

Change and Cultural Transformation

How to Make it Happen



Wednesday May 25, 2011

WIPFLI^{LLP}
CPAs and Consultants

Objectives

- Identify the root causes of change resistance
- Recognize how to engage and influence change in your organization
- Recognize the best practices to enact and sustain change



Agenda

- 0900 to 10:30
- 10:30 to 10:40 – Break
- 10:40 to 12:00
- 12:00 to 12:30 Lunch
- 12:30 to 1:45
- 1:45 to 1:55 – Break
- 1:55 to 3:00



Why is Change Needed?

- Cost of Healthcare
- Supply Versus Resource Demand
 - Need the Ability to Do More with Less
- Health Care Reform
 - Reduce Cost of Care
 - Improve Quality of Care
 - Implementing New Models of Care
- Meaningful Use
 - Implement an EHR
 - Coordinate Care with Other Care Partners
 - Redesign Business Processes
 - Develop Standard Work



Health Care Current State

Cost of Healthcare

- U.S. projected to spend over \$2.5 trillion on health care in 2009 or \$8,160 per resident
- Health care spending is 4.3 times the amount spent on national defense
- January 2010, Gallop Poll estimates that 16.3% of Americans are uninsured
- Health care expenditure is 17.3% of the GDP in 2009



Healthcare Current State

Supply and Demand

- U.S. nursing shortage

- Expected to intensify as baby boomers age and need grows
- Mass exodus of nurses is expected from 2011 and continue until 2020 (Average nurse age is now 46 in 2009)
- March 2009 greater than 116,000 nursing positions unfilled in US hospitals and 100,000 in nursing homes
- Estimate 260,000 unfilled positions by 2025

