ACHIEVING SPEED, SPREAD, SCALABILITY AND SUSTAINABILITY IN LIFE PLANNED COMMUNITIES: A CASE STUDY – JOHN KNOX VILLAGE, POMPANO BEACH, FLORDIA
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Bruce Chittenden, CFO, John Knox Village, Pompano Beach, FL; bchittenden@jkvfl.com; 904-783-4072
1. What methods are you currently using to achieve speed and magnitude of results?

2. Is status quo an option?

3. If not, what methods will you deploy to get you where you need to go?

Would 2018-2019 national research of top performing organizations be of interest in charting your course to the future?
1. Assess **Change** Capacity

2. Initiate/Refine **Accountability** Structure

3. Define Strategic **Focus**/Communication Theme

4. Create **Transparency/Track** & Validate ROI

5. Mentoring Support/LEAP **Leader Development**

6. Refine & Repeat/Launch **Next** 100-Day Workout
Step 1: Assess Change Capacity

Diagnostic Questions:

➢ What are the most important performance issues we need to address in the next 100 Days (4 months)

➢ What percentage of our managers are currently engaged in implementing change?

➢ Are goals tangible/measurable? Success clearly defined?

➢ Is our rate of change sufficient to achieve our goals?
Diagnostic Questions:

- Do we have a systematic way of making progress or its absence visible for **all** middle managers?
- Is senior leadership instantly aware when initiatives go off track?
- Have we explicitly mandated action targets?
- Is there a tracking system that maps changes to the goal & budget?
- Is change safer than the status quo?
Diagnostic Questions:

➢ Are Managers saying they are overloaded?
➢ Is there disagreement over what needs to be completed next?
➢ Are initiatives competing for time and resources?

Note: Senior Leaders rate director/manager confidence significantly higher than they rate themselves
Diagnostic Questions:

➢ Have we developed a system for tracking improvements on a uniform and real-time basis?

➢ Does the system promote accountability?

➢ Does it facilitate the mapping of changes to a cost center?

➢ Have we assigned a finance liaison to coach managers?
Diagnostic Questions:

➢ Who in the organization has the skill and ability to mentor people through the inevitable objections and resistance to change? (Hint: Not a Performance Improvement role)

➢ Do they have the right support structure?

➢ Have we invested in developing these people and developed their mentoring skills?

➢ Have we publically rewarded those who we rely on the mentor others?
Achieving Speed, Spread, Scalability, and Sustainability in Health Systems

Based on our 3 ACHE courses

• Aggressively Improving Margin Using Advanced Lean

• Secrets of Great Healthcare Organizations: A Study of Over 200 U.S. Health Systems

• Achieving Speed, Spread, Scalability, & Sustainability in Health Systems: A C-Suite Action Planning Workshop

Ray Johnson, MBA
Chip Caldwell, FACHE
Well Published in Healthcare

ACHE Frontiers magazine

Cost Reduction in Health Systems:
Lessons from an Analysis
of $200 Million Saved by
Top-Performing Organizations

Chip Caldwell, FACHE; Greg Butler;
and Nancy Poston, FACHE

2012 ACHE Article of the Year

Mentoring Strategic Change
in Health Care

An Action Guide

Top Performer Survey Results

December 2016
AGENDA. What do we want to accomplish before the end of this session?

- Charting a path toward Top Performer status.
  - Your *Top Performer Comparative*.

- Solving for Low Performer bias among senior leaders & middle managers (based on ACHE-CBA national research).

- Understanding & applying ACHE-CBA National Research of 140 health systems

- Next steps – *Pre 100-Day Workout Checklist*
  - Discuss CBA mentoring role
  - Discuss CBA “No-Fee Guarantee”
Real results in the first 30 days. A **0.5% reduction in total operating expense every 100 days** while controlling for quality.

**Developing leaders to sustain change** (*we call it, LEAP*).

**Connecting the dots** of existing initiatives and resources to drive implementation.

**CBATools.com** accountability & training platform

- Over 190,000 idea searchable database of proven change concepts.
- Embedded lean tools (7 Categories of Waste, 18 Lean Change Concepts, Rapid Cycle Testing module)
100-Day Workout Leader Accountability Structure. What it is. What it isn’t.

