

CHAPTER 4

The New Health Ecosystem Leader

Leadership is the capacity to translate vision into reality.

—Warren Bennis, quoted by Dianna Daniels Booher, 1991

NEW STRATEGIES REQUIRE NEW LEADERSHIP CAPABILITIES

Before we present our health ecosystem leadership model (HELM), allow us to expand further on what leaders must do to meet the challenges of today's health ecosystem. To set the scene, here is Matthew Guy, MPA, senior consultant and coach at ReThink Health, a national health strategy consulting firm committed to convening cross-sector collaborative solutions:

The culture of collaboration needs to be demonstrated from the top, so it can cascade down to the lower levels of the organization. Leaders must bring people in from other organizations, or even other industries, and have them talk about what they're doing to create links between what the respective organizations are doing.

Executives must show all their leaders how the organization fits into the broader context of the health ecosystem and the impact the organization has on the system. The

problem most senior leaders have is that they try to force their ideals down the throats of whomever they are trying to get to cooperate.

Rather than trying to transform everyone's entire view about how things are done in the organization, just try to get them to understand the organization's role in the larger scheme of the health ecosystem and how their work fits into this broader context.

Effective leadership has always included a broad array of skills, behaviors, and competencies including change leadership, innovation, and negotiation. While these competencies remain wholly important, what we've uncovered through our work with organizations across the health ecosystem is a new set of competencies for effective cross-sector collaboration, and a new context in which existing competencies need to be applied. If you're a leader who believes in the need for an ecosystem approach to realize improvements in your organization, your sector, and across sectors, then the leadership model and mind-set apply to you.

The health ecosystem is certainly complex. Made up of powerful players with disparate interests, it is nested in larger societal, market, and governance systems of even greater complexity, with traditional approaches to strategy design being solely industry focused and organizationally executed. To develop ecosystem solutions, organizations need to think much more broadly, inviting other sectors and diverse perspectives to the strategic planning table. Craig Samitt, currently of Blue Cross and Blue Shield and formerly of Anthem, endorsed this point when he told us that

Things have gotten very complex, and there is an absence of an entity that has "stepped up" to bring order out of chaos. As things become more complex, there's a greater need for order. I think now is the time for us to step forward with a new set of solutions.

This new set of solutions will require competing management teams and boards to come together under the shared goal of improving population health. Each sector brings its unique strength to the shared goal and offers relevant best practices to derive the greatest value from the group's collective efforts.

Sometimes, these organizations will not be direct competitors but potential allies that, though they occupy different sectors, have the opportunity to work together to improve overall health. For example, we are aware of providers working with a housing authority, a utility company, and a food bank. Such is the extent of this new world.

Complementary sectors—and competing ones—codesigning a collective and collaborative strategy will ensure that the conditions are set so that ecosystem solutions can be implemented with proper alignment and engagement across all important players. For success to be confidently achieved, such initiatives require enough leaders with the right capabilities in place to support the new strategies.

THE OLD BOUNDARIES AND BORDERS ARE GONE

Leaders who will be successful in this new world understand the importance of collaboration—whether it's with other leaders in their organization or with potential partner organizations—and also recognize that it will be difficult. They accept that the isolation of leaders in their own worlds (whether in their particular organization or their health industry sector) can create bias, and they also know that the way to move forward is to find opportunities to align around common interests while not being derailed by differences. These visionaries walk into the room with the goal of finding common ground, seeking to create an environment in which people can explore different solutions without passing judgment. They take the time to truly understand how and why the other party approaches a particular situation in a certain way.

One of the things we have learned from our research is that ecosystem development activities take time, often competing with the day-to-day operations of the organization. As a result, the collaboration work can get less attention than needed—or in some cases efforts are abandoned. Leaders operating effectively across their ecosystem understand the need to take the time to look for ways in which their differing approaches serve their important common interests.