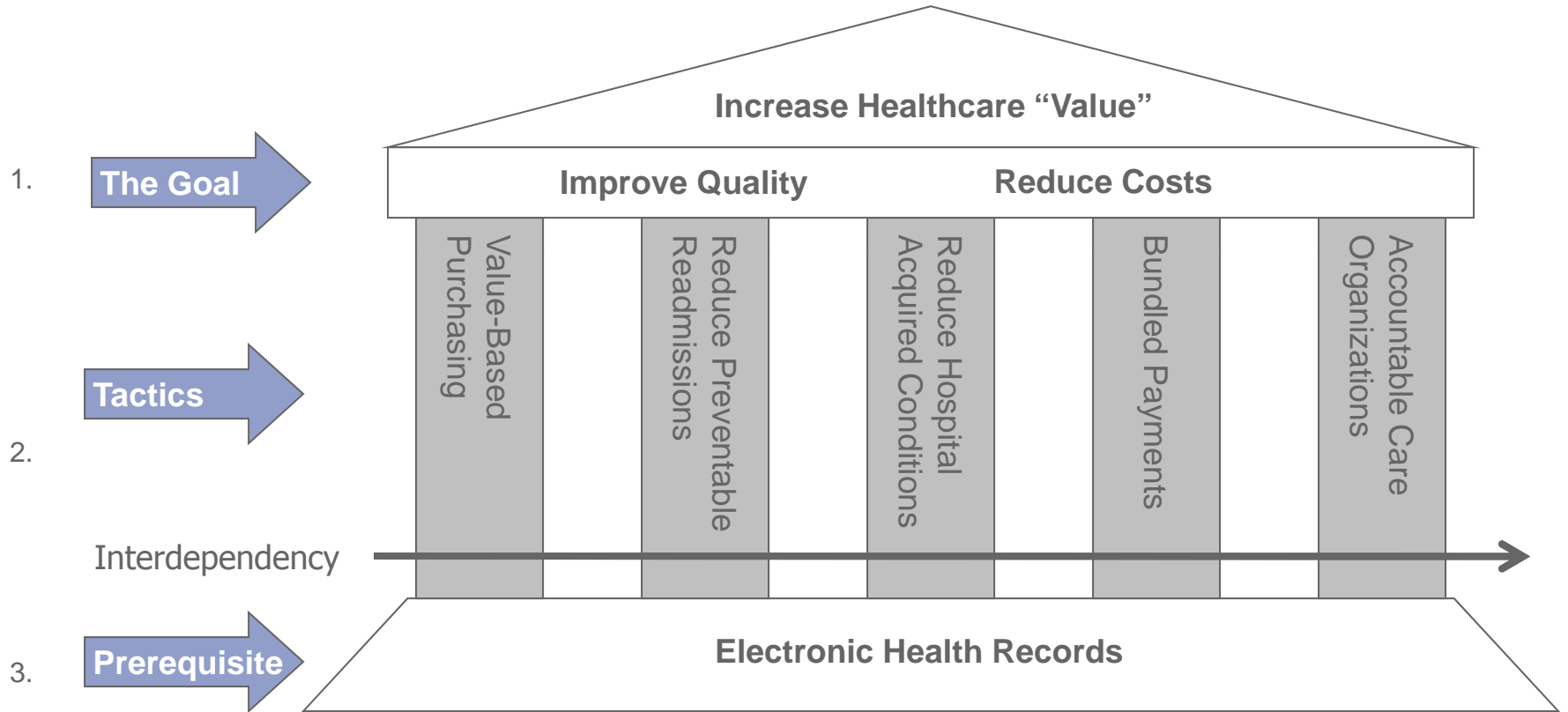
- Increasing demand for care

- Elderly population increase by 40% between 2010 and 2030

- Increased documentation to meet regulatory requirements and reporting



2010 Health Care Reform



Health Care Reform – Outcomes Sought

Operational Improvement Opportunities: Outcomes and Cost

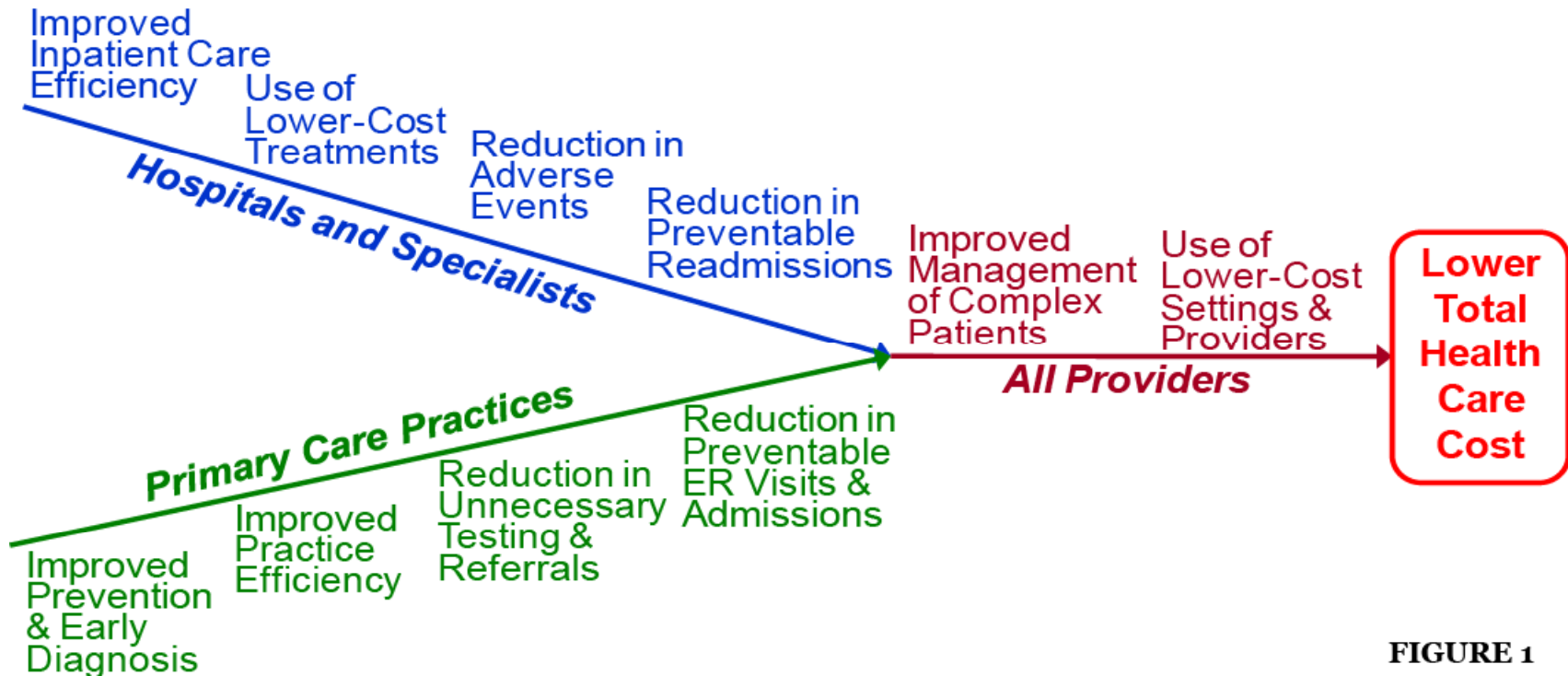
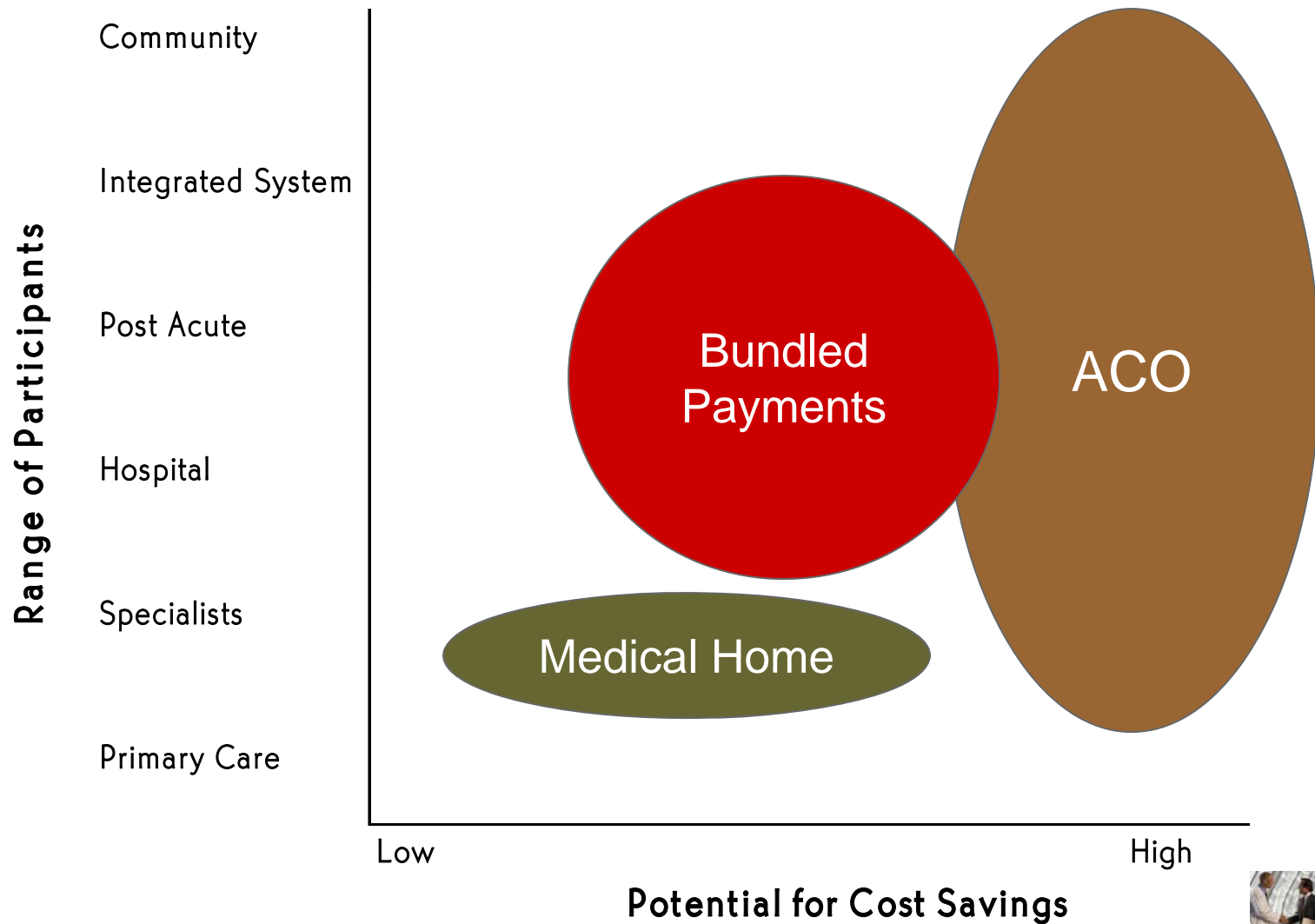


