

The Agency of the Future

Empathy. Innovation. Execution.

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Introduction

“A leader’s job is to look into the future and see things not as they are but what they can become.”

-Author Unknown

Home care is in the midst of a strategic inflection point – a moment when multiple factors are coming together simultaneously, each with the independent ability to fundamentally change the way that businesses operate. In the midst of this defining moment, healthcare is center stage and home care is playing a particularly significant role.

While our industry has undergone dramatic evolution in the past, this time it is different. Healthcare has risen to the top of our national consciousness, with substantial attention focused on care for the chronically ill. One only has to look at the statistics to understand why - Over 75% of healthcare dollars are spent on patients with one or more chronic condition, and over 133 million Americans have at least one chronic disease. According to the 2009 Obama Healthcare Plan, chronic conditions cost \$1.7 trillion every year. Moreover, these statistics are only expected to rise as baby boomers continue to age.

On the one hand, the market is ripe for “disruption” (Clayton Christensen, The Innovator’s Solution), a time when new market entrants deliver solutions to problems that the established players have chosen to ignore. Most of the profitable growth trajectories in history have been initiated by disruptive innovations. In contemporary society, just look to Amazon.com and Netflix for quick examples of disruption. In healthcare, we can already observe early signs of potential disruption. With favorable demographics and a growing national awareness about the challenges associated with a chronically ill patient population, vendors and providers are actively developing novel approaches including pioneering technologies and new models of care. From giants of industry like GE and Intel to small start-up companies, organizations of all sizes are looking to carve their place the home care market.

While the disruptive potential is significant, home care possesses an extraordinary opportunity in the midst of this strategic inflection point. Experts at working with the chronically ill patient population, home care providers are uniquely capable of delivering solutions to our present day problems. The ideal scenario is to have an established company initiate disruptive innovation – this is a nearly unstoppable force! The key is being willing to cast aside conventional ideas about “the way things have always been,” and be willing to bravely try something new. Just like the book Who Moved My Cheese, winning providers will understand that the “cheese” is changing and the time has come to step out into the maze in search of the next “blue ocean” (Blue Ocean Strategy).

The “Who Moved My Cheese” Moment

The book Who Moved My Cheese provides an exceptional illustration of the challenges and opportunities that we are experiencing in today’s healthcare environment. The book refers to two sets of mice in a maze – both recognize that their block of cheese is dwindling. The difference lies in how they choose to address the problem. The first two mice make the decision to stay with their current

cheese as long as possible. The second set of mice realize that the current block of cheese cannot sustain them forever, and they make the courageous decision to venture out into the maze in the hopes of finding a new block of cheese. In the end, the first set of mice is too weak to search for new cheese after holding on to their current cheese for too long. The second set of mice successfully locates a new block of cheese, and they continue to thrive with sufficient nourishment having been brave enough to face the unknown.

This parable is appropriate for our current home care environment, as the “cheese” has been changing for some time and signs point to continued “cheese movement.” In recent months, we have observed efforts to reduce hospital readmissions through potentially bundling of payments and monitoring of the transition process from acute to sub-acute settings (CARE Transitions). Recent programs have provided for increased care coordination through the Medical Home Demonstration Project and the Chronic Care Improvement Project. The new Independence At Home Initiative aims to facilitate more comprehensive in-home service delivery for the chronically ill home bound population. And, all of these programs have occurred in the context of ongoing cuts in reimbursement and movement toward pay for performance across the continuum.

As we consider our recent past and look to the future of home care, we must acknowledge that our current system is evolving. From cuts in Medicare reimbursement to new models of care, our nation is focused on identifying methods of caring for the aging population with optimal quality and maximum efficiency. Ultimately, the “cheese” is moving, and it is up to us to make conscious decisions about how we choose to proceed. It is important to note that this concept does not just apply to Medicare-certified home health agencies; rather, it will affect everyone that touches the aging population – home health, hospice, private duty, HME/DME, infusion, adult day care centers, and many more.

Challenge = Opportunity

Change is upon us, and the only certainty is uncertainty – at this exact moment (January 1, 2010), we do not know what the final version of healthcare reform will entail and how it will specifically affect home care providers. Moreover, the landscape for aging-in-place and home centered care will continue to be defined over the next several years as we attempt to identify the ideal method of caring for this unique population.

As we sit in the midst of this uncertainty, it is up to us to proactively position our industry for a future full of opportunity. It begins with the recognition that our current challenges present a substantial opportunity for growth, development and change. With this shift in mindset – from fear to adaptation – we open our collective consciousness to the ample supply of opportunities that lie ahead. Furthermore, we begin to release our grip on the dwindling cheese so that we are free to consider the abundant supplies of cheese that are right in front of us.

In essence we can start the process of transforming into the “agency of the future” today – and it begins with a critical shift in mindset. The agency of the future will look into the maze with enthusiasm and

excitement tempered by humility and caution. This agency will recognize that the road ahead requires creativity, as there are no templates to follow. The agency of the future will carefully traverse the “road less traveled” looking for new opportunities, overcoming obstacles, and persisting even when the path seems difficult.

