



Successful Transformation requires Transformational Leadership

Posted by

Healthcare transformation has been embraced as "the thing" to do throughout the nation. Whether it is the increasing shift to outpatient services, value-based reimbursement, cost reduction, consumerism, or the digital revolution all organizations are coming to grips with a transformation that will reshape the industry as we have known it. With as much as a third of the annual health care cost considered waste, and consumers that actively seek alternative forms of access, the industry is feeling the shift each year.

Today, we read of ideas about refocusing our efforts and doubling down on inpatient operating discipline to survive or bold talk that to thrive we must complete the shift to value-based revenue models with a population health management infrastructure to manage risk. As we consider action, each strategy has merit, therefore, we want to pursue both to hedge our bets for today and the future.

While determining what to do, we must consider the leadership talent needs required to be successful. The successful leaders developed in the inpatient world of yesterday are generally the leaders tapped to address the challenges of today and attack the transformation to the future. Many of these experienced leaders step up and are models of best practice. However, we need to remember that what got us here today will not get us there tomorrow, as noted by author and executive coach [Marshall Goldsmith](#) in his book *What Got You Here Won't Get You There*.

Leadership and Life Cycles

All companies and industries evolve through life cycles similar to the product life cycle. **Start Ups** evolve through a life cycle curve with **High Growth** to **Maturing** and lastly **Declining** unless they transform and jump to the next life cycle curve to **Sustain**. As the industry shifts through the current stage of a life cycle, new leadership talent is needed to revitalize or sustain healthcare organizations. These leaders must operate successfully with discipline to continually improve outcomes and reduce costs in order to maintain healthy margins. At the same time, they must execute crisply the shift to value-based reimbursement in an organization and climate that vastly different than the past.

The past inpatient hospitalization model is a dying business model while the future of an outpatient, home based, population health management, value-based reimbursement model is driven by consumerism and a digital revolution. This model requires new leadership skills to shift to a revitalized and sustainable organization at a new stage in the organization life cycle.

Bringing in new talent carries the risk of being rejected as a virus to the culture but when teamed with existing successful leadership the future can be achieved. Such actions require a Talent and Culture Plan that transforms the organization. The mere recognition of the need to transform, develop key strategies, and assure the appropriate financing is no longer enough, if it ever was in the past. A robust Talent and Culture Plan increases the probability of success with the best laid plans and financing.

Attracting new leaders of today is different than depending on the well-trained leaders of yesterday that maximized returns in a mature market with little disruption. Making the shift requires entrepreneurial leaders with execution discipline with vision to revitalize. It is time now to develop, attract, and deploy new leadership talent blended with existing high performing industry leadership to evolve into a successful operating model.

As always, feel free to email me buzacherov@inveniaspartners.com to exchange ideas about recruiting successful leaders for tomorrow or

with questions about how to develop a Talent and Culture Plan.

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