What it isn’t.
- An initiative or a project
- A Performance Improvement method (or replacement of one)

What it is.
- An accountability structure that produces –
  - Speed to implementation of most current initiatives
  - Accountability for rapid change; break status quo
  - Complements existing Performance Improvement methods
- A leader development approach that –
  - Develops leaders as skilled change agents
  - Generates confidence & enthusiasm among middle managers vs. fear common among other approaches
  - Provides for sustainability over years
What can we learn from senior leaders in top performers?

Database: $3B, 193K changes, 140 organizations

Top Quartile

2.3 changes/Mgr/month

Bottom Quartile

0.1 changes/Mgr/month

CBA-ACHE research isolated 28 variables, affinitized into five buckets, that drive sustainable, transformational change.
100-Day Workout – Quality Control/PI Combo

Burst Methods

WO#1

WO#2

WO#3

QUALITY CONTROL/INCREMENTAL PI

- High Reliability
- Lean
- Traditional Ldr Dev

Incremental Methods
Join 140 health systems. Available without a fee if interested.
2019 National Research: Predicting Results

Scratchpad – the 4 Critical Variables

- Speed
- Spread & Scalability
- Magnitude
- Enabling Tools

- (# Chgs/Mgr/10 Days)
- (% Mgrs)
- ($$ / Chg)
- CBATools.com, StaffDx, RBVR

Leader Development (Culture)

Accountable Structure
How to Achieve Top Performer Goals

1. De-bureaucratize decision-making to the lowest level of knowledge (middle managers). Eliminate “vetting” by senior leaders by developing managers.

2. Add “# changes per manager per month” to Board & CEO scorecards.

3. Convert monthly department manager meeting to a 2-hour change accountability check-in.

4. Integrate existing initiatives into check-ins to save manager time, increase visibility, & accountability.

5. Develop/acquire realtime change results tracking.

6. Provide each director & manager with 2 hours mentoring per month from experienced change agents (not Performance Improvement).
Transformational Management System to Drive
Speed, Spread, Scalability, & Sustainability

- Idea Playbooks
- Top Performer Culture Development
- Mentoring Leaders (LEAP)
- Structure (100-Day Workout)
- Results Tracking

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A structured, disciplined accountability process

Leaders expected to report **2 completed changes** each month

Convert monthly department manager meeting to a 2-hour accountability check-in & report-out

**2 hours mentoring** for each middle manager each month

Realtime results tracking from middle manager level, rolled up to CEO level ([www.CaldwellTools.com](http://www.CaldwellTools.com) in EXCELerator)
Strategic Vs Bucket of Projects

Key Operational Levers

Focus Area #1
Waste

Focus Area #2
Staffing & Supply Chain

Focus Area #3
Resident Experience

Vs. One-project-at-a-time

Fuel management
Linen utilization
Resident Unit turnover
Lost/Missing Charges
Resident activities
Housekeeping schedules
Transportation
ER visit avoidance
Low Performer think Projects & Initiatives

High Performers harness
Independent Director Initiative

For every 1 change made by a manager in a low performer, a manager in a high performer makes 23 !!!
### 100-Day Workout Structure

<table>
<thead>
<tr>
<th>Quality Waste Recovery</th>
<th>In-Quality Staffing</th>
<th>Resident/Patient Exp</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>12-Months</strong></td>
<td><strong>Execution</strong></td>
<td><strong>Execution</strong></td>
</tr>
<tr>
<td><strong>Planning</strong></td>
<td><strong>Planning</strong></td>
<td><strong>Planning</strong></td>
</tr>
<tr>
<td>100 Days</td>
<td>100 Days</td>
<td>100 Days</td>
</tr>
<tr>
<td>-Kick-Off</td>
<td>-60 Day Check-In</td>
<td>-60 Day Check-In</td>
</tr>
<tr>
<td>-30 Day Check-In</td>
<td>-90 Day Check-In</td>
<td>-90 Day Check-In</td>
</tr>
<tr>
<td>-45 Day Structured Review</td>
<td>-Summation &amp; Celebration</td>
<td>-Summation &amp; Celebration</td>
</tr>
</tbody>
</table>

- **Reduction of Operating Budget Every 100 Days**
  - 0.5% - 1.0%
  - 0.5% - 1.0%
  - 0.5% - 1.0%

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Cycle Kick-Off (1/2-day)
- Review goals & targets
- Training, new tools, New focus
- Development of 100-Day Action Plans

