

# Leadership Continuity Services

*Guiding Boards and executives through planning and preparing  
for the most important decisions of your organization's future.*

*Importance ♦ Preparation ♦ Services ♦ Specialists*

*"I was able to have open and candid conversations with my Integrated Healthcare Strategies consultants about how to get this done without polarizing the committee and ultimately the Board. They served me very well in terms of helping to avoid conflict, suggesting ways to assert leadership without appearing to be overly aggressive, and helping to keep the process open."*

Henry M. Altman, Jr., Past Board Chair  
Jewish Hospital HealthCare Services (now Jewish Hospital & St. Mary's Healthcare), Louisville, KY



INTEGRATED HEALTHCARE  
STRATEGIES™

# The *Importance* of Leadership Transition and Continuity Planning

*Is the CEO's retirement on the horizon?*

*Could another hospital or health system lure your CEO or C-Suite executives away?*

*Would you be unprepared if your CEO was sidelined by a health event or accident?*

**If you answered YES to any of these questions, your organization may be at risk.**

Leadership transition is much larger than a candidate search and selection process; it is an opportunity to create a deliberate, well-understood transition plan that communicates a very positive message about the organization's future to internal and external stakeholders.

## **AN IMPORTANT STEP**

Leadership Transition Planning (LTP) is a proven, value-added step in the process of selecting a new CEO for a hospital or health system. A focused, forward-looking plan helps assure a good outcome for the organization, whether the new leader comes from the current management team or is recruited from outside. Having a leadership transition process in place helps to relieve potential anxieties on the part of the Board, departing CEO and other senior executives, as well as physician leaders, staff, and the community at large.

## **LEADERSHIP TRANSITION PLANNING IS ESSENTIAL**

LTP occurs prior to the CEO search and is distinctly different from a CEO search and selection process. It considers every aspect of the pending transition – achieving consensus on leadership priorities, dealing honorably with the departing CEO, communicating with various constituencies, retaining senior executives, transferring institutional knowledge and, if necessary, selecting a search firm – bringing it all together in a coordinated plan that makes the transition proceed as gracefully as possible.

## READINESS FOR ORGANIZATIONAL CHANGES

The CEO is not the only leadership position “at risk.” Continuity planning for all C-Suite executive positions is a critical aspect of modern corporate strategy, and is increasingly necessary in a dynamic business environment fraught with unanticipated contingencies. Integrated Healthcare Strategies distinguishes its Continuity Planning practice from standard succession planning by focusing as much on the organization as the individual, helping to determine the relationship of both in meeting the critical needs and fulfilling the future promise of today’s hospitals and health systems.

The obligation to have a well-articulated continuity plan is clear:

- ◆ Knowing how your leadership team will assure a continuing sequence of qualified people to move up and take over when the current generation of managers and key people retire or move on.
- ◆ Assuring governance will be able to continue to exercise good stewardship without assurance that management excellence is not dependent on the good health or good behavior of any given individual.
- ◆ Defining how the organization will be able to properly develop and nurture its human capital.

Continuity Planning applies the same concepts developed by Integrated Healthcare Strategies in its Leadership Transition practice to the entire C-Suite. Its relational approach is designed to ensure that the future promise of an organization is not derailed by the dysfunction that commonly results from changes in executive leadership due to anticipated transitions or unforeseen contingencies.

*“The learning curve is fairly steep on this. I had not been through this before and wanted to do it right. I was much more comfortable going to the Board to have the discussion, knowing that we had professionals with experience to help us.”*

Wayne Sikes, Chairman of the Board  
Gwinnett Health System, Lawrenceville, GA

# Importance of Choosing the *Right* Consultant

The best leadership transition plans are those that emerge logically out of an ongoing process of leadership development and continuity planning, but in the crush of pressing demands on their time, many Boards and CEOs do not prepare for leadership change until it is too late.

Most Boards and CEOs find the help of an experienced consultant invaluable in developing continuity plans. Having an experienced and *impartial* consultant to help guide the planning process can assure pitfalls are avoided and future transitions proceed smoothly on the timeline that the Board and/or management has chosen.

## HOW TO CHOOSE A CONSULTANT

There are some things to weigh when choosing a consultant who can give your Board truly independent, unbiased, and impartial advice. Look for a consultant who:

- Has experience with the governance requirements of not-for-profit organizations and health care in particular.
- Can provide a broad range of services, including skills assessment, total compensation analysis, contract evaluation, governance consultation, public relations planning, and search firm evaluation.
- Has worked with all the top national search firms and can help you find one that will be able to meet your time constraints.
- Is willing to provide flexible services and pricing tailored to meet your organization's specific needs.
- Does not have financial remuneration tied to the selection of a particular search firm, candidate or a pay range.

Some executive search firms are beginning to provide some form of transition planning services as a part of their work. But it is important for the Board to be in control of the leadership transition planning process, not the search firm. Boards, particularly those inexperienced with leadership transition, should avoid the temptation to lean too heavily on a search firm and not give their full attention to the broader aspects of the change that is about to take place.

