

**2023-2024  
PELI Advanced Course  
Session 5**

**Saturday Session**

April 25 - 27 2024



# Today's Agenda

7:00 – 7:30      *Breakfast*

7:30 – 9:30      Finance discussion with Guest Speaker Al Swallow

9:30 - 9:45      *Break*

9:45 – 11:00      Customer centricity, Cleveland Clinic case discussion

11:00 – 11:15      Reflections and Take Aways

11:15 – 11:30      Course Assessment

# Welcome Al Swallow!



Albert G. Swallow III  
Chief Financial Officer MaineHealth

# Break

Please be back at 9:45

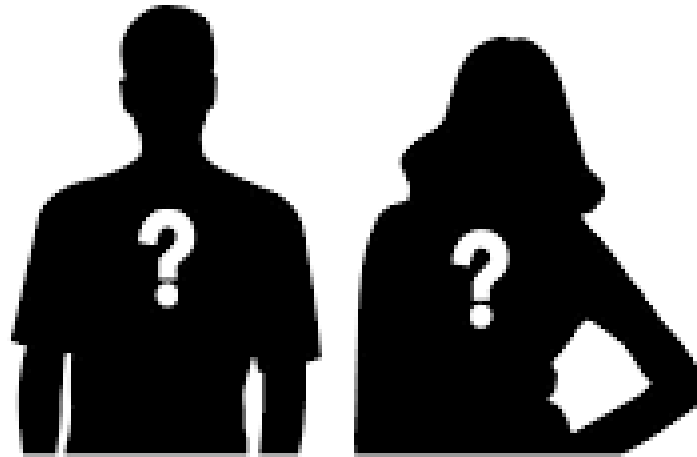


# Understanding customers and stakeholders

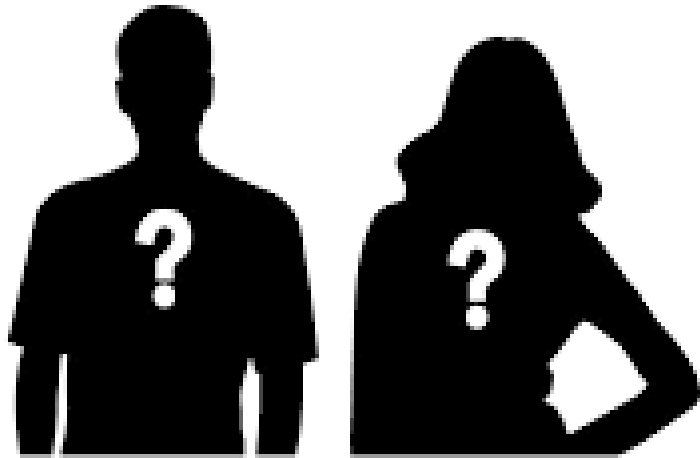
Some questions to ask:

- WHO are our customers? Stakeholders?
- What value do they derive from our activities?
- Are they loyal? How do we know?
- What kind of product investment/innovation do we need to maintain our relationships?
- Are there important complements we need to consider?