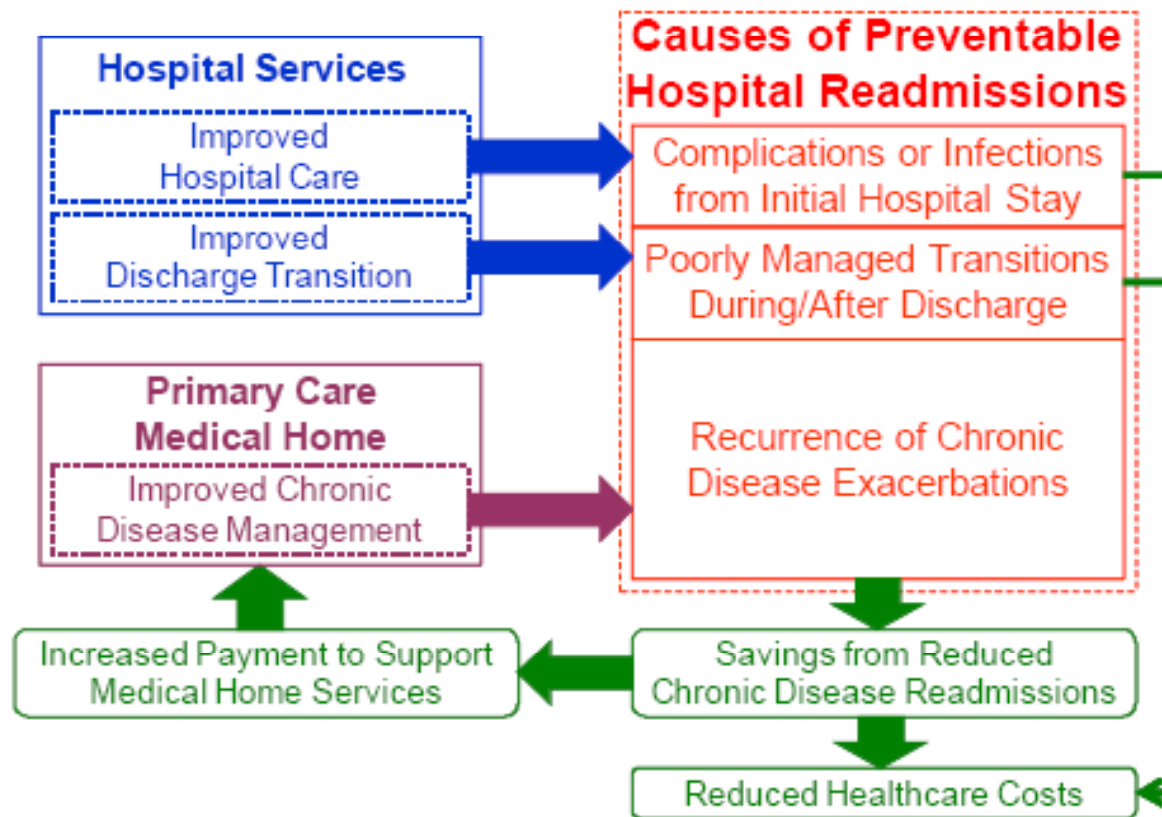
FIGURE 1



New Care Delivery Models - Potential Impact



Health Reform Primary Care Medical Home



What Needs to Happen

- Implement and integrate EHRs
- Analyze of service lines.....value stream thinking
- Redesign care delivery and workflow to drive efficiency, enhance quality and safety
- Remove waste, rework and redundancy in work processes
- Provide decision support tools at the point of care
- Leverage business intelligence tools to understand data regarding care outcomes and financial impact
- Implement sustainable managed processes with defined accountability
- Be action oriented and agile: respond quickly given the knowledge obtained via information analysis



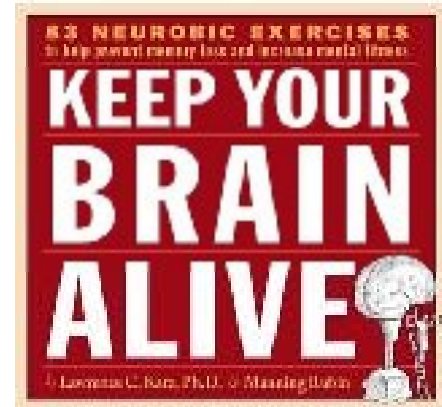
Key Learning Points

- Change management is like herding cats - people start where they are, not where we want them to be - they bring their history, preferences and fears. It's messy!
- Knowing change management principles is a start, but it's from hands on experience that you learn what to do when things don't go as planned. This is the difference between practitioners and novices.
- Understanding staff perceptions, abilities, motivators and then helping them connect the dots are key to moving forward effectively.



Awareness of Habits

- Are you a creature of habit?
- Do the following.....
- Why are we this way?
 - Protective
 - Helps us to cope as adults
- Neurobic Exercises Book – Keep Your Brain Alive by Lawrence C. Katz PhD and Manning Rubin, 2009 ISBN – 13:978-0-7611-1052-1



“When one door closes another opens,
but sometimes it’s hell in the hallway.”

- *unknown source*



Change Can Be a Good Thing



Change Management Defined

- Facilitates the human transition from current state to future state
- Structured, intentional process
- Deals directly with human factors
- Focus on all initiative / project phases - planning, implementation, post-change
- Delivers desired behavior change

Accelerate the speed at which people move through the change process so that anticipated benefits are achieved faster.



Table Exercise

At your table, take 10 minutes to talk about your experiences with change. Document key points and prepare to share your findings with the larger group.

- Discuss changes you have experienced that went well. What made them successful?
- Discuss changes you have experienced that did not go well. What went wrong?



Organizational Self Assessment

- Initial Diagnosis, where are you starting from?
- Dimensions Typically Assessed:

Sponsorship	Leadership	Motivation	Direction
Measurement	Org. Context	Processes/ Functions	Benchmarking
Customer Focus	Rewards	Org. Structure	Communication
Change Experience	Morale	Innovation	Decision- making



Organizational Self Assessment

Dimension Example:

Processes/Functions

- Major changes almost invariably require redesigning business processes that cut across functions such as admissions, nursing, lab, and accounts payable. If functional executives are rigidly turf conscious, change will be difficult.
- Give yourself more points the more willing they—and the organization as a whole—are to change critical processes and sacrifice perks or power for the good of the group.



Organizational Self Assessment

Dimension Example:

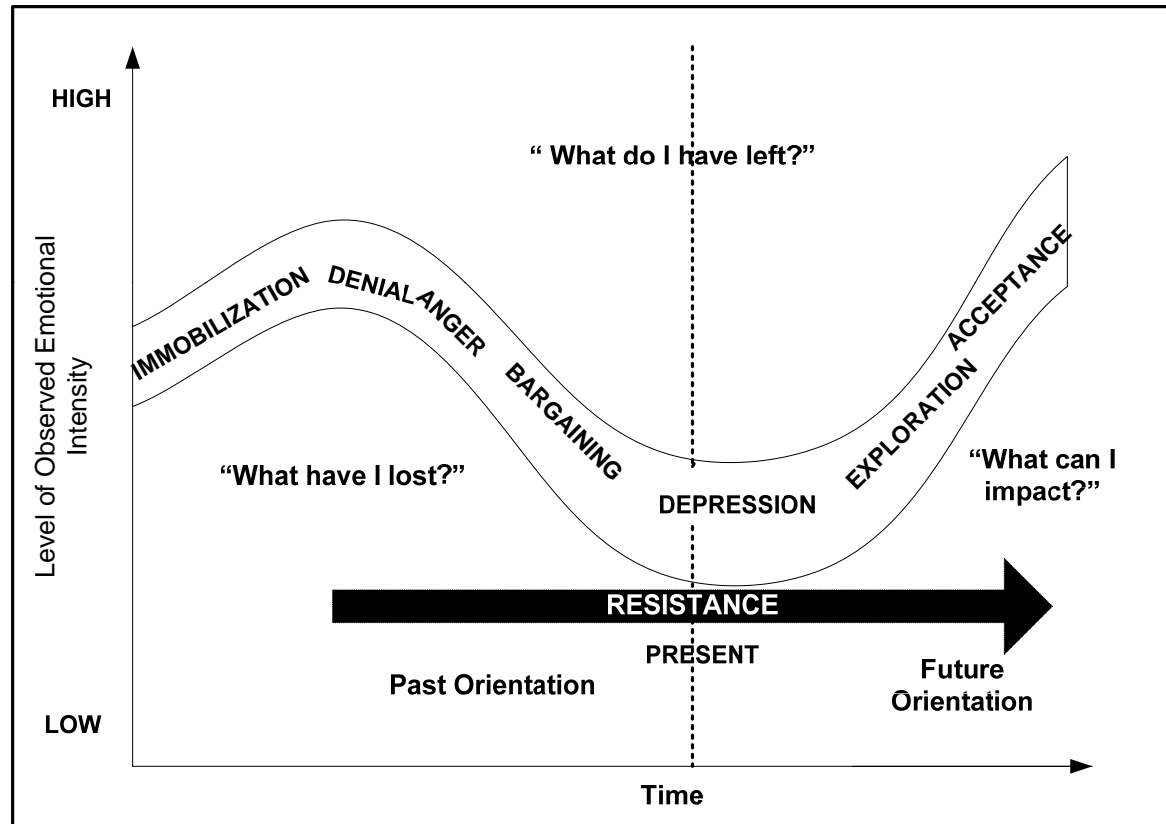
Measurements

- Three points if you already use performance measures that promote continuous improvement (nursing hours per patient day, LOS, etc.) and if these link to economics of the organization
- Two points if some measures exist but compensation and reward systems do not explicitly reinforce them
- If you don't have measures in place or don't know what we're talking about, one point.

*Measured on a scale of 1 to 3



IMA Change Adaption

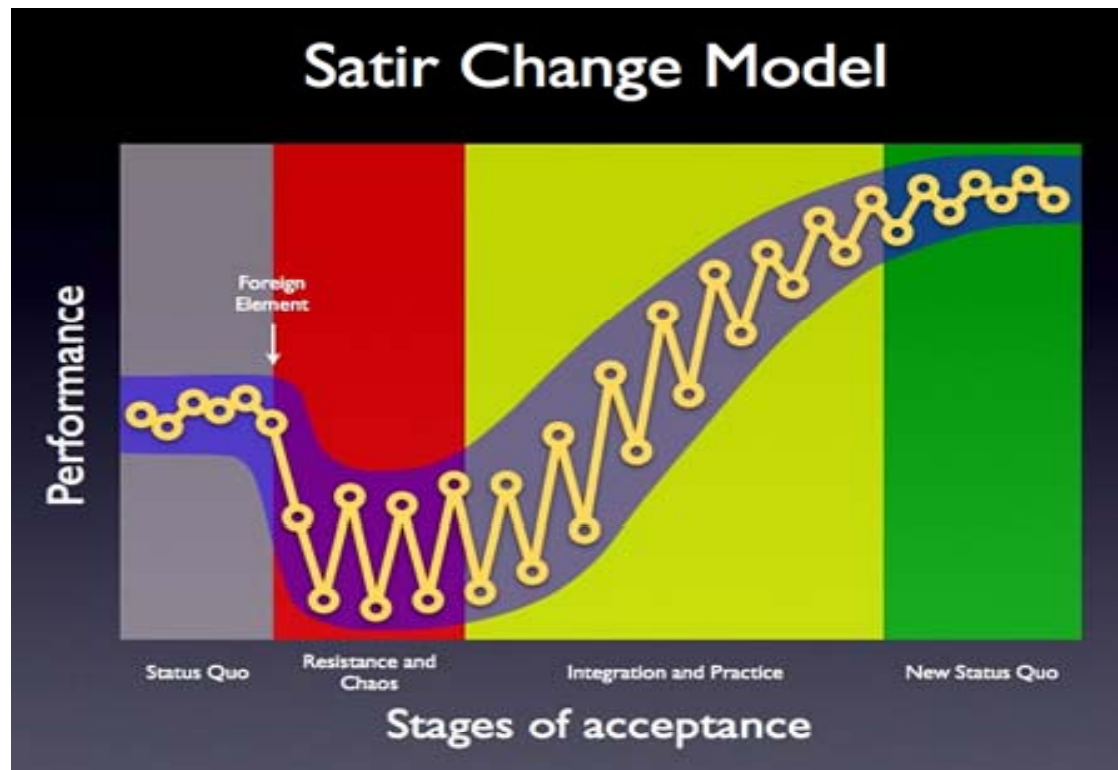


Accelerating Implementation Methodology (AIM) 2009: www.imaworldwide.com

Implementation Mgmt Associates



Satir Change Model



In many cases, initiatives are stopped or discontinued prematurely. Initiatives that could otherwise succeed are viewed as failures.



Why Does Change Fail?

Many organizations do not realizing the anticipated return on investments and new initiatives

Kotter Common Errors:

- Allowing too much complacency
- Failing to create a sufficiently powerful guiding coalition
- Underestimating the Power of vision
- Under communicating the vision by a factor of 10 or 100 or even 1000
- Permitting obstacles to block the new vision
- Failing to create short term wins
- Declaring victory too soon
- Neglecting to anchor change firmly in the corporate culture



Change Resistance - Kotter

	Point of View	Commonly Heard
1	It's Not Important	<i>"I don't have time for this, I've got work to do."</i>
2	It Won't Be Successful	<i>"Are you kidding? The senior executives aren't backing this"</i>
3	I Can't Imagine Things Differently	<i>"We've always done things this way."</i>
4	People Talk, But Don't Do	<i>"It's a nice idea, but my manager won't allow me to do things differently"</i>
5	It's Hard and it's Too Much Change	<i>"No way we're going to accomplish this."</i>
6	Our Processes and Technology Won't Change	<i>"Our systems don't work now. What makes you think this is better?"</i>
7	Nothing Ever Really Changes	<i>"As soon as this is over, we'll go back to the way we used to do things."</i>