30-Day Check-In (2-hrs)

45-Day Structured Review (Individual VPs with their directors)

60-Day Check-In (2-hrs)

90-Day Check-In (2-hrs)

Summation/Kick-off Next WO
Simplified accountability, early problem resolution, meeting reduction to save time
High-Leverage Margin Improvement Example Workout Focus Areas

- Quality Waste
- In-Quality Staffing
- Rapid Budget Response
- Growth & Market Leakage
- Revenue Cycle, Denials & Unreimbursed Care
- Supply Chain Process Integration
- Resident/Patient Experience
- Throughput & Flow
- Clinical Financial Value Stream
- Quality Measures
- Perioperative Services

Idea Playbooks
• Top performers provide 2 hours manager/leader mentoring per month by seasoned former directors developed from within.
• Mentoring is in addition to PI/Lean & Productivity System support.

- Kick-off: - Sept. 18
- EXCELerator Orientation: - Sept. 18
- 30-day Check-in: - Oct. 16
- 45-day Structured Review: - Oct. 30
- 60-day Check-in: - Nov. 20
- 90-day Check-in: - Dec. 18
- Summation/Kick-Off WO#2: - Jan. 15

Mentoring & Coaching
Repeat Leader Effectiveness & Accountability Process Until ALL Directors have mastered change leadership
Mentoring matters. Top performers allocate 2 hours per month per leader. Low performers rely on tools alone.

Dollars per leader per 100-Day Workout

Source: /sales/Value of Coaching 1017.xls from CBA EXCELerator. 9.9.17
## Experience of Mentors Matters. CBA Mentors

<table>
<thead>
<tr>
<th>CBA Mentors</th>
<th>Playbook $$$</th>
<th>Implemented $$$</th>
<th>Specialty Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nancy Dodson, MBA</td>
<td>$214 M</td>
<td>$184 M</td>
<td>Senior Ldr Mentor</td>
</tr>
<tr>
<td>Alan Dial, LSSBB</td>
<td>$133 M</td>
<td>$119 M</td>
<td>Lean &amp; Labor</td>
</tr>
<tr>
<td>Shelly DeVore, DNP, FACHE</td>
<td>$104 M</td>
<td>$99 M</td>
<td>Clinical</td>
</tr>
<tr>
<td>Mary Bobertz, MSN, FACHE</td>
<td>$97 M</td>
<td>$89 M</td>
<td>Nursing &amp; General Labor</td>
</tr>
<tr>
<td>Becky Southern, MSN, LSSBB</td>
<td>$21 M</td>
<td>$14 M</td>
<td>Critical Access &amp; Nursing</td>
</tr>
<tr>
<td>Carole Gilroy, MSN, DHA</td>
<td>N/A</td>
<td></td>
<td>Nursing Labor Playbooks &amp; Senior Leader Mentor</td>
</tr>
<tr>
<td>Bob Conter, MD, FACS</td>
<td>N/A</td>
<td></td>
<td>Clinical &amp; Physician Playbooks</td>
</tr>
<tr>
<td>Larry Kennedy, MSM</td>
<td>N/A</td>
<td></td>
<td>National Supply Chain Expert</td>
</tr>
<tr>
<td>Cheyenne Holland, CPA, MSM</td>
<td>N/A</td>
<td></td>
<td>Rev Cycle &amp; Critical Access</td>
</tr>
</tbody>
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"Sometimes you need to look at Life from a different perspective."
Attention has been on increasing Top Performer Characteristics through CBA mentoring & on adapting the structure to save time & increase speed to implementation.

Results-to-date: $55M CFO-validated improvement (5%)
Show JKV results, 1\textsuperscript{st} & 2\textsuperscript{nd}. 
Significant opportunity in Collaboration, Speed to Action Plan, Speed to Implementation, and Knowledge of Fin Impact.
Significant opportunity in Focus, Speed to Action Plan, Collaboration, and Knowledge of Fin Impact