# What's the difference between a customer and a stakeholder?

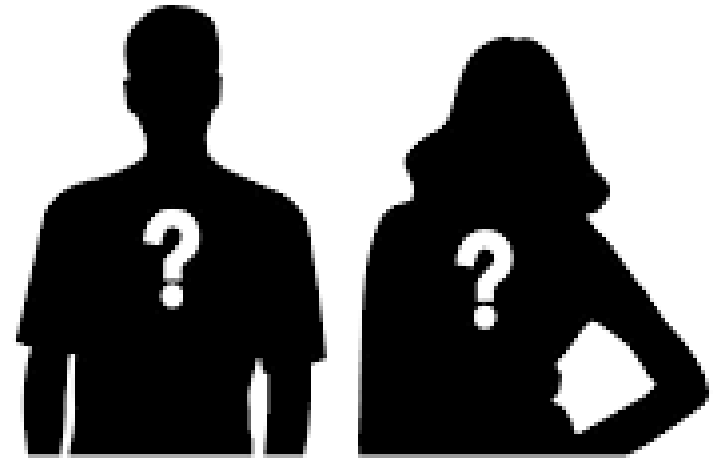


# What's the difference between a customer and a stakeholder?



## Customer

- An individual who purchases or receives a product or service

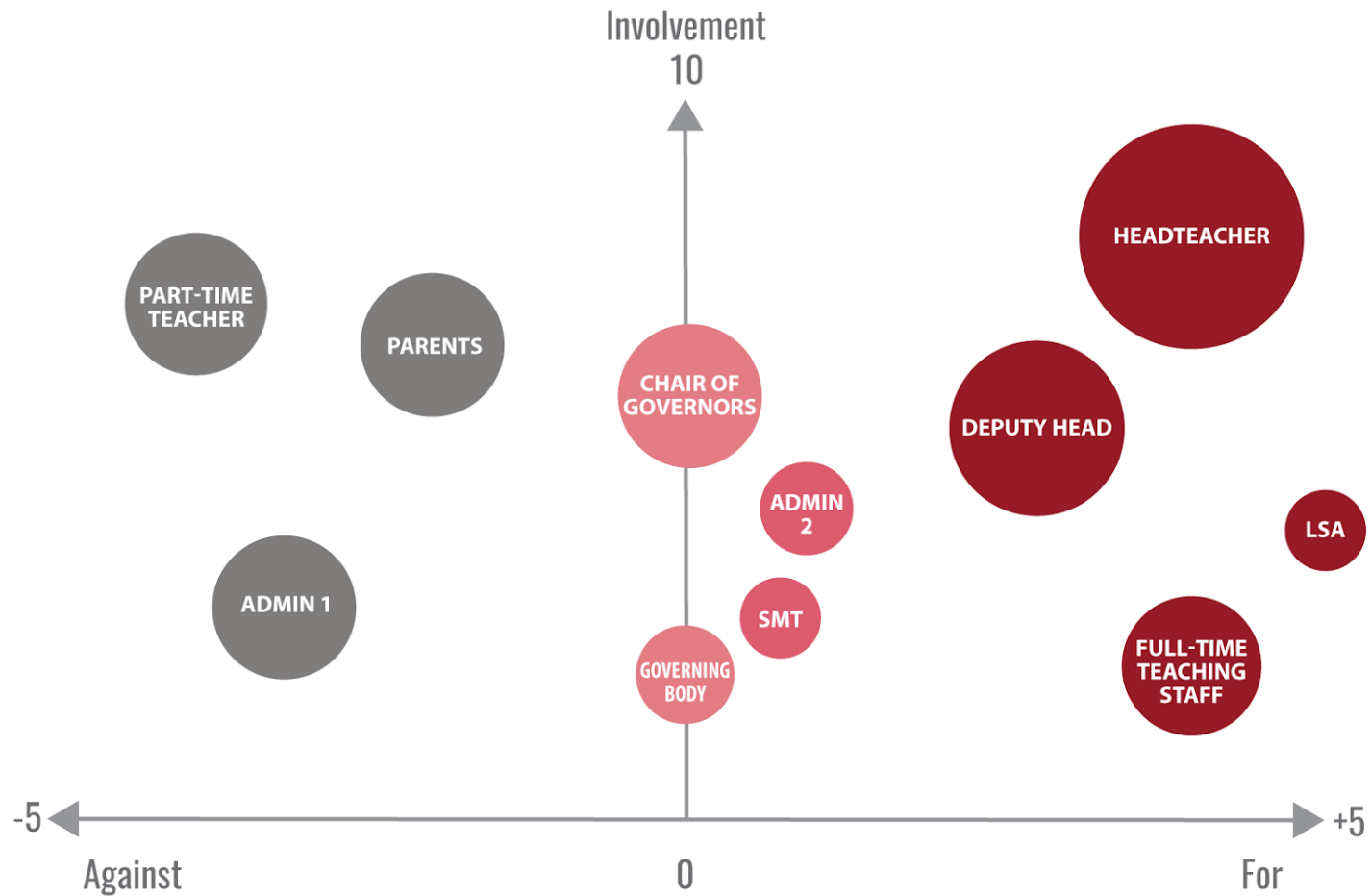


## Stakeholder

- An individual, group or organization affected by the outcome of a product or service
- (Anyone who decides they are a stakeholder is one)