McCarthy & Eastman - Organizational Fabric Model

1. Sponsorship
2. Stakeholder Mgmt
3. Training
4. Vision
5. Communications
6. Reinforcement



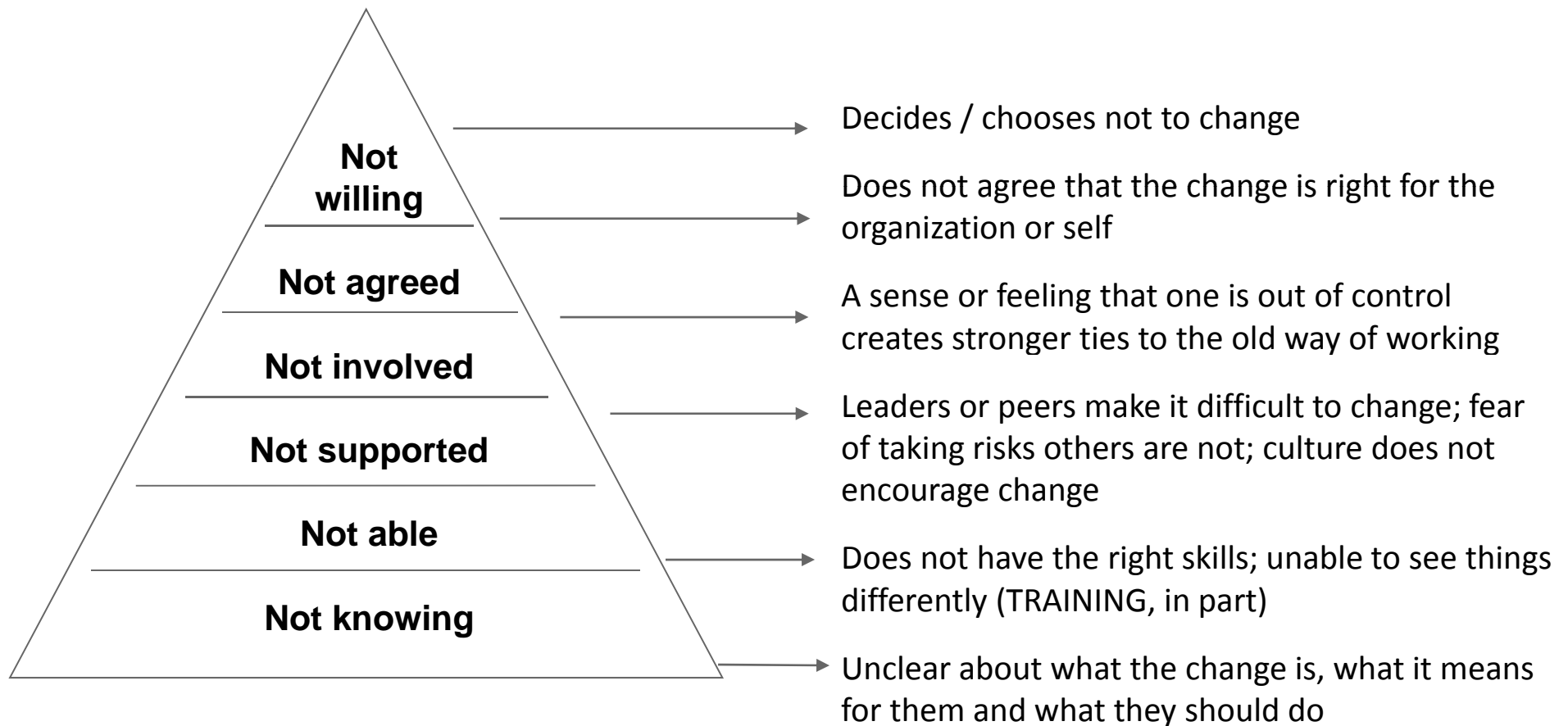
McCarthy & Eastman - Organizational Fabric Model

- Six main threads of focus
- Strategy must consider inter-relationship of threads
- Snags in the fabric result from loose adherence to bigger picture
- One-off approaches negatively impact end goal(s)



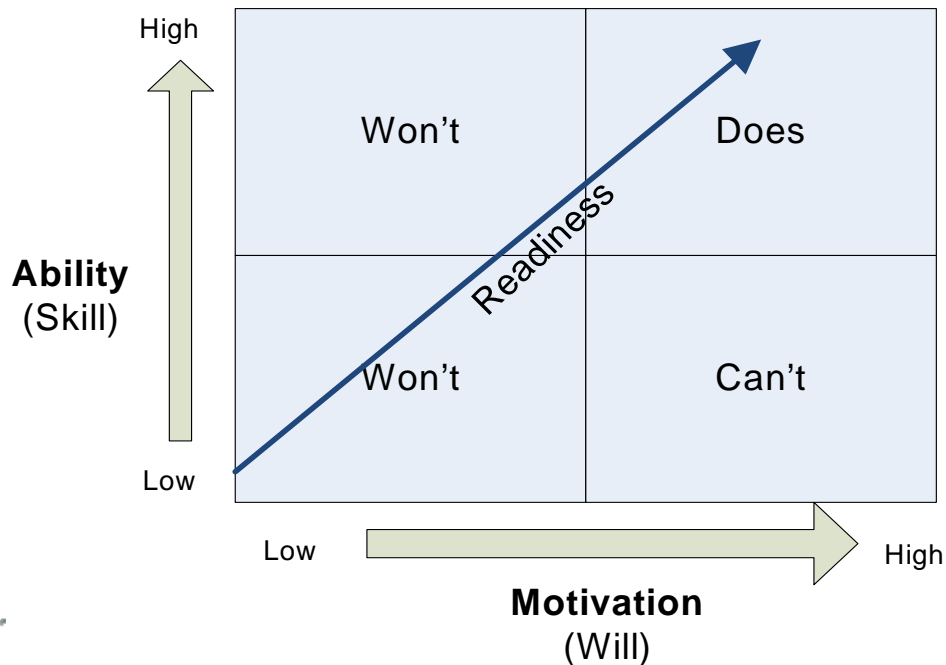
Understanding Resistance

Root Causes of Resistance



Ability Versus Motivation

- Must understand the skill versus motivation challenge
- Adhere to change management strategy
- Well-intentioned approaches don't necessarily move people from point A to point B
- Training is often times not the complete solution



Environment / Context

- All change happens in the context of an environment
- The environment either supports and reinforces the change, **or** the status quo
- For sustainable results, be thoughtful and deliberate about creating an environment that supports your change
 - What are all the factors that support or hinder?

“Don’t send a changed person back into an unchanged environment”



Six Sources of Influence

Six sources of influence are identified within the areas of motivation and ability

Set in the context of

- Personal (Self)
- Social (Team)
- Structural (Organization)

	Motivation	Ability
Personal	1	2
Social	3	4
Structural	5	6

Source: Influencer: The Power to Change Anything, by Kerry Patterson, Joseph Grenny, David Maxfield and Ron McMillan (Sep 13, 2007)



Six Sources of Influence – ED Software Use

	Ability	Motivation
Personal (Self)	<ul style="list-style-type: none"> • Process Knowledge – Do I know how to triage patients well enough that I will not miss something? • Advisory Capability – Do I have the capability to guide patients to access other good care alternatives? 	<ul style="list-style-type: none"> • Alignment to Hospital Vision – Do I really want to turn away patients who come to our ED for care? • Employment/Pay - If we do not have enough patients to care for will I be asked to take a low census day? • Perceived Safety/Support – Isn't it better to treat the patients versus taking the risk of potentially being wrong in triaging them? If something bad happens to the patient, will I be held liable? Will the hospital back up my decision if there is litigation?
Social (Team)	<ul style="list-style-type: none"> • Performance - What competencies are required to ensure staff accurately triage patients • Trust – Are we comfortable with the triage assessment made by others? • Collaboration - What are the tools and protocols for effectively handling the decision process? • Availability - How can we ensure a qualified team member is always available in the triage area? 	<ul style="list-style-type: none"> • Employment - Will we be asked to float to other units? Will someone lose his or her position? • Parochialism – Do loyalties to our hospital location/ED department/team or preconceived notions around quality or safety prevent acceptance of distributing work to another care location. • Patient Readiness – Will our own perceptions of how patients will receive this prevent us from embracing it?
Structural (Organization)	<ul style="list-style-type: none"> • Compliance – Will this conflict with regulations such as EMTALA? • Governance - What are the processes and who are the persons responsible to oversee and implement this initiative? • Infrastructure - Do we have the right technical skills and procedures to address triage requirements? Do we have providers to meet the care needs in an ambulatory setting in a timely manner? 	<ul style="list-style-type: none"> • Performance Metrics - What measures are regarded as most important by leadership? How does this initiative relate to departmental and individual performance evaluation? • Rewards - How will this impact compensation for our contracted ED physicians? • Revenue - Will this allow the organization to attain a greater number of inpatient admissions?



