



Contrarian Edge

Acres of Diamonds

The dreaded layoff has once again returned to our beloved hospital industry. Blame it on the tough economy (or the nation's stupid non-system that generates a poor quality/cost ratio), but hospital execs are once again reaching for pink slips.

I've written about the ineffectuality of this before ("The Idiocy of Layoffs," September 2007), but just because it doesn't work—what the heck, let's repeat the failure. As these trained and capable minds are stricken from the payroll, doesn't it strike you as strange that no one in management asked them if they had any ideas about how they might reduce the organization's costs and thus preserve their jobs?

In the early 1900s, Russell Conwell became famous for his lecture, *Acres of Diamonds* (*Acres of Diamonds*, 1986, Jove Books). It's the story of an ancient farmer, Ali Hafed, who in a dream discovered a large diamond, one that would make him rich beyond measure and totally transform his life.

Even though Ali had much to make him contented, the dream made him feel poor in comparison to the untold riches that might be his. He became obsessed with the idea of owning a diamond mine. As a result, he sold his farm, left his family, and went on a wandering journey in search of diamonds, finding nothing and eventually dying alone in true poverty.

This sad story has a second chapter. The man who purchased Ali's farm found a number of odd stones and rocks, picked them out

of the field, and although they did not appear to be of value, found they were indeed diamonds, discovering what would become India's Golconda diamond mine, a source of much wealth and some of the world's largest diamonds.

The moral of the fable, said Conwell was this: "Had Ali Hafed remained at home and dug in his own cellar, or underneath his own wheat fields or in his own garden, instead of wretchedness, starvation, and death, he would have had acres of diamonds."

Mining your diamond field

The metaphor raises the question of whether there are acres of diamonds around today's leaders that they perhaps fail to see? Is it possible that those resources are actually "in the house" but unrecognized? Are they right in your own backyard if you would but dig for them?

A few years ago, I was listening my to friend Quint Studer, and he asked a simple question: "What's right with healthcare?" The more I've thought about it, the more profound the question's meaning becomes. As management professionals, it's fairly easy to fall into the trap of focusing on the problem to the exclusion of missing the opportunity. And what is management's greatest opportunity?

Akio Morita, founder of Sony, observed, "American management's biggest failing is

that they do not realize that their people are their prime competitive advantage."

Although healthcare's common sentiment is that our people are valuable, recognizing them as an asset does not mean that their value is realized. It's like knowing you have diamonds in the backyard, but not knowing how to extract them, nor how to cut and polish them, nor how to distribute the final product to customers.

Ideation mining is the process of finding ideas for change and improvement. This is part of the new drive to focus on intellectual capital and knowledge management. Goshen Hospital in Goshen, Ind. reports an addition to revenue of \$35 million in cost savings ideas over the last decade. This smallish, ANA Magnet, high-performance organization has systematically been mining idea diamonds from their people for years. No layoffs are contemplated.

So, there are some major cost challenges in front of your organization family. Here's your choice. You can throw some of the kids under the cost bus, an approach sure to inspire those that remain, or you could try thinking about how to polish their brilliant ideas. You decide.

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