

# THE 9 MUSTS OF HEALTH ORGANIZATIONS

## **The why, what, and how of strategic change leadership in tomorrow's health industry**

There is a new breed of health organization emerging from the past decade of change and heading into the uncertain landscape of the future. It's not just a provider, just a plan, or just a payer. It doesn't just play a traditional position on the field.

It's bigger and faster. It's both a veteran and new kid on the block. An omni-threat. A playmaker. And most of all, it's every single person within an organization rowing in the same direction with passion, motivation, and inspiration.

Here is the why, what, and how of that organization's success.

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## Why

Some of the most paradigm-shifting forces the health industry has ever seen are coming to a head in revolutionary purchaser behaviors, customer expectations, technological evolution, and disruptive entrants. Not new, you say? What's different about these forces, and what's enabling them to flourish now more than in the last 20 to 30 years? Four simple “s” words: *speed*, *scarcity*, *scale*, and *scope*.

### Speed

With the acceleration of [artificial intelligence](#) and data sharing, new breakthroughs are occurring in both clinical and operational fields of care, shortening the time it takes to treat, learn, and innovate. Customers expect everything on demand and seamless – no more waiting, especially no longer than Amazon Prime's two-day shipping. And finally, both private and public investors are seeing timely opportunity in fueling disruptive innovation through nimbler, faster players.

### Scarcity

The Medicare Trust Fund is quickly [running out of money](#) and the costs of care are rising for both employers and [individuals](#). In other words, the coffers are drying up. For the past few decades, health care has been an industry where competition creates profit. Time is running out on this model. We need to figure out a different way to make money.

### Scale and Scope

The scale and scope of today's health organizations are unprecedented. If you've been to an [Advisory Board](#) meeting lately, you've likely heard how recent merger and acquisition activity has seen the largest *and* most diverse integrations of our century. UnitedHealth Group-DaVita, CVS-Aetna, and Humana-Walgreens are among the more than 500 transactions announced over the past five years, in addition to disruptive partnerships like the JPMorgan-Berkshire Hathaway-Amazon venture. The type of care provided and the way it is provided by those players is changing faster than ever.

## What

We've had the privilege of helping 70% of the Fortune 50, including today's premier health systems, lead and accelerate change, from [strategy](#) and [talent](#) activation to [technology](#) deployment and [experience](#) design. And from our firsthand experience, we see that the health companies that are most successfully leading change for tomorrow's world – those that will soon transform both themselves and their markets – will hinge their success on key strategic, systemic, and cultural focuses they have developed. We call these areas the nine “must” priorities – what you must do, must be, and must have to stay relevant and lead in the future of health care.





## Must Do

Strategically speaking, health companies must pursue opportunities that optimize their current business model and explore new capabilities to provide better, closer, more affordable care to customers. Bigger and nimbler rings true. The three essential must-do focus areas are:

- 1. Scale:** How do we grow in such a way that we can better reach our customers where they are and combine capabilities that can powerfully deliver higher value than we could before?
- 2. Diversify:** What new capabilities will improve our quality, process, and experience in a practical, seamless, or logical way?
- 3. Innovate:** Where will we draw our inspiration and intellect from, both outside and inside our organization, to continue adapting, applying, and creating new solutions for the future?



## Must Have

For the health, wellness, and life of both their customers and teams, organizations must have an environment, or “ecosystem,” of healing and care that is continuously, intentionally improving itself. Being among the 40% of hospitals with a C rating or lower isn’t an option. Exhaustive wait times and tedious health record systems are unacceptable. The three must-haves are both the ingredients and manifestation of that focus and are fast becoming the table stakes of success.

- 4. Quality:** How does everything we do through our strategy, operations, and culture improve the quality of care, safety, experience, and life for our teams and guests?
- 5. Technology and Data:** What tools, platforms, information, or mechanisms can elevate our teams, accelerate clinical or business processes, and ultimately reduce noise or friction in every activity?
- 6. Experience:** How do we ensure that everything we do is designed intentionally with the end experience in mind for our teams and guests?



## Must Be

Culture will either eat strategy for lunch or launch it like a rocket. And the changes ahead certainly require a new strategy with rapid, transformative implications. People across all levels and disciplines will need to be purposefully included in the changes from the beginning, allowed to come to their own conclusions, and engaged in the why, what, and how of their shared future. To that aim, future health organizations must be:

- 7. **Agile** – How do we operationally and culturally design teams that are able to try new ideas, adapt to change, and lead transformation with calculated agility?
- 8. **Inclusive** – Who do we need to add or bring to the table to reflect our mission, our teams, our customers, and our communities more holistically so we can accelerate our purpose and transformation?
- 9. **Accelerating** – In what ways should we add – or take away – communication channels, organizational structures, prototyping, and learning to drive measurable change at or beyond the speed in the market?

### Measure

Using a scale of 1 to 3, rate how strong your organization is in each of these areas. Then explain your reasoning for the rating in a few words.

1 = Strongest

2 = Improving

3 = Opportunity to develop

9 MUSTS		RATING (1-3)	REASONING
DO	1. Scale		
	2. Diversify		
	3. Innovate		
HAVE	4. Quality		
	5. Technology and Data		
	6. Experience		
BE	7. Agile		
	8. Inclusive		
	9. Accelerating		

Granted, not every organization will need the same amount of each “must” area. In fact, some players will still find success in narrowing their focus to concentrate on their respective niche strengths, especially if they are not looking to own more of the proverbial map. But larger players will indeed have to focus on how they will master each.