Significant progress can be made in Speed to Implementation.
Q7: FOCUS. The senior leadership has clearly laid out goals and metrics that help me focus on the desired outcomes of performance improvement activities and success is always clearly defined.
Q16: SPEED (Accountability). There are regularly scheduled meetings with senior leaders to review progress and results of performance improvement efforts where all of those involved in implementing a process improvement are present and available to comment if issues or progress is blocked.
Q13: **SPEED** (Accountability). Once made, decisions to make changes in work processes are rarely second-guessed.
Q17: **Inter Dept (Collaboration)**. When organizational boundaries and politics block progress, senior leaders are quickly made aware and actions are taken to ensure momentum is maintained.
Q18: Inter Dept (Collaboration). Information about performance improvement efforts flows freely across organizational boundaries and departmental lines rather than stays in department silos.
Q20: Inter Dept (Collaboration). The information required for improving work processes flows freely across organizational boundaries and formal reporting relationships.
Q26: **Speed.** If someone has an idea on how to improve a work process, our culture makes it relatively easy to test the proposed change and experiment to see if it works.
Q28: **Speed**. In our organization, it is OK to try an idea even if it does not work the first time; there are generally no consequences for a failure.
Q29: **Speed.** As an organization, we are generally very fast at implementing proposed changes in work processes.
Q32: **Fin Impact (Structure)**. When working on performance improvement projects, tangible financial gains are tracked, measured, validated and the information is made readily available to all those involved in the project.
Q33: Which strategic priorities are most important to your organization's success? (Check all that apply)

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
<th>Answered</th>
<th>Skipped</th>
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</thead>
<tbody>
<tr>
<td>Reducing cost</td>
<td>71.43%</td>
<td>25</td>
<td>35</td>
</tr>
<tr>
<td>Market Growth or Offer New Services</td>
<td>80.00%</td>
<td>28</td>
<td>0</td>
</tr>
<tr>
<td>Collaborating with acute care organizations for bundled payment arrangements</td>
<td>25.71%</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Advanced strategic planning skills and methods</td>
<td>62.86%</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Improving quality &amp; services scores</td>
<td>74.29%</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>Leader development for transformational change</td>
<td>68.57%</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>2.86%</td>
<td>1</td>
<td></td>
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Q34 - Please add any comments that you feel would clarify any answers above related to performance improvement efforts in your organization.

“Departments seem to have tunnel vision. We need to care more about other dept. not just our own.”
“Clinical staff should have more access to the budget to create a greater impact to the organization.”
“changes are over analyzed, slowing progress and overwhelming staff. Sometimes JKV needs to get things done.”
“Worry that too much emphasis on cost savings will keep our employees from trying new initiatives.”
Situation: JKV was pursuing an aggressive yet innovative growth strategy that demanded over $800 M in capital.

The financial performance at JKV was not at the level it needed to be to accomplish the growth strategy goal.

Sub-par profitability and improving cash loss at JKV required breakthrough results.

Traditional consultation models over the past two years did not achieve the results required.
Gerry Stryker, President & CEO and Bruce Chittenden, CFO felt fresh air was needed to breath new life in order to achieve the goals outlined.

Introducing Maximus – Bruce Chittenden, CFO, John Knox Village
Goal: To inspire middle managers to think like business owners in all aspects of work, applying the principles of:

1) Accountability
2) Responsibility
3) Decisive Action
4) Empowered to act
Steps in Process

1) Establish Goals
2) Select Team Members
3) Train the Program (tools)
4) Establish time lines
Goals

Monetary – Amount to be saved.

Staffing – Better Use of Labor Resource

Supplies – Vendor Selection/Efficient Use

Process – Eliminate wasted time, streamline
Goals (cont)

Service

Red Carpet Service

Time to Service

Feed Back

Tracking Results
"As I told the Board at the Sept Board Meeting, we are doing better today than any time in the past 7 years."

-- Bruce Chittenden, CFO

- $2M in planning phase
- $1.1M implemented
- $700K CFO-validated/hardwired in 2019 budget
<table>
<thead>
<tr>
<th>Workout #1 (Waste)</th>
<th>Goal $500</th>
<th>Results $674</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workout #2 (Supply/Labor)</td>
<td>Goal $700</td>
<td>Results $600</td>
</tr>
<tr>
<td>Total</td>
<td>Goal $1200</td>
<td>Results $1274</td>
</tr>
</tbody>
</table>
1) Cross Departmental Conversations

2) Executives who have empowered employees

3) Employees who are held accountable and responsible.

4) JKV is focused on efficient
JKV Check-In: COLLABORATION in their own words