Strategies for Change Resistance

	Motivation	Ability
Personal	1 Make the Undesirable Desirable	2 Surpass Your Limits
Social	3 Harness Peer Pressure	4 Find Strength in Numbers
Structural	5 Design Rewards and Demand Accountability	6 Change the Environment

Source	Strategies
Source 1 – Personal Motivation	Strategy: Consciously connect to values
Source 2 – Personal Ability	Strategy: Demand Deliberate Practice
Source 3 – Social Motivation	Strategy 1: Pave the Way. Strategy 2: Enlist the power of those who motivate. Strategy 3: Seek the support of those who enable.
Source 4 – Social Ability	Strategy 1: Pave the Way. Strategy 2: Enlist the power of those who motivate. Strategy 3: Seek the support of those who enable.
Source 5 – Structural Motivation	Strategy 1: Link rewards third and in moderation. Strategy 2: Link rewards to vital behaviors. Strategy 3: Use rewards that reward.
Source 6 – Structural Ability	Strategy 1: Use the power of space. Strategy 2: Use the power of data and cues. Strategy 3: Use the power of tools.



Establish a Foundation for Change



McCarthy & Eastman - Organizational Fabric Model

1. Vision
2. Communications
3. Sponsorship
4. Stakeholder Mgmt
5. Training
6. Reinforcement



Vision

- **Vision**

- Start with the end in mind - Covey
- Reach common agreement on the issues - don't jump to solutions
- Build a picture for people to step into - make it behavioral
- Be careful how you define success
- Agree on critical success factors and behaviors up front
- Simplify and clarify



Communication

- **Communication**

- Communicate, communicate, communicate!
- Be transparent, tell the truth
- Know your audiences, their frames of reference and what's in it for them (WIIFM)
- Clear, concise, consistent, compelling messages stick!
- Provide feed back loops
- Use multiple media
- Gather lessons learned for continuous improvement



Communication Plan

- Things to consider with plan development
 - Audiences
 - Timing
 - Content
 - Format
- Intent of the communication
 - Inform
 - Influence
 - Educate
- Keep it simple



Communication Plan Template

Message	Purpose	Vehicle	Audience	Subject Matter	Content Developer	Distribution Due Date(s) / Timeframe
Status Updates						
Weekly Project Status	To report weekly status	Status Report	Project Team	Milestones achieved, not achieved, changes to project plan, plan for next week, open issues	Project Manager	Beginning of each week
Monthly Project Status	To provide status & information	Power point and e-mail summary	Steering Team; Wipfli Executives	Project status and next steps	Project Manager	Monthly on or around the end of each month
Executive Committee Update	To provide status & information	E-mail summary	Executive Team	Project status and next steps	Project Manager	Quarterly
Field Partner Update	To provide relevant project status	E-mail summary	Field Partners	Project status, next steps, and relevant impact	Project Manager	Following completion of key milestones
Ad hoc Communications to Users	To provide relevant project status	E-mail summary; newsletter	Appropriate Users	Project status, next steps, and relevant impact	Project Manager	As needed
General Communication						
Project Announcements	To notify team of important items	SharePoint Site; e-mail	Project Team	Miscellaneous	Project Team	As needed
Holiday / Vacation Calendar	To notify project team of scheduling conflicts	E-Mail	Project Team	Out of office schedule	Project Team	As needed



Sponsorship

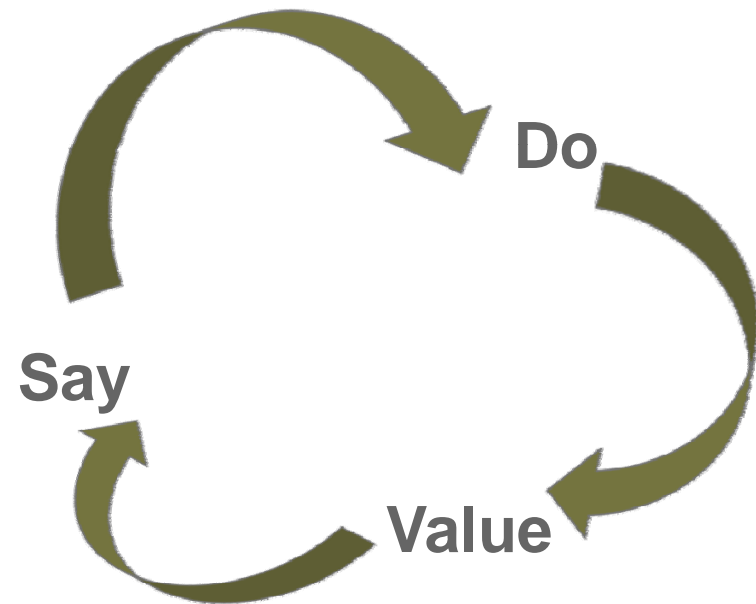
The most critical success factor in any change effort



Effective Sponsorship

Sponsors communicate volumes through what they...

- **Say** (Written/verbal)
- **Do** (Behavior)
- **Value** (Reinforcement)



Effective Sponsorship (cont.)

- **Verbal and Written Communication**

- Least impactful, most utilized
- Own the business case for change - explain “why” and “what”
- Be clear about non-negotiable
- Make it personal - incorporate own experiences / words
- Invite feedback- make it safe
- Share goals and expectations



Effective Sponsorship (cont.)

● Behavior

- More impactful than verbal/written, used less
- Actions speak louder than words! Lead by example
- Visibly and consistently engage in the process
- Make the hard calls
- Allocate necessary resources
- Walk the talk
- Stay the course

“What you do speaks so loudly I can’t hear what you’re saying”



Effective Sponsorship (cont.)

● Reinforcement

- Most impactful, but most underutilized success factor!
- Reinforcement = rewards and consequences
- Reward what you want to see
- Align incentives
- Use both tangible and intangible reinforcement
- Tailor rewards for greatest impact - know your people!

Reward what you want to see



Lessons Learned

● Sponsorship

- Develop a clear role map of organization to define sponsor cascade
 - Positional authority does not necessarily reflect power / influence
- Ensure sponsors understand and can fulfill sponsor role
- Sponsors must focus the organization- prioritize, limit distractions
- Lack of agreement among multiple sponsors big stumbling block
- Define governance up front
- Real power in aligning all three- **SAY, DO, VALUE**

Not a passive role- “launch and leave” is not sponsorship!



Table Exercise

At your table, take 10 minutes to talk about your experiences with sponsorship. Document key points and be prepared to share your findings with the larger group.

- When did a project go well because of strong sponsorship? What were the elements of strong sponsorship?
- When did a project go poorly due to weak sponsorship? What are the risks of weak sponsorship?