**Why is this distinction important?**

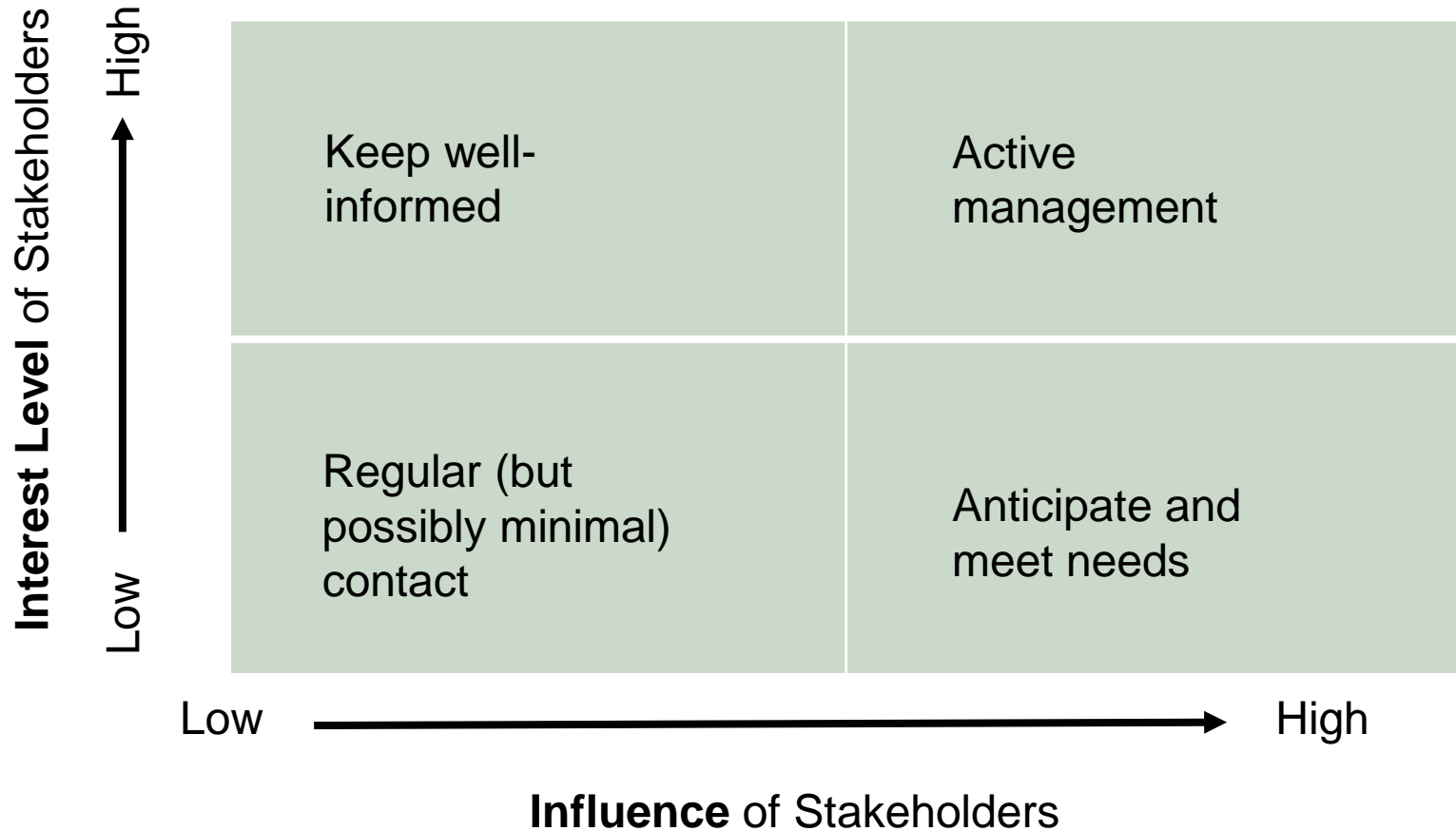
# Stakeholder map – education example



KEY: SIZE OF CIRCLE = DEGREE OF INFLUENCE ON CHANGE



# Creating value for stakeholders



# Why Organizations Make Mistakes in Customer Focus

Company's internal focus is too great

Power and skills are aligned with product or function



**Customer Focus**

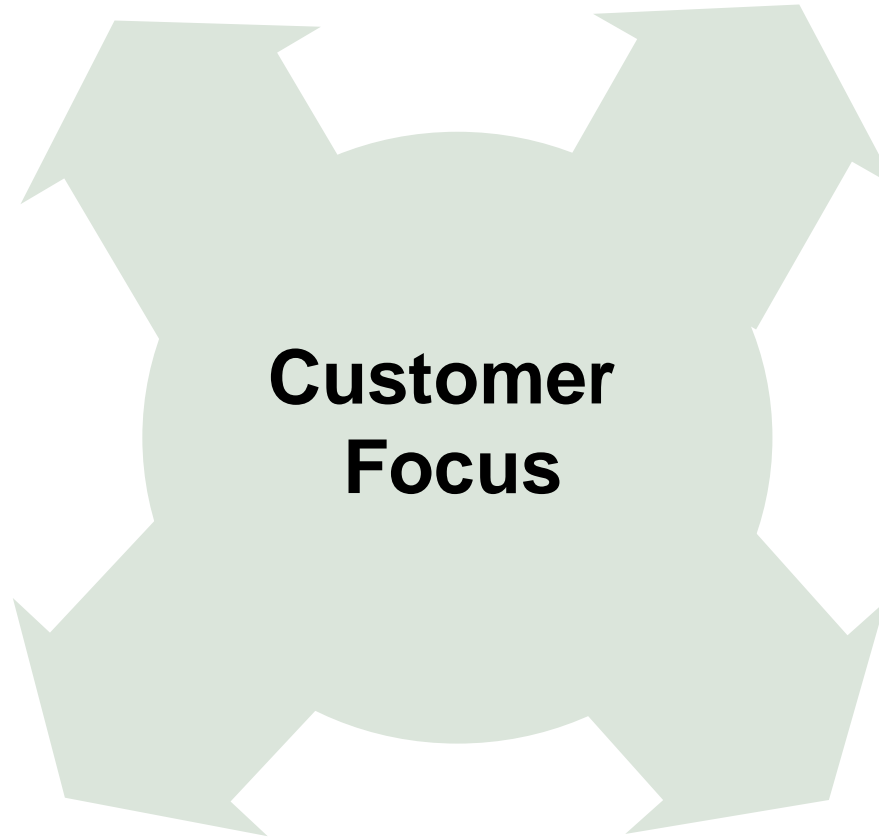
Organizational structures and processes are product-centric

Incentives and cultural elements aren't customer focused

# Why Organizations Make Mistakes in Customer Focus

Company's internal focus is too great

Power and skills are aligned with product or function



**Does this every happen in health care?**

Organizational structures and processes are product-centric

Incentives and cultural elements aren't customer focused

## Increasing customer value – three approaches

**Product  
Differentiation**

**Customer  
Management**

**Offering  
bundled  
solutions**

# Application – Stakeholder analysis

In your table groups – please take 5 minutes to discuss three questions

- In your recent work (or on your PELI project) who are the stakeholders?
- How well does your organization understand them?
- How well does it align against their interests?
- What approaches to stakeholder management would you recommend?