*Two roads diverged in a wood, and I,
I took the one less traveled by,
And that has made all the difference.
-Robert Frost*

Although seemingly simple and obvious, the road less traveled can be challenging to navigate as it requires a special blend of organizational attributes designed to turn challenges into opportunities: empathy, innovation and execution. Each of these individual items is described in detail below.

The Agency of the Future: Empathy

Empathy Defined: The action of understanding, being aware of, being sensitive to, and vicariously experiencing the feelings, thoughts, and experience of another without having the feelings, thoughts, and experience fully communicated in an objectively explicit manner. (www.merriam-webster.com)

In home care and hospice, we speak a great deal about the importance of compassion. As we deliver direct care – nursing, aides, therapy, and more – we recognize the importance of doing so with empathy and kindness. Home care is given to the most vulnerable patients/clients; it is the most personal care that will ever be provided in a patient’s life; and it is care provided within the intimate walls of a person’s home. It is easy to see why empathy is a cornerstone of home health, home care, and hospice.

Beyond direct care, however, some have lost sight of the importance of empathy in other aspects of the business. This is especially true as our industry becomes more competitive with new business pressures and financial challenges. Contrary to the age-old view that “business is business,” the most successful companies possess empathy at all levels of the organization.

Believing in the circle of business and life – what goes around comes around – empathy is often the x-factor that moves businesses into unprecedented territory. When combined with strategy, innovation and flawless tactical plan execution, empathy adds the essential elements of humanity, humility and heart. Whether we consciously recognize it or not, we all resonate with those people and companies that exude empathy in their interactions. Sometimes we call it excellent “customer service,” when in reality, we are experiencing the joyful impact of an empathetic interaction. Whether the interaction is with a concierge, sales person, nurse, flight attendant, or any other person, we feel a sense of understanding and warmth from people that approach their jobs and lives from a place of empathy.

The agency of the future will resonate with empathy through and through. From intake to billing, sales to human resources, leading providers genuinely seek to understand the needs of internal and external target audiences and provide exceptional service accordingly. These agencies do not have recruitment and retention problems, as they are often an employer of choice. Empathetic agencies do not struggle

The Agency of the Future – Empathy. Innovation. Execution.

with sales and marketing, as they consistently develop exceptional relationships with top notch referral sources. Empathetic agencies achieve consistently outstanding outcome scores because of their commitment to quality and their willingness to creatively explore new models of care. Ultimately, agencies built upon a foundation of empathy are more efficient and better positioned for growth.

As you consider how to fold empathy into your business, remember that empathy isn't a program – it isn't something that you do. Quite the contrary, empathy is a thread that runs throughout successful agencies and touches all aspects of operational performance. To begin the process, the agency of the future must make empathy a cornerstone of the brand identity. It must be real, touching, personal and authentic. It must resonate throughout the agency – every staff member becomes a walking and talking representation of the empathetic brand (receptionists, intake, clinicians, home health aides and more). While this sounds simple, it can be challenging to implement in practice. Therefore, the agency of the future will begin a longitudinal process designed to orient the culture to reward, reinforce, and encourage empathy. In doing so, the agency will lay the foundation for the next key element of success – innovation.

The Agency of the Future: Innovation

Empathy provides the environment for innovation to flourish, as genuine, real, authentic innovation is built upon a foundation of failures. The following quote illustrates this point perfectly:

“Edison was asked about how he felt having failed in over 1000 attempts to invent the incandescent light bulb. His response was that he had not failed at all. Rather, he had successfully discovered 1000 ways it would not work.”

Just like Edison, innovative agencies must be willing to embrace failure as a natural side effect of venturing into the unknown. Grounded in authentic empathy, employees feel safe to innovate when the company steers away from the conventional wisdom that “failure is not an option.” Quite the contrary, successful companies provide the freedom to innovate while applying appropriate constraints to ensure longevity.

Are you allowing yourself to innovate? Are you keeping yourself up to date? What about your company?

In healthcare and beyond, innovation is happening at the speed of light. It was recently reported that we can expect 150 years of change in the next 20 years, and professional knowledge is becoming obsolete almost as quickly as it's acquired.

As we prepare to take advantage of our “who moved my cheese moment,” the home care industry must embrace innovation and become willing to get outside of our comfort zone. This means evaluating concepts, programs, and methods that are entirely “out of the box.” It means being willing to invest in programs that are a calculated risk. It means that we must dedicate time – a precious commodity – to creative thinking and innovative processes. Most importantly, it means that we must move toward models of care that deviate from the traditional focus of healthcare silos – Medicare-certified home

health, non-medical private duty, hospice, DME, and more. The agency of the future will recognize healthcare silos are becoming a thing of the past, and the future lies in strategic alliances, care coordination, and integrated home-based care delivery.