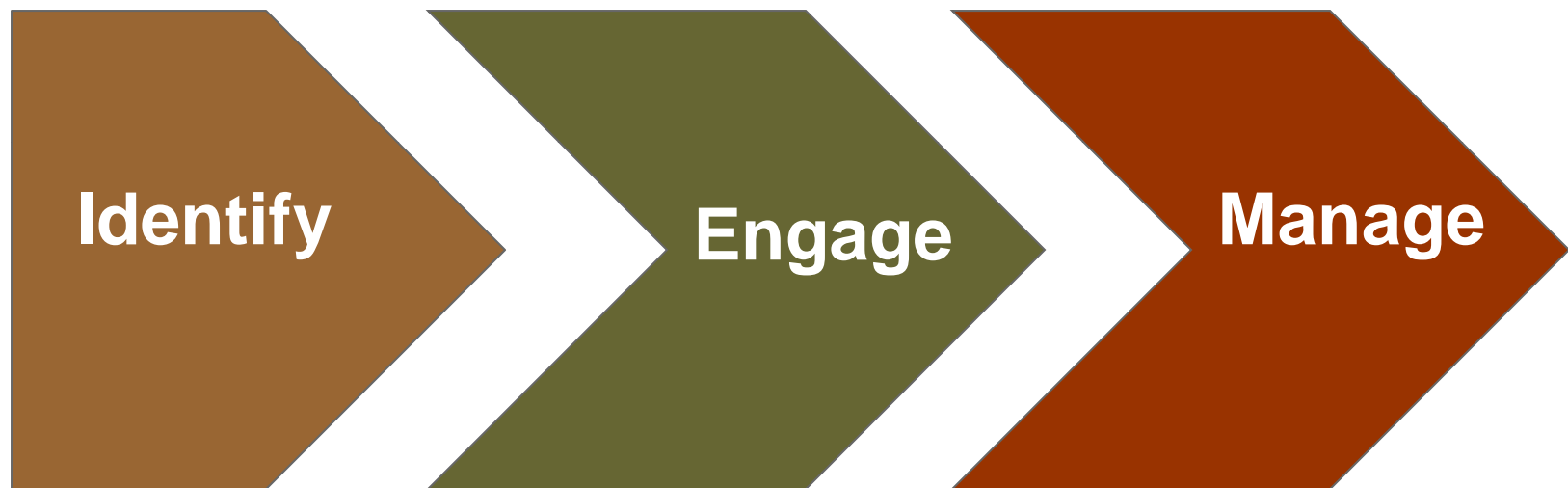
Building Commitment



Organizational Readiness Team



Stakeholder Analysis



Key Learning Points

- Get front line supervisors and middle managers involved early
- If unionized, get unions at table as soon as possible
- Resistance is normal and inevitable, embrace it and understand its meaning throughout the life cycle of the change



Key Learning Points

- Ensure the right people are at the table for effective decision making
- Don't assume you know how others will react
 - Fundamental Attribution Error – will react like you think
- Credibility is difficult to earn, even harder when it is lost
- Create cross-functional teams with ad hoc members