Nothing the Board does will have a greater impact on the future success of a health care organization than choosing a new CEO and establishing his/her leadership. *It is the most important responsibility a governing Board will ever have.* The role of a qualified leadership continuity consultant is to make the Board's job in choosing a new CEO easier, to make the Board Chair's task of managing the process easier, and to help the Board achieve a smooth transition on the desired timeline.

Integrated Healthcare Strategies' leadership transition and continuity planning consultants have worked with nearly 100 clients across the U.S. and Canada to complete successful changes in hospital and health system chief executives. Our clients have ranged from some of the largest and most prestigious academic medical centers in the nation to scores of smaller, community-based hospitals. What our clients have in common is a commitment to providing the highest caliber of professional leadership for their organizations.

## Leadership Continuity *Specialists*



### **KEN ACKERMAN, FACHE, CHAIRMAN**

Mr. Ackerman is an acknowledged expert on compensation plans for senior executives, governance, health care policy development issues, integrated delivery systems, medical group practice operations, and strategy and program coordination with physicians.



### **DON WEGMILLER, FACHE, FORMER PRESIDENT & CHAIRMAN**

Mr. Wegmiller is the Former President and Chairman of the Board of Directors of Integrated Healthcare Strategies. His vision originated the concept of leadership continuity planning, founded our practice, and has guided its development for more than a decade. Don brings more than 35 years of experience in health care administration to the company.



### **JAMES A. RICE, PH.D., FACHE, EXECUTIVE VICE PRESIDENT & PRACTICE LEADER**

Dr. Rice is an internationally-recognized authority on health care policy, governance, and strategy development. At Integrated Healthcare Strategies, he leads the Governance & Leadership Services practice. Dr. Rice also serves as Vice Chairman of The Governance Institute, an organization dedicated to knowledge generation and dissemination via research and education for health system boards and leadership teams.



### **KATHY HALL, SENIOR VICE PRESIDENT**

Ms. Hall is a Senior Vice President for Integrated Healthcare Strategies' MSA HR Capital practice, focusing on leadership continuity planning, HR improvement and employee and leadership engagement surveys. She brings over 25 years of leadership and clinical experience in health care.



### **MICHAEL W. HOWE, PH.D., SENIOR ADVISOR**

Mr. Howe is a strategically-focused executive with extensive experience translating business strategy into effective leadership practices and organizational results. For over 25 years he served as an executive within the health care industry. He provides consulting expertise in executive coaching, strategic people management, successful organizational change, and leadership continuity.



### **PETE GUSTAVSON, CONSULTANT**

Mr. Gustavson is a consultant for Integrated Healthcare Strategies in the Leadership & Governance Practice. His areas of expertise include strategic planning, executive coaching and team development, leadership training and development, succession planning, and the design and implementation of strategic performance management processes. Pete has over 30 years experience in the financial services industry and consulting.



### **A. KURT KASTEL, CONSULTANT**

Mr. Kastel is a Consultant for Integrated Healthcare Strategies' Leadership Continuity Planning practice. In this position, he works directly with client senior management and governing Boards to facilitate and coordinate their continuity planning needs.

Our leadership continuity team is ready to help you plan for changes in leadership.  
Please contact us at 1-800-327-9335 or [GLS@IHStrategies.com](mailto:GLS@IHStrategies.com).

# Our Continuity Planning Process

## INITIAL FACT FINDING

- ◆ Collecting and reviewing all available written material pertinent to the study including strategic plans, organization charts, position descriptions, career histories and backgrounds of those individuals included in the study, recent performance evaluations of those included in the study, any existing employment agreements, and other materials needed for the study.

## TIMELINE & COMMUNICATION

- ◆ Working with you to develop expected time frames and targets, including meeting dates and communication techniques to be used throughout the course of the study.

## BOARD INVOLVEMENT

- ◆ Meeting with the Board Chairman, Executive Committee members or other Board members to gain an understanding of the organization's direction, strategies, culture, and other important aspects of the organization.

## INTERVIEWS OF CEO & SR EXECS

- ◆ Interviewing the CEO, COO, and other designated senior executives to gain an understanding of the organization's operating philosophies, strategies, strengths and weaknesses, market positioning, challenges, and leadership culture, providing a foundation for our leadership assessment process.

## COMPETENCIES DISCUSSION

- ◆ Facilitating the development of core leadership competencies and experiences desired for future senior executives and other key executive positions within the organization.

## INTERVIEW & ASSESS TEAM MEMBERS

- ◆ Personally interviewing each executive included in the study utilizing the leadership competencies. Identification of high potentials will occur during this phase. *Optional:* An organizational psychologist will design the assessment measurements, including a customized battery of proven predictive tools to measure and compare the leadership skills and characteristics that have been identified as positive to the success of the organization.

## LEADERSHIP TEAM PROFILES

- ◆ Providing comprehensive Leadership Team Profiles, to include: description of the tests, inventories, selected scales and dimensions, comparative data, and individual evaluation profiles and narratives.

## LEADERSHIP ASSESSMENT DISCUSSIONS

- ◆ Facilitating and assisting in Leadership Team Assessment discussions with your senior executive team, including independent executive professional skills/competencies evaluations. If executive coaching and leadership development needs are identified, we will recommend experienced organizations to design and facilitate executive development and coaching programs.

