Accelerated Healthcare Transformation™

Leadership in Transition

By: Boe Young

Leadership in Transition – the Clock is Ticking

Healthcare remains a transient business at the top with CEO turnover that is more than double the industry average and CEO tenure that typically is less than three and a half years. What this means is that the clock is ticking from the moment the new CEO is announced. Top executive transition is expensive – and there is lots at stake – for the individual, for the organization, for the Board that usually made the selection and for the other top executives, half of which are likely to leave within a year.

CEOs have a limited amount of time to show results before Boards become restless and an organization dynamic starts to change. **The perceived 100 day honeymoon period is a notion for romantics.**

For the new CEO, there are some clear and pointed action steps:

- **Focus on a Few Core Themes** – many executives make the mistake of splitting their efforts and having an excessive number of initiatives; all this does is divide their time away from where it should be focused - the truly big ideas that will transform fundamental change. As part of our work, we've found it critical that leaders pick three, and no more than four big ideas that will make a difference. Remember that once these visionary notions propagate down into the organization and they transform into specific action plans at the tactical level, the organization will have dozens of specific plans that tie to these few core objectives. Don't over complicate the transformation by adding multiple themes at the top. We often counsel, "Do more ON less."

- **Get Traction Early** – early success is key and small wins have a disproportionately positive impact on an organization, especially early in the change cycle. The clock is ticking and people are watching. Momentum builds on its own and reinforces success. So, be sure to include some early visible wins in your game plan. Early wins will suffocate the energy of the non-believers and those recalcitrant to change.

- **Show respect for the previous regime**….unless you've inherited a complete crisis. Too often, top executive transitions take on the aura of a new savior in town, out to right all the wrongs of the past. But in reality, if the previous CEO failed it probably boiled down to a few core programs or metrics that never showed enough promise or moved fast enough. Parts of the inherited vision were likely making a positive impact on the organization. Most importantly, several employees that still remain in the organization played a key part in some of those initiatives – to the extent you castigate those programs you cast unnecessary dispersion on those employees, adding to insecurity and turmoil. Change is needed – that is expected – but realize that there is an organizational impact of poorly thought out course corrections and change for change sake. Spend some time identifying those things that were going right and build on those, as well. This will also send a message to those who are insecure about their future that they may have a place on your team and reduce some unnecessary turnover.

- **Visibility and Repetition of Your Message** – don't overestimate the importance of regular communication on the entire strategic effort, in a variety of mediums best suited to the varied demographics of your audience. Regular face to face contact is essential, especially in hospital and other organizations dedicated to the human endeavor. Tie this into the previous points made above – celebrate past initiatives that went well and that you are likely to continue; emphasize your top 2-3 themes and articulate that you are interested in making traction on those items quickly.

These four key points will center and focus your organization, improve morale in a difficult time, create some new champions for you deep in your organization and ensure you have the best chance of getting traction in that first 100 days.

About our Expert

Boe Young is a senior vice president and Chief Operating Officer with Galloway Consulting. He has led new CEO/senior executive transitions at five private and public sector organizations. He has an MBA from Goizueta Business School at Emory University and has over 25 years of private sector, senior executive profit and loss experience. He is a major general in the US Army Reserves and leads the Army's largest organization responsible for assessing the effectiveness and efficiency of senior leaders and their management teams.