The Agency of the Future: Execution

Execution is the vehicle that turns innovation into tangible results. The agency of the future must be capable of building upon empathy and innovation by devising and executing a sound strategy designed to achieve growth. The agency of the future will address the gap between promises made and results delivered, as described by Bossidy and Charan in the book Execution: The Discipline of Getting Things Done:

“Most often today, the difference between a company and its competitor is the ability to execute. If your competitors are executing better than you are, they are beating you in the here and now. Execution is the great unaddressed issue in the business world today. Its absence is the single biggest obstacle to success and the cause of most disappointments that are mistakenly attributed to other causes.”

Execution requires strategy, and strategy requires vision. *What is your vision for the future?* When considering this question, think beyond the traditional “vision statement” as a part of the strategic planning process. Instead, consider the following question: “Place yourself 18 months in the future – what have you achieved?” Be specific – What is your company culture? What does it feel like to come to work every day? What revenue goals have you attained? What is your average daily census? The more specific you are, and the more paragraphs you write, the better you paint a picture of what you want to achieve. This vision becomes the guiding light that helps you stay the course on the “road less traveled.”

Once the vision is in place, you must devise a strategy designed to facilitate achievement of the stated goals. This strategy should be tailored to the vision at hand, and the magnitude of the effort should be directly in line with the size of your growth objectives. For example, a 10% growth trajectory will require a less dramatic strategy than a 100% growth trajectory. Although seemingly simple, many organizations fail to push hard enough (or they push too hard) to achieve the goal. Thus, successful providers will have a solid understanding of the goals they are trying to achieve, and their strategy will leverage an appropriate amount of momentum to generate the desired result.

The strategy alone will not be sufficient, however, as providers must ensure that the entire company is positioned to implement the aforementioned plans. This is the essence of execution – translating a plan into reality. Execution requires accountability. The entire organization must be aware of the vision for the future, and they must understand how their individual piece relates to the larger whole. Each vice president, manager, department, and employee must be invested in the goal; they must feel inspired and motivated; and they must know that they are going to be held accountable for achieving results. This is an important cultural shift that is centered on ongoing performance improvement, high-achievement, and drive.

Conclusion

“The single barrier to being great is being good enough.” – Jim Collins, Good to Great

We have reached a defining moment in home care. Many agencies will struggle as they attempt to navigate the road ahead, as others look at looming market challenges with a sense of opportunity and possibility. The agency of the future is opportunistic and optimistic. If you are to be among these leading providers, you will carve out your role as the market is actively being defined, rather than waiting for the market to define you. You will not follow the pack; rather, you will monitor industry developments and make conscious decisions about how you want to proceed. You will begin moving your organization toward the delicate blend of empathy, innovation and execution now, before market pressures dictate your operating landscape.

It should be noted that the specific structure of the agency of the future will naturally differ between organizations; there are no best practices, and there isn't a perfect model developed yet. That is why it is the road less traveled – it is the road that has yet to be defined. The agency of the future will possess the structural integrity necessary to traverse the uncommon path and disrupt the market from the inside. This agency will know how to leverage its assets and minimize its weaknesses to achieve growth in the chosen market.

As you begin to ponder the next logical question – “How can my agency become the agency of the future” – I will encourage you to stop for a moment, close your email, and consider the essential question: *If you were going to start from scratch and develop the perfect approach to care coordination and chronic care, what would you do?* The answer just might provide early insight into the blue ocean of opportunity that lies ahead.

About the Author

Heather is the President and CEO of Heather L. Rooney Strategy and Marketing, a national marketing and strategic planning firm. With an innate ability to forecast future trends, Ms. Rooney is among the most respected growth strategists in the home care industry.

Having been a member of the home care community for more than 10 years, and with nearly 18 years of sales and marketing experience, Ms. Rooney is accustomed to guiding a diverse cadre of home health, hospice, private duty organizations in their quest to transcend performance plateaus. From small agencies to large national chains, she is known for infusing clients with energy and empowering companies to achieve unprecedented growth.

Ms. Rooney serves on the Board of Directors for the Community Health Accreditation Program (CHAP) and the Distinguished Board of Judges for the Stevie Awards. She is a nationally respected keynote presenter and published author on topics related to emerging market trends, sales, marketing, business development, business intelligence, leadership, strategic planning, growth, and more. Amidst her diverse content expertise is one essential thread: she is consistently recognized for her ability to cultivate vision, build unity of purpose, offer practical guidance and inspire change.

Ms. Rooney is also an award-winning CEO - She was named the 2008 Entrepreneur of the Year by the Stevie Awards for Women in Business, and she won the 2006 Stevie Award for Best New Business.

Prior to founding Heather L. Rooney, Heather built and directed all aspects of Sales, Marketing, and Business Development for a leading provider of business intelligence in home health, hospice and private duty. Her background includes real estate investment, franchise businesses, international pharmaceuticals, cultural diversity, non-profit juvenile delinquency prevention, community policing, and federal grant management. She is a trained conflict mediator and professional facilitator.

Heather graduated Magna Cum Laude and Phi Beta Kappa from the University of Washington with a focus on Criminology, Sociology and Criminal Justice. She resides in Seattle with her husband and young daughter.



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