# Report out – please report back on your discussion



- In your recent work (or PELI projects) who are the stakeholders?
- How well does your organization understand them?
- How well does it align against their interests?
- What approaches to stakeholder management would you recommend?

# Recap: the link between strategy and implementation

What needs to happen for strategy to be effectively implemented?

**Clear Communication** with stakeholders

**Strong Leadership**

**Alignment** with the organization's mission, vision, and values

**Effective Decision Making and Resource Allocation** (financial, human, and technological) in a way that supports the strategy

**Employee Involvement and Engagement**

**Organizational Culture**

**Flexibility and Adaptability**

# Cleveland Clinic Case





## Cleveland Clinic case synopsis

- Cleveland Clinic's health care services are internationally renowned for quality. CC was consistently listed by U.S. News and World Report as one of the country's top hospitals
- History of medical breakthroughs
- Emphasis on hospital wide coordination and coordinated patient care
- Reorganized in 2006 from organizing around physician competencies to a patient-needs oriented approach

# Cleveland Clinic case synopsis

- But, as the competitive environment evolved, Cleveland Clinic found itself lagging on patient metrics, despite its word class reputation
  - 4<sup>th</sup> percentile in room cleanliness
  - 14<sup>th</sup> percentile in doctor communication
  - 55<sup>th</sup> percentile in overall satisfaction
- In 2009, well-regarded surgeon James Merlino was appointed “Chief Experience Officer along with Chief Nursing Officer Sarah Sinclair

# Discussion

*Q: Should the Cleveland Clinic “fire” Bob Jones?*

*Pros*

*Cons*



*What are the implications?*

## Discussion

Q: What is the *human* logic for improving patient focus at the Cleveland Clinic?



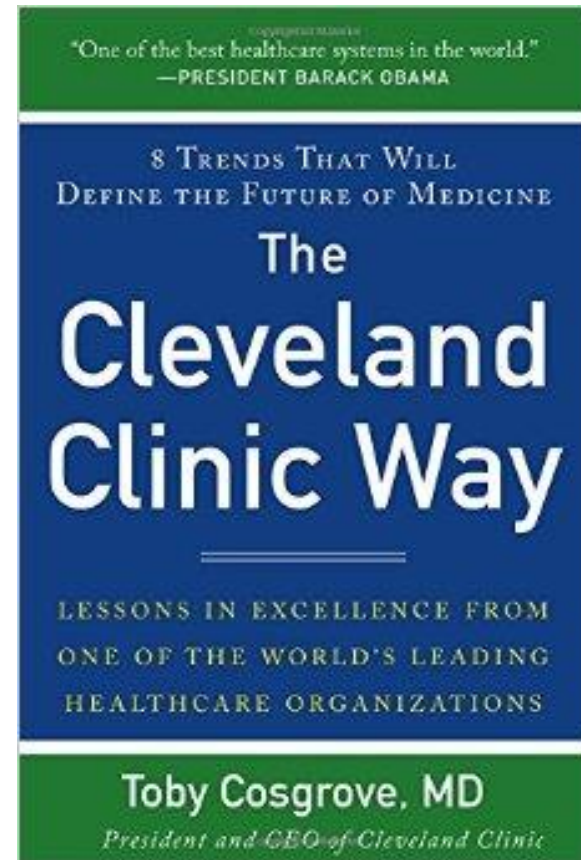
# Discussion

Q: What is the **business** logic for improving patient focus at the Cleveland Clinic?



