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The Tough Get Going

I recently attended the annual meeting of the Principal Business Officers and came away impressed once again with the scope of the challenges facing this group of AAMC administrative leaders. From this observer's point of view there was an emotional difference this year in the tone and the content of the presentations. The ensuing dialogue and discussion was different as well.

What had changed? If anything, the sequestration and imminent government shutdown (the meeting was held in late September) ought to have dampened enthusiasm and created high anxiety. The ACA was still feeding the dragons on all sides of the political discourse, and the fiscal cliff looked like certain doom. Last year, folks were asking what to do – this year, they said what they were doing.

Most of our business leaders **have** had enough. The uncertainty, the waiting for a piece of the sky to fall, and the suspension of planning and strategy weren't going to be kept on hold any longer while we waited for the dawn of a clearer, brighter, or "better" day.

Certainly there has been no real resolution to any of the issues that were on all of our minds during the year that led up to this gathering in early fall in Boston. Maybe the weather helped with the mood, but I believe that our business leaders grew impatient with projections and frustrated with postponements. It was time for them to take the reins and move us along.

Based on the presentations and discussions at the meeting, that's just what's been going on. Let me share with you a few of the salient points of focus that are likely to demand the energy and commitment of the leaders in human resources and faculty services during the next year.

First, there is still a strong and growing concentration on leadership development at the highest levels within our schools and medical centers. Many programs exist that target those business management skills required of deans and chairs. Communication is still by far one of the most discussed, dissected, and declared to be a "tier one" goal. Dr. Wiley Souba, Jr., V.P. of Health Affairs and Dean of the Geisel School of Medicine at Dartmouth College Medical School, summarized this best when he said that leaders create an organization where organizational silence is stamped out. You "keep your word," he said, and "if you can't, you say so and you say why." Note that the language he chose was rather physical – STAMP OUT. This strong directive is what's at the heart of a new model of leadership. We used to call it transparency, but it's much more than that; it's the active and intentional use of language to direct as well as to define.

Next and again – metrics! Dr. Michael Collins, Sr. V.P. for the Health Sciences and Chancellor of the University of Massachusetts Medical School reminded us all once again that "if you can't measure it, you can't improve it." He named three principal questions we should be prepared to address when we are presenting programs or process change to our organizations: 1) Does it measurably impact the

bottom line? 2) Does it sustain the mission? How? 3) Is its impact measurable in a positive way? For point number three, think about whether or not what you propose or what you have created has a visible, experiential, cultural or financial outcome that makes a difference people like!

Metrics as a principle was at the forefront of a number of the presentations about reorganizations, consolidations, collaborations, reconstructions, and even the creation of a brand new medical school. When so much of the organizational activity going on is impacting “life as we know it” for so many of us, it is imperative that we present the empirical data driving the action in as many understandable and straightforward ways as possible. Equally important is that we continue to show those measurable impacts and outcomes as the process continues.

Making decisions when decisions are tough to make and defend was the third repeating focal point we ought to understand. Elizabeth Bolt is now Vice President of Human Resources at the University of Connecticut Health Center. She presented a process for deep budget cuts that she and her colleagues had initiated at the University of Wisconsin and introduced her presentation by telling us she and her colleagues decided to “talk about things that hadn’t been talked about before.” They brought together a “Budget Advisory Group” including 10 faculty, 3 staff and 3 deans, and charged them with reviewing a list of possible budget reductions. That list had been developed by a group of Deans and Associate Deans, and was created without regard to the feasibility of the proposed reduction. The advisory group would then recommend (or not) each item on the list.

As always, communication was critical. Here are the lessons learned. Generate the highest number of possible actions because those that seem like “no brainers” will be impossible, and those that seem to be impossible might work with a little massage. Expect your cost estimates to be wrong because there are always ancillary things you didn’t see coming! Know that no matter how inclusive you are, it won’t be enough. Make a broad impact analysis and look deep into what you are proposing because odds are good you will have a constituent you didn’t know existed come “out of the woodwork.” And finally, appreciate the fact that sometimes when people see a big change coming, they change something themselves.

Finally, resource reallocation and collaboration continue to dominate the time and energy of scores of our colleagues. Some are calling the outcomes “Operational Efficiencies”, some are talking about “Service Cores”, and some are creating “Pods”. In essence, the goal of all of them is to make better operational use of the talent that exists within the organization, and to more effectively distribute the expenditures to those operations where the return on investment is high. It isn’t new, but it is certainly being done in a far more concentrated and system-wide manner.

At Harvard Medical School, Wes Benbow, the Interim Executive Dean for Administration and Chief Financial Officer, created a committee of 36 (yes, he admits it is a larger than average group) administrators from central departments as well as basic sciences to “identify and manage the key risks, challenges and opportunities that may affect the school’s ability to achieve its goals and objectives.” A new campaign for continuous improvement, called “HMS Next” has started, and its stated objective it to bring members of the community together to identify and implement opportunities for operational efficiency.

At the University of California at San Diego, Evelyn Hidalgo, Associate Dean of Academic and Staff Administration, is in the initial stages of implementation of a “Shared Services” model of business operation. The evaluation of whether or not a particular department or core can participate depends on cost, process requirements, standardization potential, transaction volume and the complexity of the task. UCSD and its external partners created a highly structured process, and are still working on many of the details, including the essential and improved performance management component. (Do contact Evelyn if you are interested. She’s still standing upright!) Lessons learned include leveraging existing good will with departments you can count on to be early adaptors and identifying metrics to keep the process on track. Equally important is the lesson that overwhelming staff who participate in these efforts can be a significant impact on the outcome.

One of the most critical things you can do as leaders of our HUMAN resources is to talk to each other. Just send a message to a colleague and ask what they’re up to. Tell ‘em what’s keeping you up at night. Then try to get yourself to the Group on Business Affairs meeting in the spring.

What I think you’ll find is that our challenges haven’t changed so much. The going is going to be tough. Get going. Reinvent the wheel. It’s time.

The Buzz: Here are a couple of trends and hot buttons that popped up in conversations at the meeting

XYZ Compensation

This defines a plan or a model that includes base compensation (x), supplemental compensation of some kind (y), and incentive pay (z)

EMR

That means Electronic Medical Records (and if you don’t know yet what this is, uh-oh.) What really matters is that it may add between 8% to 16% to the time/effort commitment of some of our clinicians during implementation or changes or “enhancement”

Consultant “fatigue”

The point at which the efforts of the organization’s leaders have devoted as much time, energy and resources to the external consultant as they are capable of doing; no matter what the contract says, this is most often when the engagement ends.

“Reserves”

This is a little pocket of money that some research departments (or others dependent upon grants or other external funding) put aside for non-sponsored operations. Watch out that your layoff policies about salary payouts have been factored into those “slush funds.”

Flavors of faculty

Are they non-clinicians, or non-teaching, or what? When it comes time to cut salary costs, knowing the various definers will help you, well, *define* them – and help the department pay the bill.

Data mining

This information gathering for the purpose of making those metrics work is kind of like gold mining, because every nugget is important.

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