Adopting a Resiliency-Focused Approach in the Middle of a Pandemic

By **John Bauerlein,** Senior Vice President, *Kaufman, Hall & Associates, LLC*
This article is the second in a series on resiliency through our regular collaboration with Kaufman Hall.

As the COVID-19 pandemic enters its second year, health systems continue to reshape their operations to respond to both the immediate challenges of surges in COVID-19 patients and prepare for an uncertain future trajectory.

Resiliency programs—which are designed to improve an organization's financial and operational ability to continue to meet the needs of their patients and communities—can serve as a powerful response to both the current pandemic and future crises. This work often includes a variety of performance improvement initiatives to identify savings and add operational flexibility amid ongoing uncertainty, including examining and recalibrating corporate shared services.

But without meaningful buy-in and engagement from frontline leaders, resiliency programs run the risk of failing to achieve sustainable changes to practice. A more engaged approach tied to broader goals—with support from the top and engagement throughout the organization—can help health systems achieve their immediate goals while building a cohesive, nimble culture better prepared for the challenges of the COVID era.

Launching a Resiliency Program

In 2019, Vancouver, Washington-based PeaceHealth started to reexamine its corporate shared services as part of a broader resiliency program. After reviewing baseline data on where they compared to their peers, the organization identified an initial target

savings goal. The effort also was supported by PeaceHealth President and CEO Liz Dunne, who regularly attended meetings as the resiliency effort took shape.

PeaceHealth's business transformation office then worked closely with leaders in functional areas—including clinical informatics, supply chain, and human resources, just to name a few—to identify areas for improvement. Together, the business transformation office, organization leaders, and functional area leaders formed a shared services resiliency team (SSRT) to identify improvements and design action plans that were reasonable, achievable, and sustainable—and that didn't simply transfer costs to other units or defer needed activities. The team met regularly moving forward to maintain focus on sustaining the savings over time.

"The lightbulb moment came when we sat down with them and their budgets and showed them how some of the designed savings initiatives wouldn't actually impact their performance over budget," said Zach Melick, Director of Business Transformation

→ **Key Board Takeaways**

- Top-down approaches to performance improvement run the risk of failing to identify savings that can be sustained over time. Partnerships between a central business transformation office and frontline leaders can help identify changes that don't simply defer or transfer costs to other departments.

- Resiliency programs designed to improve an organization's financial and operational ability to continue to meet the needs of their patients and communities can serve as a powerful tool for improving overall culture—especially if the team involved includes leaders who hold similar roles in different areas. By encouraging their peers' efforts, teams can spur a high-performing mindset throughout the organization.

- C-suite leaders can play a critical role in the success of resiliency programs, by meeting regularly with team leaders and consistently tracking and monitoring progress.

- Sustaining improvements in specific areas can be precarious. As resiliency efforts mature, it's critical that organization leaders and program champions continue to monitor and track results in both leadership discussions and frontline meetings—helping ensure transparency and accountability.

for PeaceHealth. "That high-touch strategy was great as we tracked measurable savings on a monthly basis. Leaders could then also see how easily it could slip over time."

As the multidisciplinary SSRT team worked to identify changes, the culture of the organization also improved, with leaders in different areas gaining a better understanding of their counterparts' efforts. "The key thing was having peers at the right level of the organization in the room and engaged for the right purpose," said Steve Glenn, Executive Vice President and Chief Administrative Officer for PeaceHealth.

PeaceHealth leaders say the team also held each other accountable for results, spurring collective focus on high performance. "This was not a campaign or a short-term initiative—this was the work we did as we matured the organization," said Sarah Ness, Senior Vice President and Chief of Staff for PeaceHealth. "The mindset of the resiliency team was a dedicated focus and priority around this work. Everyone was showing up at the table collegially, and with the expectation we all had a role to play in creating a high-performing organization."

In business, resiliency measures a company's ability to weather each of the three stages of dislocation: the shock of initial crisis, the fight for stabilization, and the transition to normalization. Creating resiliency requires organizations to establish a framework to assemble, organize, and then guide the coordinated deployment of all available resources.

COVID Command Center Takes Center Stage

In early 2020, PeaceHealth treated the first known COVID-19 patient in the U.S. As the organization continued its response in one of the early epicenters of the pandemic, a decision was made to move the resiliency team to helm PeaceHealth's new COVID command structure.

"It was all about the [March 2020] financials," Glenn recalls. "Once it became obvious that we were losing more money than we could find, we retrenched."

The center adapted the model from the shared services resiliency program, as the business office worked with frontline leaders to inform day-to-day decisions on everything from infection prevention to supply chain decisions to technology and data needs. "We wanted leaders to be accountable and have a venue to report, so we could share learnings and best practices and engage in creative problem-solving," Melick said. "The great thing about [the resiliency approach] is that it's scalable."

Organization leaders say the resiliency program allowed the organization to swiftly move from a structured, pre-planned approach to a more agile methodology better suited for the volatility of the pandemic. For instance, PeaceHealth was able to expand its virtual visit program in two weeks and set up new call centers in 12 hours—both projects that might have taken months or even years to execute prior to the pandemic, and in the absence of the learnings from the resiliency program.

"As we were striving to recover from the pandemic, the resiliency program proved to be extremely valuable," Ness recalls. "The muscle memory we had was an incredible foundation."

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Strengthening Systemness

During the initial shared services resiliency program, the organization reached 75 percent of its initial goal of approximately $30 million before transitioning the effort to its COVID command center. For the 2020 fiscal year, the savings amounted to a net value of $102 million across all resiliency work at PeaceHealth, including a program focused on system operations.

Beyond the savings, PeaceHealth leaders credit the program with improving their culture, and helping them respond to the day-to-day and minute-to-minute crises of the pandemic. "[The resiliency program] really strengthened our systemness," Ness

said. "Going into COVID, that provided a deep advantage for systemic, structural improvement."

Moving forward, PeaceHealth's senior leadership team continues to monitor the progress of the resiliency program, to ensure that the efforts are tracked and sustained. And the effort also continues with leaders throughout the organization.

"Working with leaders to get down to a right-sized budget and more importantly get comfortable staying there was where the success came from," Melick said. "Innovative ideas are wonderful, but I think that transformation came from supporting our leaders to have transparent, difficult conversations about spending. Going through spreadsheets over and over is tedious, but was key. What gets measured get managed. That's something that we carried over from Resiliency to COVID Incident Command."

The Governance Institute thanks John Bauerlein, a Senior Vice President at Kaufman, Hall & Associates, LLC, for contributing this article. He can be reached at jbauerlein@kaufmanhall.com.

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