# Discussion

*Let's look at some of their specific initiatives....*



# Discussion

*Q: Let's look at some of their specific initiatives...*

Initiative	Why was it important?
Creation of Institutes (2006)	
Creation of Office of Patient Experience	
Amenity-related improvements (gowns, sofas)	
Employee training – 42,000 employees	
Making patient satisfaction data transparent	
Managing patient expectations	
Others	

# Discussion

*Q: Let's look at some of their specific initiatives...*

Initiative	Why was it important?
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***Which are hardest to implement?***

***Which do you think could prove most impactful?***

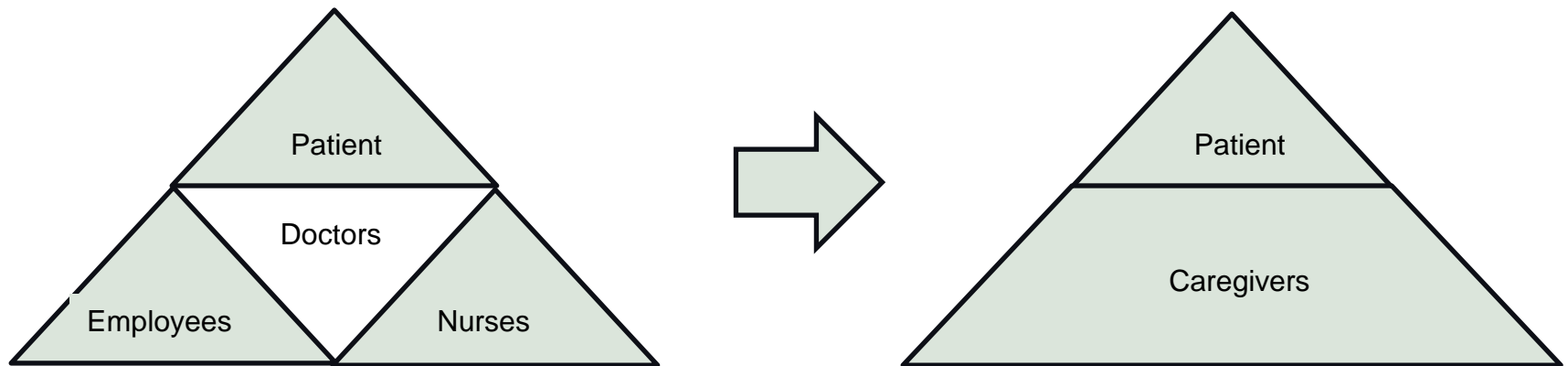


*Q: What resistance would you expect Merlino to encounter as he seeks pursue his patient focus agenda?*

*How should he overcome it?*

## Some specifics on what they did - training

- Half day training - \$11 million cost (including salaries)
- 43,000 employees (4,000 doctors), no exceptions
- Diverse groups – randomly assigned in groups of 8
- Mapped the patient experience
- Making everyone a caregiver
- Discussed empathy
- Communication training



## Some specifics on what they did - training

Cleveland Clinic's START training:

S – Smile and greet warmly

T – Tell name and role

A – Active listen

R – Rapport / relationship building

T – Thank the person

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**Is this too simplistic?**

## A little theory...

In their article, “Turning Great Strategy into Great Performance”, Mankins and Steele talk about the *seven rules for successful strategy execution*:

1. Keep it simple
2. Challenge assumptions
3. Speak the same language
4. Discuss resource deployments early
5. Identify priorities
6. Continuously monitor performance
7. Develop execution ability



*Q: How well is the Cleveland Clinic following this prescription?*

# A little more theory: the four C's of customer focused solutions

- **Coordination**

Establishing structural mechanisms and processes that allow employees to improve their focus on the customer by harmonizing information and activities across units

- **Cooperation**

Encouraging people in all parts of the organization—through cultural means, incentives, and the allocation of power—to work together in the interest of customer needs

- **Capability**

Ensuring that enough people in the organization have the skills to deliver customer-focused solutions and defining a clear career path for employees with those skills

- **Connection**

Developing relationships with external partners to increase the value of solutions cost effectively



# Discussion

*Q: Was Merlino the right person for the job?*

*Q: Why or why not?*

...and what about the economic impact?