Successful collaboration requires leaders who are willing to step outside of the context that they typically operate in, to expand the solution space and invite others into the conversation, giving them ample opportunity to participate in developing solutions. For example, bold strategies—such as the Institute for Healthcare Improvement’s Triple Aim for improving the care experience and overall health, as well as reducing costs, require leaders to work across sectors, particularly in the areas of population health and affordability. This task is not easy.

The Triple Aim, and other important efforts to improve health and affordability, are not congruent with the current business models of many US health organizations. Their traditional approach is focused on enhancing revenue and managing expenses to produce profits. They are driven by their mission statements and strategies, the focus on their customers, and which of their organizational capabilities can meet the needs of those customers. For organizations to be successful at efforts such as the Triple Aim, they need to bridge those differences. You can’t have the hospitals lose if you are a payer, you can’t have the payers lose if you are a hospital, and that means finding a formula that allows everyone to achieve common goals collectively.

Bridging these differences requires leadership in an environment in which there is no line of authority, goals are more diverse, business models are more variable, and culture and values are different from sector to sector. It starts with leaders saying, “You know

what? Ultimately this a zero-sum game, and I don't think we can let anybody lose."

THE NEW TYPE OF LEADER

The bottom line is that the right leaders need to be in place to drive an ecosystem strategy forward and to take on the myriad challenges that come with it. This critical role of leadership is endorsed by Tsun-Yan Hsieh and Sara Yik (2005, 1): "Since bold strategies often require breakthroughs along a number of fronts, a company needs stronger and more dominant leadership at all levels if these strategies are to succeed."

We wrote this book because we think it's critical that health organizations have leaders with the capacity to think and behave in ways that support ecosystem solutions. Our research presents examples of leaders that have taken that wider view on specific problems, with a corresponding improvement in population health. These are cases where leaders have looked beyond their borders and connected with others in different sectors to address some of the much broader determinants of health.

The leaders we have interviewed clearly demonstrate tangible benefits from both cost and outcome standpoints, and this improvement goes back to our envisioning statement of a new focus on health. However, we are citing some exceptional cases. Imagine what the health ecosystem could collectively achieve if all the sectors worked together as their way of doing business? How would that affect the overall health of our nation? How would that affect cost? How would that affect the quality of life?

Organizations are made up of people, and their cultures are created by the ways in which employees behave largely because of the signals they receive from the executives and senior leaders. To change the organization's culture, it's important to have leaders

who recognize the vital need to operate differently and who are willing to put in the time and effort and persist through difficult challenges. Leaders who exhibit the right behaviors in ecosystem initiatives can shift the culture of their own organizations in new and better directions by demonstrating and communicating that collaboration is not just worth the effort, it's critical to the mission. A collaborative mind-set becomes embedded in the organization when leaders' decisions and actions visibly reflect the importance of working across the ecosystem.

To further improve health and provide more value for the health-care dollar, the decisions and actions of leaders need to reflect the broader mind-set of achieving change via cross-entity efforts. The more leaders think and operate in this way, the more contagious and natural it will become across organizations, sectors, and the health industry.

KEY TAKEAWAYS

- Leaders need to think more broadly about how their organizations fit into and affect the larger ecosystem and invite leaders from other sectors with diverse perspectives to the strategic planning table.
- Complementary sectors—and competing ones—need to be engaged in the codesign of collective and collaborative solutions to create the alignment needed for successful implementation of solutions.
- Ongoing tensions will inevitably occur when stakeholders with differing worldviews try to work together; leaders who balance these diverse perspectives and focus on achieving mutual goals will create greater value for patients and populations.
- Leaders who exhibit a collaborative mind-set can shift the culture of their own organizations in a new and better direction by demonstrating and communicating that collaboration is critical to their mission.

REFERENCE

Hsieh, T. Y., and S. Yik. 2005. "Leadership as the Starting Point of Strategy." *McKinsey Quarterly*. Published February. www.mckinsey.com/featured-insights/leadership/leadership-as-the-starting-point-of-strategy.