# Political Campaign Approach



Source: Jarrard Phillips Cate & Hancock, 2015

2. **Engage early and often with context for change.** Long before the board has voted to pursue a partnership, you need to be planting seeds. People need time to adjust to the *idea* of change. Start by proactively talking about the vision and how changes in our industry mean we will have to change, too. Take the opportunity to be the local expert about how healthcare is transforming, what it means for businesses and patients, and how we deliver healthcare going forward. Providing context for the changes to come will help people understand and adjust when we have a path forward to communicate.
3. **Be transparent.** To assume you can keep a future partnership a secret is to set your organization up for failure. Once the board has decided to pursue a partnership, the best course is to be transparent about intentions early, not when the deal closes. Sure, there will be more questions you cannot answer than questions you can. But the act of communicating and inviting

dialogue with those who matter to the organization is an important message in itself.

4. **The messenger is the message.** The only thing more important than the message itself is the person (or people) who deliver it. No matter how powerful the words they use, if the messenger is not trusted, you will not be successful. Find and use the most credible voices for your audiences. Board members are inherently critical messengers—some officially with media or elected officials, others informally in conversations throughout the community. There are also important roles for key physician leaders, administration, and others. This must be a trained, coordinated team delivering consistent, complementary messages.
5. **Start internal, always.** Your employees and physicians have the power to embolden the path leadership chooses—and the power to kill it. Winning the “vote” of your internal audiences is like winning the primary election before the

general. They should never, ever hear about key decisions from anyone other than you.

Additionally, create ways to engage them—particularly physicians—in the pursuit of partnership, like forming a special clinical committee to advise the board on what matters to the medical staff.

6. **Think like the opposition.** There will be opposition (see above for the *long* list of political influencers in healthcare). Anticipate it, and plan for it. Find advocates to help neutralize it. And do not “dance to their music.”
7. **Appreciate the “seven times” rule and press the flesh.** You cannot send an email announcing a major change for the future of your organization.

It’s a surefire mistake. Motivating people to accept change takes time, repetition, and personal interaction. There is a rule in communications that it takes a person receiving a message seven times before he or she really hears it. Just when you grow tired of saying the same message is about the time people begin to get it.

If this sounds like common sense, it’s because it is. But, that doesn’t mean it’s easy or for the faint of heart. Change is difficult, and helping people to understand it and accept it takes commitment to a deliberate engagement effort over time. Today’s era of healthcare demands a new approach and a renewed commitment to communications. The result can be a powerful outcome for the region you serve.

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