*How do you react to the “Children’s Hospital dilemma”  
Where reducing asthma is the right thing to do, but affects  
their bottom line?*

*Have you faced a similar dilemma?*



# Video

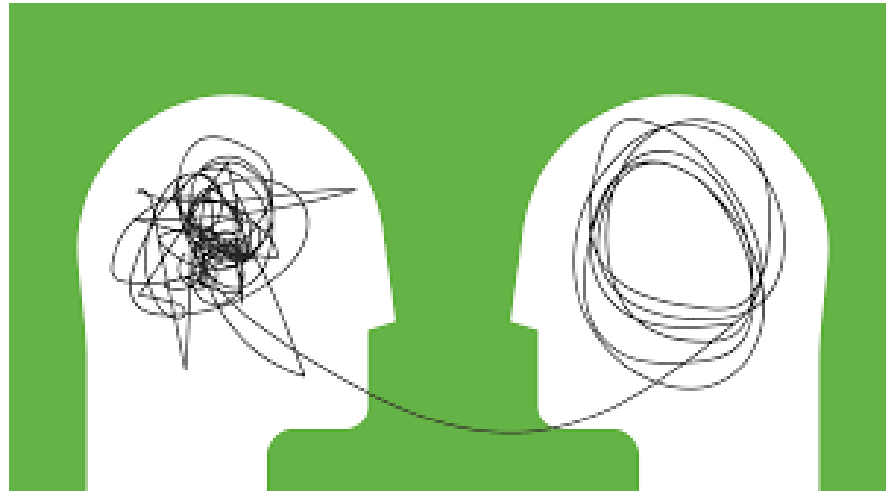


Empathy: The Human Connection to Patient Care

[https://www.youtube.com/watch?v=cDDWvj\\_q-o8](https://www.youtube.com/watch?v=cDDWvj_q-o8)

CEO Toby Cosgrove, MD, shared this video, titled "Empathy," with the Cleveland Clinic staff during his 2012 State of the Clinic address

Q: *Can you “teach” empathy?*



## ...a little more theory

Seven key insights on customer-centric organizations:

1. It means addressing customer issues fully and resolving them completely
2. It is ensuring that everyone adopts an external focus
3. You've got to give employees the authority and tools
4. It means letting your customers interact with you the way they want (not just via the web...)
5. It is not just giving customer what they want – it is giving them what they will want
6. It's not organizing the company to serve customers – its letting customers determine how you organize
7. It isn't just about winning new customers, It is about winning customers' love

Adapted from Stauffer, What Customer Centric Really Means

## Discussion

*Q: Do you think there is a tradeoff between customer oriented delivery and financial performance?*



# Discussion

Q: *Has the  
Cleveland  
Clinic's gone  
far enough?*



## Action plan – 5 minute breakout groups

*Q: What should Merlino's action plan be going forward?*

Please work with your table group to discuss for five minutes, appoint a spokesperson, we will reconvene to hear your recommendations)



# Report out

*Q: What should Merlino's action plan be going forward?*

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# Application

*If you were to borrow a few ideas from our discussion of the Cleveland Clinic case to apply to your organization, what would they be?*



# Reflections / take aways



# What's Next?

## Session 6 – May 30 – June 1, 2024

**Overview:** High Performance Health Care & Leading Change in Complex Systems. Project presentations and graduation

**Thursday evening:** Welcome reception, Dinner.  
Speaker: Dr. Puthiery Va will be the Director of the Maine Center for Disease Control and Prevention (CDC)

**Friday:** Brandeis Faculty Jody Hoffer Gittel and Bradley Morrison

**Saturday:** Poster presentations and graduation



# Session feedback

Please take a few minutes  
to complete our short evaluation /  
feedback form

Janell has sent you a link