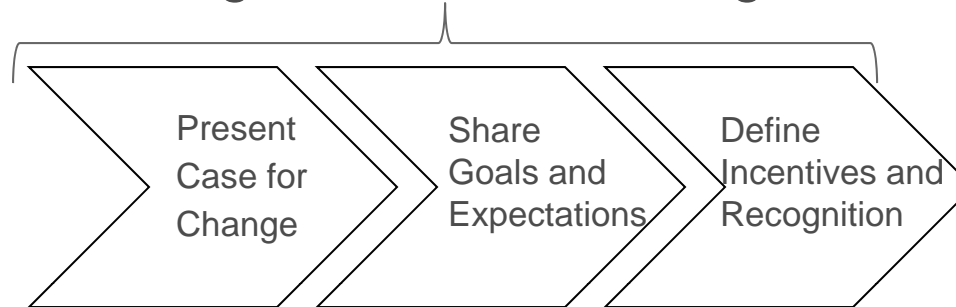


Change Readiness

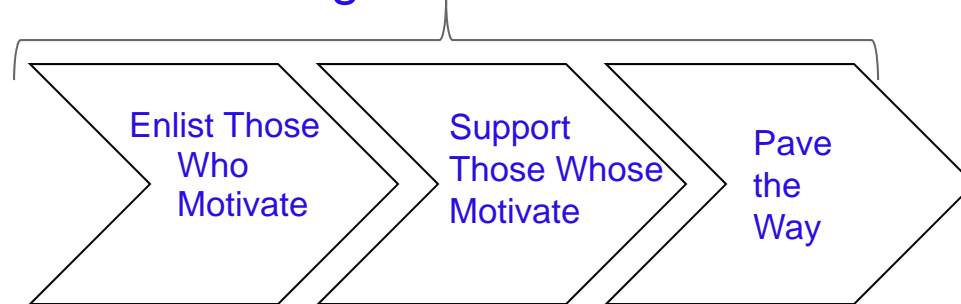


Connect the Dots

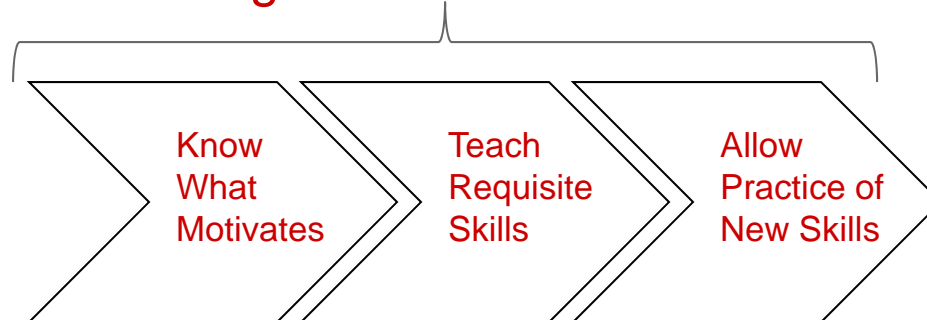
Connecting the Dots to the Organization



Connecting the Dots to the Team



Connecting the Dots to the Individual

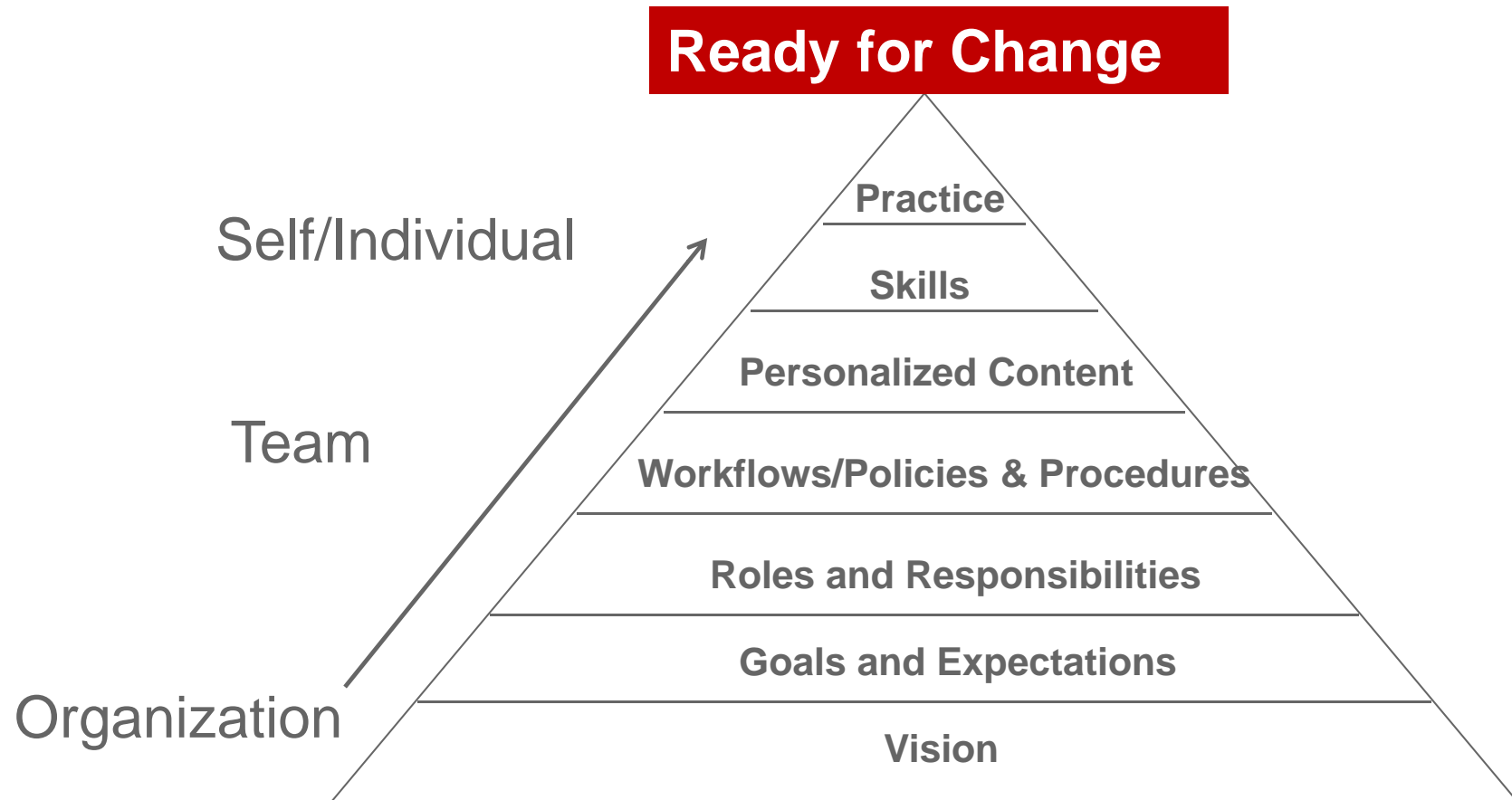


Forest and Trees

- Overview of why change is being implemented
- Future state vision
- How change fits into overall strategy of organization
- Benefits and opportunities
- Anticipated returns on investment
- Things that may be difficult
- Project details, overview
- Implementation schedule
- Support model
- Sources for additional information
- Readiness plan and logistics
- Sponsorship endorsement
- What will stay the same, what will change



User Readiness



Change Management

- Effective change strategies include life beyond the change implementation
 - Sustaining procedures
 - Standard work defined
- Focus on developing critical thinkers, becoming change experts
- Sustaining procedures and reinforce end goal(s)



Change Training / Support Risk Factors

- Be careful not to reinforcing dependent users
- Blanket approach to skill gaps
- Reactionary responses to demand
- Overlooking front line leader role in team development
- Overburdening internal resources or early adopters as local champions
- Not leveraging informal leaders
- Not establishing an appropriate learning context up front



Bottom Line - Summary

- Can't realize benefits when tools and technology are not used appropriately
- Can't monitor performance or progress if success measures aren't defined and tracked
- Can't transform delivery of care if stuck at change implementation
- Technology does not solve human inefficiencies or a poor processes
- Active, effective sponsorship is critical
- Peer to peer support is key



Kotter - Organizational Change - Success

Kotter – Eight Characteristics of Effective Change Efforts

- 1 Establish A Sense Of Urgency

Examining market and competitive realities; Identifying and discussing crises, potential crisis, or major opportunities.

- 2 Build A Powerful Guiding Coalition

Assembling a group with enough power to lead the change effort. Encouraging the group to work together as a team.

- 3 Create A Vision

Creating a vision to help direct the transformation effort. Developing strategies for achieving that vision.

- 4 Communicate The Vision

Using every vehicle possible to communicate the new vision and strategies. Teaching new behaviors by the example of the guiding coalition.



Kotter - Organizational Change - Success

- 5 Empower Others To Act on the Vision

Getting rid of obstacles to change. Changing processes, systems or structures that seriously undermine the vision. Encouraging risk taking and nontraditional ideas, activities, and actions.
- 6 Plan for and Create Short Term Wins

Planning for visible performance improvements. Creating those improvements. Recognizing and rewarding employees involved in the improvements.
- 7 Consolidate Improvements and Produce Still More Change

Using increased credibility to change systems, structures, process, and policies that don't fit the vision. Hiring, promoting, and developing employees who can implement the vision. Reinvigorating the process with new projects, themes, and change agents
- 8 Institutionalize New Approaches

Articulating the connections between the new behaviors and corporate success. Developing the means to ensure leadership development and succession



The Handwriting on the Wall

- Change Happens: They Keep Moving the Cheese
- Anticipate Change: Get Ready for the Cheese to Move
- Monitor Change: Smell the Cheese Often So You Know When It is Getting Old
- Adapt to Change Quickly: The Quicker You Let Go of Old Cheese, The Sooner You Can Enjoy the New Cheese
- Change: Move with the Cheese
- Enjoy Change: Savor the Adventure and the Taste of New Cheese
- Be Ready to Quickly Change Again & Again : They Keep Moving the Cheese

FIERCELY FOCUSED >

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Excerpted from Who Moved My Cheese? © 1998 Spencer Johnson, M.D.



The Journey



Go alone to go fast,
Go together to go farther.

- African proverb



Change Management Resources

- Change Anything, Kerry Patterson, Joseph Grenny, David Maxfield, Ron McMillan and Al Switzler, 2011, VitalSmarts, LLC
- Change Management Strategies for an Effective EMR Implementation, Claire McCarthy, MA and Doug Eastman, PhD, HIMSS, 2010
- Neurobic Exercises Book – Keep Your Brain Alive by Lawrence C. Katz PhD and Manning Rubin, 2009 ISBN – 13:978-0-7611-1052-1
- Influencer, The Power to Change Anything, Kerry Patterson, Joseph Grenny, David Maxfield, Ron McMillan and Al Switzler, 2007, VitalSmarts, LLC
- Harvard Business Review on Change, 1998
- Who Moved My Cheese? Spencer Johnson, M.D. 1998
- Leading Change, John P. Kotter, Harvard Business School Press, 1996



Questions



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