Agenda

- What’s Happening in Healthcare and Rural Health?
- The Need for Cultivating Leaders
- Developing Leaders – What Boards/Trustees Need To Know
- Succession Planning for CEOs and Senior Leaders
What’s Happening in Healthcare?

- Continuing dramatic shift in healthcare philosophy to preventative diagnostic medicine
- Consumerism – “service with a smile”
- Aiming the technology-innovation engine straight at the massive healthcare problems
- Developing community-oriented care giving strategy

What’s Happening in Healthcare?

- Massive, fast and furious rates of innovative change
- Lifelong, ongoing replenishment and rejuvenation of knowledge
- Rising to the challenge
What’s Happening in Healthcare Leadership?

Transformational Leaders Are Needed

Old Ways Won’t Open New Doors

What’s Happening in Rural Healthcare?

• Workforce shortages (including executives)
• Resource shortages
• Demographic challenges
• Socioeconomic challenges
• Health inequities
• *Regulatory upheaval; potential of “catastrophic” cuts in the rural safety net*

Source: NRHA.org, WORH.org
What’s Happening in Rural Healthcare?

Transformational Leaders Are Needed

Old Ways Won’t Open New Doors

What Rural Executive Candidates Are Looking For

• The chance to make a meaningful difference in a community or region

• The chance to innovate and experiment

• Alliances with larger systems in metropolitan areas—best of both worlds

• Respectable salaries

• A place to eventually retire

• NOT: slow down . . . top executives are driven to succeed
1. Understand Your Appeal
   • Quality of life; “smaller pond”

2. Look for Leaders Who Fit
   • Relationship oriented
   • Good listeners
   • Physician-friendly
   • Board-friendly
   • Part of the community


3. Act Big
   • Partner and align
   • Embrace technology
   • Understand funding and finance

Build the Future

What **Needs to be** Happening in Rural Healthcare Leadership?

Succession Planning
Succession Planning Case Study

Executive Summary

The legacy CEO of last 25 years announced to the board his intentions to retire in four years. The board, and CEO, recognized a need to focus on leadership succession planning and to develop a blueprint for executive management continuity. What this hospital faced was not unique.

“Now more than ever, hospitals need to have the appropriate succession plans in place to avert potentially negative impact of leadership changes.”
Thomas C, Doolan, Ph.D, FACHE

Less than 50% of hospitals have succession planning in place

Solutions need to be based on integrative review of research and best practices

Almost 50% of ACHE members are over 50
Key Challenges

Aging population, high percentage of Medicaid patients, and large numbers of community members with behavioral health issues

Community needs the critical access hospital and getting healthcare services closer to community members

Industry is consolidating and they have strong desire to stay independent

With the repeal of the Affordable Care Act, the healthcare world is buffeted by an unusual level of uncertainty

Problem

- What will the board of directors do to address CEO, or other, leadership transitions?

- What succession planning processes will assist hospital in significant ways?

- How will organization eliminate several “unknowns” and manage anticipated, and unanticipated, leadership changes?

- What specific steps should be taken by the board to plan for the future and fit individuals into those plans?

- What value would it be to leverage an external, neutral third-party that recognized need to be facilitative and gain knowledge and insights from organization’s aggregate leadership?
Solution

- Create ‘future’ CEO profile
- Develop board emergency and defined succession planning policies
- Identify potential CEO successors for emergency interim role and future potential for permanent CEO role
- Interview and assess high potential successors
- Create leadership developments for each successor candidate and system for overseeing development
CEO Leadership Profile

Meet with Transition committee
Interview all members of the transition committee and board
Prepare comprehensive success profile and conduct work session with Committee
Finalize CEO Leadership Profile

Identify ← Assess High Potential CEO Candidates

Nominations for CEO and Committee
Conduct two-hour Topgrading® interviews
Use assessment tools to measure past experiences, skills, knowledge, potential and transformational leadership style
Create assessment reports and review findings with board and CEO
Development Planning

- Review development plans with committee and CEO and agree on development management process
- Facilitate crafting of individual development plans in partnership with CEO
- Review development plans with committee and CEO and agree on development management process
- Generate detailed individual assessment reports
- Provide feedback to candidates

EXECUTIVE DEVELOPMENT PLANNING

<table>
<thead>
<tr>
<th>CURRICULUM</th>
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<tbody>
<tr>
<td>NAME: Candidate</td>
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<tr>
<td><strong>JUNE 2017 TO DECEMBER 2017</strong></td>
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<tr>
<td>CORE EXPERIENCES</td>
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<tr>
<td>• Leadership Fundamentals (i.e., crucial conversations, influencing strategies, personal leadership brand)</td>
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<td>• Leadership Potential (i.e., increase team engagement, building stronger sustainable relationships, leveraging conflict to problem solve)</td>
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<td>• Peak Leadership (i.e., actions planning for organizational challenges, external influencing skills with board, community, or crucial stakeholders)</td>
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<td>• Organizational Impact (i.e., influencing the enterprise, aligning people for change, impacting senior team decisions, solving complicated problems and taking action, taking actions to keep hospital independent)</td>
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Learning Journey

- Core experiences: fundamentals, potential, peak leadership, and organizational impact
- Action Learning/Development
- Coaching/Mentoring
- Business Acumen courses an Work Assignments
Recap

The rise in rank of personnel shortages as a top concern for hospital CEOs – from the 10th ranked concern last year to the fourth-ranked concern this year – is noteworthy, indicating organizations are also concerned about recruiting and retaining the right talent.

ACHE, 2015

"AN APPROACH TO SUCCESSION MANAGEMENT"

Witt/Kieffer works with clients to undertake the following steps:

1. Clarify the expectations and preferences of the organization’s leadership team regarding a succession management program.
2. Develop or update the job profiles for positions identified for succession efforts. Specify the knowledge, skills, experience, and expected behaviors for these positions.
3. Identify high-potential professionals who might benefit from succession activities. Criteria for identification include drive and motivation, agility and adaptability, bias and prior and potential track record or strong work performance. Take note of successor candidates who might step into the role quickly.
4. Request participants to complete self-assessment activities focused on past roles as well as work/ leadership style and behavior.
5. Conduct interview, top-down, and on-going chronological interventions to learn more about how and why participants have made key decisions throughout their careers.
7. Following candidate assessment activities, refer to subsequent Witt/Kieffer Healthcare Executive Potential Reports as the basis for focusing succession efforts.
8. Based on assessments and future job assignments, evaluate the preparedness of individuals to assume higher levels of responsibility.
9. Undertake strategic talent review with senior leadership.
10. Provide feedback to succession participants and help them create individualized development plans targeted for specific high-potential positions.
11. Establish accountability for succession planning efforts and execution of development plans.
12. Provide executive coaching to high potentials to ensure that they are ready as position successors within one year.
13. Evaluate the results of succession management after one year.
Questions?