## PRESENT PROFILES

- ◆ Presenting Leadership Development Profiles of each executive to the CEO. Scheduling individual meetings with each executive included in the study.

## PRESENT FINDINGS

- ◆ Providing a full written report which includes a definition of the organization's leadership and experience-based core competencies, identification of key leadership positions, an assessment of potential successor executives and promotability forecast, and Leadership Development Profiles.

## Our *Leadership Transition* Process

### GOALS AND TIMELINE

- ◆ Working closely with the Board to understand your organization's goals, we will develop specific, clearly-defined roles and accountabilities for the transition process; creating a detailed timeline documenting the steps leading to the CEO's departure and the transition of authority to the new CEO.

### CEO PROFILE

- ◆ Defining desired leadership skills and traits while facilitating stakeholder consensus to develop appropriate criteria to guide the search and selection process.

### BOARD / CEO RELATIONSHIP MODEL

- ◆ Preparing the Board to answer potentially tough questions about its relationship to management and the expectations for its one true employee, the CEO, so that your best candidates remain interested and understand how to work with the Board effectively.

### EXECUTIVE COMPENSATION

- ◆ Reviewing your organization's total compensation philosophy and assessing its applicability to your situation; together, we will craft an offer that is effective in attracting and retaining a talented CEO while supporting the development of a strong leadership team.

### SEARCH AND SELECTION

- ◆ Assisting in selection of a top search firm to meet your needs and time frame, designing a search and selection process that will result in a great new leader.

### INTERNAL CANDIDATES

- ◆ Identifying potential internal candidates and evaluating their skill sets and readiness for promotion, while assuring their fair consideration in the selection process, relative to externals.

### RETENTION PLANNING

- ◆ Determining whether retention incentives make sense to minimize disruptions during leadership changes, filling any openings that occur without losing sight of the overall goal of the process.

### COMMUNICATION PLAN

- ◆ Working with the Board to develop a communication plan that builds support and delivers a positive message about the organization's future, securing acceptance of the Board's decision from physicians, financial supporters, employees, and the community at large.

### OVERLAP IN RESPONSIBILITIES

- ◆ Developing, with the Board, appropriate transition plans and timelines to assure a smooth transition of authority between the departing CEO and successor.

### DOCUMENT REVIEW

- ◆ Verifying that retirement plan documents are consistent with the employment contract of the departing CEO, test reasonableness for final compensation arrangements, and assure agreement of all parties on terms.

### TRANSITIONAL ROLE FOR A RETIRING CEO

- ◆ If the CEO and Board are interested, defining a transitional role that aligns the talents of the retiring CEO with the needs of the organization, and agree on terms and conditions that will be beneficial to all parties.

# Leadership Continuity Testimonials

## Importance

*"I can't imagine doing an executive search without doing a leadership transition planning process in advance. The Leadership Transition Planning process is every bit as important, if not more so, than the executive search itself."*

Henry M. Altman, Jr., Past Board Chair  
Jewish Hospital HealthCare Services (now Jewish Hospital & St. Mary's Healthcare), Louisville, KY

## Communication

*"You were extremely helpful in counseling us to understand who we needed to communicate with and really identifying its importance, although we hadn't really even thought of it when the process started. I think Integrated Healthcare Strategies did an excellent job of sensitizing us to the need to communicate and involve those vested interests."*

Lee Hogan, Past Executive Chairman, Board of Directors  
St. Luke's Episcopal Health System, Houston, TX

## Retention

*"The biggest benefit of the Leadership Transition consulting advice related to the focus on our existing management team — the people who were staying. Integrated Healthcare Strategies helped us attend to their needs; not just to the needs of the departing CEO."*

Dick P. Allen, Former Chair, Board of Directors  
Hoag Memorial Hospital Presbyterian, Newport Beach, CA

## Experience

*"You brought a perspective and experience level that we didn't otherwise naturally have. We were kind of inventing the wheel from our perspective and Integrated Healthcare Strategies brought us a wheel that you guys had already been working on."*

Mike Roosevelt, Past Board Chair  
Sutter Health, Sacramento, CA

## Transition

*"The experience and information you shared during our discussions gave me added confidence that all of the important pieces of a successful transition were being addressed appropriately. Additionally your support of the Board as it prepared for and conducted a successful search/selection process was extremely valuable during that critical and sensitive time when the CEO has appropriately excluded him or herself from the process and is therefore not available to support the Board."*

Joseph A. Zaccagnino, President and CEO Emeritus  
Yale New Haven Health System, New Haven, CT

## Preparation

*"You have to prepare the Board, and you have to prepare the community. There are a lot of things that this process can do to improve the search for the search firm."*

Robert F. Burgin, President Emeritus  
Mission Health and Hospitals, Asheville, NC

## FOR MORE INFORMATION

Integrated Healthcare Strategies' leadership continuity consultants are ready to help you plan for future changes in leadership. To discuss your specific situation, please call at 1-800-327-9335 and ask for one of our team members or e-mail [GLS@IHStrategies.com](mailto:GLS@IHStrategies.com).