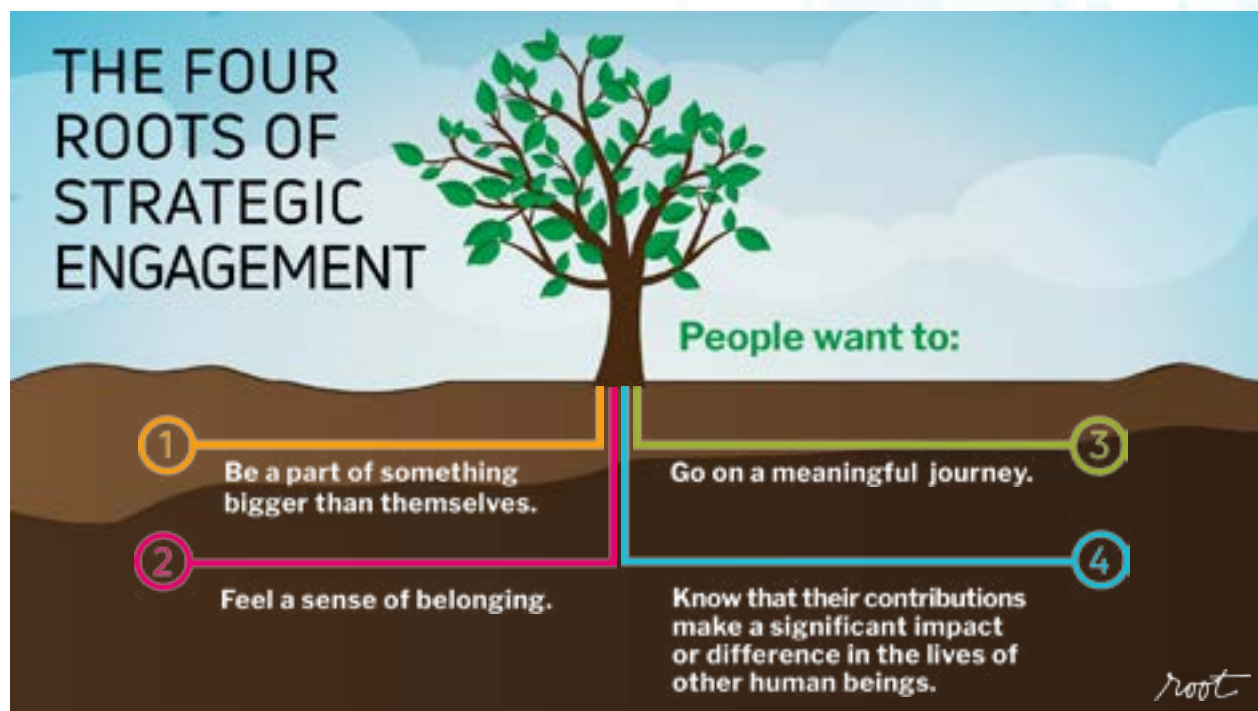
Now there’s the question of *how* to get there. Our aim here is to examine the journey at its most fundamental and impactful level: your people.

## How

What if the thousands of people in your organization knew what you know about the future? How might they act differently from the way they do today? Because no matter what you see as the future strategy or market forces that demand innovation, you will be hard pressed to effect change if it’s not an authentic conviction in the hearts and minds of your people. Let’s examine the linchpin of change and organizational performance itself:

### Engagement.

Just like a sports team with the right talent but no will, a vehicle with the right parts but no fuel, or a tree with all the right DNA but no roots, an organization without engagement cannot flourish and lead. Your people need to be aligned, enlisted, invigorated, unleashed. There are four things people need to feel engaged.



1. **People want to be a part of something big.** How are you showing your organization a picture of a bigger whole, a shared vision and values, and a meaningful purpose?
2. **People want to feel a sense of belonging.** Are your culture, your business plan, and your ecosystem of work and care designed to include team members in a way that they feel an innate sense of belonging to the whole?
3. **People want to go on a meaningful journey.** Are you able to tell a compelling story about the future that has a clear why, what, and how?
4. **People want to know that their contributions make a significant impact.** In what ways do you show clear results and connect those results with gratitude to the individuals who make it all happen every day?

### Measure

On a scale of 1 to 3, rate your organization on the four Roots of Engagement. Would an individual in your organization agree or disagree with these statements?

1 = Strongly agree

2 = Undecided

3 = Strongly disagree

ROOT OF ENGAGEMENT	RATING (1-3)
They are a part of something bigger than themselves.	
They feel an unquestionable sense of belonging.	
They are on a meaningful, collective journey.	
Their contributions make a real, significant impact.	

What are the implications of the rating you gave your organization? How will you be able to succeed in any of the nine “must” areas if leaders and teams are not engaged at the foundation? What needs to change as you head into your new strategy?

In our experience, the most successful change leaders are those who can vulnerably ask the questions above, show the bigger picture, and invite their broader teams to join in the strategic conversation. Like we previously asked: What if everyone knew what you know about the future? That’s the essential first step.

Only then can you take the next step in helping to ensure your internal stakeholders can answer other relevant questions about the strategy, such as:

- What's our marketplace?
- Who are our customers and what's our value proposition to them?
- What processes do we have in place to ensure that value?
- How do we make and lose money?
- What's our strategic response?

Those questions are, of course, part of moving forward with everyone on board. And everyone needs to know the answers! Because while people will tolerate the directives and decisions of their leaders, especially about a new strategy, they will ultimately act on their own conclusions. We know this from case after case after case of activating strategies across every industry, including health care and life sciences.

Are you ready to be the health company of the future? Is your strategy ready – or more importantly, is your organization ready for your strategy? The time is now for this pivotal conversation.

Sources:

Ponder & Co., "Announced Hospital M&A Activity Report," April 2018

The Leapfrog Group, "2019 Hospital Safety Ratings," May 2019

**1-800-852-1315**  
[info@rootinc.com](mailto:info@rootinc.com)

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