

People On Fire

Successful, profitable Northern Illinois Medical Center initiated a complete organization transformation. If it wasn't broken, why fix it?

Northern Illinois Medical Center (NIMC) had a strong business position, a solid financial base, and a good management team. Although NIMC had been successful, President, Paul E. Laudick felt his managers hadn't been breaking out of traditional hospital management methods. Due to the rapid rate of change outside the organization, Laudick saw that more change, not less, was required of his managers for the future.

Laudick said, "I knew we needed an approach that gave us a common vision and higher levels of performance. We needed to prepare for the next century. So I brought in Clay Sherman to conduct **The Uncommon Leader** for our management team. This change process causes many things to happen in a short time frame. Prior to this process, our pace of change was too slow."

"Now, our *people are on fire* wanting to make improvements. We've experienced the breaking of traditional barriers to faster decision making. We've cultivated creative thinking. The culture is one of "can do." For example, in a recent meeting with the management team, the rapid pace of change was discussed. When asked what their

Digging for Results at NIMC

An outside management engineering firm quantified DIG results obtained by NIMC by 156 DIGs in a twelve month period. The outside firm found:

- ◆ Tangible cost reductions were estimated at \$195,000 in first year savings.
- ◆ Cumulative economic impact of those DIGs completed are estimated to exceed costs by \$628,000 over the next five years.
- ◆ Intangible savings were regarded as "substantial," and included process streamlining, workload reductions, improved associate skills, improved associate motivation, reduced customer waiting times and more effective medical treatment.
- ◆ Two thirds of implemented DIGs resulted in quality or service improvements.
- ◆ The majority of completed DIGs were rated as "resulting in either a substantial intangible savings and/or substantial service improvement."

feelings were, the response was all positive. They used positive words like, 'opportunity' and 'challenge' to describe their attitude.

"This is a management team that no longer needs my day-to-day input. They now have the skills to appropriately micro-manage, thus allowing me to macro-manage and grow the organization."



NIMC President, Paul E. Laudick:
"We're still accelerating."

High Involvement, High Return

In the first nine months of the program over 600 NIMC employees participated in 150 Do It Groups, or DIGs. These 30 day targeted work groups solved problems and improved operations. Over 550 employee ideas for DIGs were submitted with outcomes ranging from the tangible to the intangible. Examples:

- ◆ The medical staff organization has been re-engineered from 5 to 2 departments; 10 committees were eliminated, and physicians are focusing more time on quality care rather than administrative "mickey mouse."
- ◆ Focusing on Customers, managers take turns at four-hour shifts staffing a Customer CARES Line, which handles complaints, and captures suggestions and compliments. Customer satisfaction ratings have now reached 93%, well above the industry norm.
- ◆ Medicine delivery times to "stat" patients were slashed by 60 percent.
- ◆ A detailed Customer Service Strategy streamlined the capital budgeting process thus making the purchase of replacement beds a possibility.
- ◆ Associate suggestions regarding billing system improvements resulted in a savings of \$3,000 per year.

Leading Change In A Complex Environment

"Clay's message plays well within a complex organization like NIMC," says Laudick. He knows his role

as change agent very well. Associates perceive this transformation as *our* initiative, not an outside program. That's so important in making successful change."

"NIMC has a rich history, with much tradition. Before TUL we were working hard, but we weren't always working smart. People felt their problem-solving hands were tied. Things bogged down. Before this transformation, I had to be involved personally in far too many decisions. Now, our managers and employees have authority to solve problems as they identify them. I don't need to know everything, which has freed me up a great deal."

"Our managers have come to better understand their responsibilities, and now have the freedom to take care of

"Associates perceive this transformation as our initiative, not an outside program."

things. The MANSYS management system gives managers a common set of excellent tools for handling the task management aspects of their jobs. They have tools for dealing with problem employees, time planning, and priority setting. The quarterly planning component helps them to plan and also demonstrate their results."

Challenging The Team And The Status Quo

"We've accomplished all of this without significant management turnover. We did have a small number of people who opted out of management before we began, but the program is so positive that minimum turnover occurred."

"Clay's experience level and presentation style are right on target. He's been there before, and holds your attention from the starting gun to the ending bell. He's dynamic, knowledgeable, and entertaining, all of which help him communicate very effectively. He's terrific at challenging managers in a meaningful, non-threatening way: 'This is your job — if you don't do it, you're cheating patients, Customers, and Associates. He was very candid with us about our responsibilities in healthcare. At the same time, since we grew through this process, we are in no way consultant dependent."

"Clay personally believes in this value-centered program. He deeply believes his mission is to help healthcare executives build their vision of tomorrow's excellent organizations."

Building A Sustainable Competitive Advantage

Laudick reflects on NIMC's current position, "We're still accelerating, even after the program's completion. A great deal of this energy is coming from people who were not direct participants in the program. That's because in addition to providing an excellent management development foundation, **The Uncommon Leader** gets at the barriers to organization excellence, and helped us remove them. This achievement alone makes it possible for NIMC to continue to make the best decisions rapidly and out perform our competitors."

Hospitals often pursue narrow "programmed" approaches to improvement. A NIMC manager explains why he feels a more effective management approach is needed, "A lot of hospitals are looking at total quality management, patient focused care, and other more narrowly focused programs. They may be mistaken. These programs are really a subset of the larger issues that Clay addresses, including leadership, motivation, customer satisfaction, innovation, and cost management."

Laudick concludes, "**The Uncommon Leader** is a permanent change in approach, not a program. It isn't theory being tried out on a vital organization, it is results-oriented now. **The Uncommon Leader** gave us a sustainable competitive advantage for the future, rapidly building a culture of enthusiasm for continuous improvement. DIGs are a good process for getting involvement, and are effective because they solve problems. Improved decision speed is so critical to the hospital of tomorrow."

"**The Uncommon Leader** helped us reduce decision times, increase innovation, team work and overall organization performance, and that's going to help build our future."

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