Changing the Way We Change

HFMA
Lead This Way
Women’s Forum

September 18, 2015
WHY USE CHANGE MANAGEMENT

More Changes

- Moving from fee for service to value based payment
- Competition from other providers – such as CVS, Walgreens
- Challenges in aligning incentives for payers and providers
- Physician/Hospital alignment
- Physician Compensation
- Population Health

Transformational Changes

- Managed Care Panel: How the Plan mergers affect the way you do business and the way healthcare is (and will be) delivered?
- Role of tele-medicine in healthcare delivery
WHY USE CHANGE MANAGEMENT

The Organization Is Transformed

Breakthrough Points

Breakthrough Strategies

Inertia

The Business of the Business

Success/Contribution

Time

© 2015 LaMarsh Global
Why Use Change Management

Contain Cost / Attain Schedule
- Time
- Task
- Resources

Contain Risk / Attain Benefits
- Timing
- Quality
- Fulfillment

Contain Productivity Loss / Attain Performance
- Productivity, Capacity
- Quality
- Customer Satisfaction

= without change management
MANAGED CHANGE™ MODEL

External Change Drivers

Identify the Change
- Current
- Desired
- Delta

Prepare to Change
- Sponsor
- Change Agent
- Target
- Culture
- History
- Resistance

Plan the Change
- Communication
- Learning
- Reward

Implement the Change

Sustain the Change
Step 1: Identify the Change
STAGES OF CHANGE

Current State

Desired State

Delta State

WHY?

WHAT?

HOW?

© 2015 LaMarsh Global
The Safety Nets

• Communication System
• Learning System
• Reward System
INTEGRATING THE CHANGES

Amdercom Corporation

Delta State

- Initial Public Offering
- Supply Chain Initiative
- The Secret
- Tunnel Project
- Merger / Acquisition Growth
- Financial System: Prophecy

100% Customer Satisfaction

© 2015 LaMarsh Global
Dip in the Delta

Productivity

CURRENT (◯)  DELTA (▼)  DESIRED (◊) = without change management

© 2015 LaMarsh Global
Step 2: Prepare to Change
KEY ROLES

- Change Sponsors
- Change Agents
- Change Targets
RELATIONSHIP AMONG ROLES

DIRECT
Sponsor
↓
Change Agent
↓
Target

COMPLEX
Sponsor

Target
Change Agent

COMPLEX²
Executive
Sponsor
Manager
Change Agent
↓
Target

© 2015 LaMarsh Global
**SPONSORS AND CHANGE AGENTS**

Clearly define the roles and responsibilities of the sponsors and those of the change agents

<table>
<thead>
<tr>
<th>Sponsors</th>
<th>Change Agent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make it clear that resistance will be addressed</td>
<td>Systematically identify the target populations and the sources of potential resistance</td>
</tr>
<tr>
<td>Commit the resources that are required to reduce the resistance</td>
<td>Identify the actions required to reduce the resistance and build the plan of action</td>
</tr>
<tr>
<td>Do the communicating</td>
<td>Write the speeches</td>
</tr>
<tr>
<td>Provide the rewards and reinforcements</td>
<td>Determine what those need to be</td>
</tr>
</tbody>
</table>
A PROTECTIVE MECHANISM

Resistance is:

• Natural
• Normal
• Logical
Step 3: Plan the Change
**Managed Change™ as a Process**

1. **Create**
   - Current State Analysis
   - Desired State Design
   - Delta Dip Assessment
   - Key Role Map Assessment
   - Fishbone of Changes Analysis
   - History Audit
   - Culture Audit

2. **Populate**
   - InfoMatrix

3. **Generate**
   - Communication System
   - Learning System
   - Reward System

4. **Repeat as necessary until change is sustained**
Step 4: Implement the Change
Governance Model for a Well Managed Change

Enterprise

Steering Committee

Program Management Team

Change Management Team

Communication

Learning

Reward

Project 1

Project 2

Project 3

Project 4

© 2015 LaMarsh Global
Step 5: *Sustain the Change*