

# Introduction

HEALTHCARE ORGANIZATIONS ARE challenged like never before to become more responsive to criticisms of complexity, lack of access, and being too costly. Thus, the healthcare industry is undergoing significant disruption, and consultants are playing an important role in its transformation. Indeed, while many people are satisfied with their own doctors and hospitals, most agree that there remains significant inefficiency (waste), healthcare costs more than it should, and there is too much variation in clinical outcomes. The demand for change has never been clearer.

As a result, we healthcare consultants often find ourselves in a unique position as disruptors to help organizations that are attempting to improve the healthcare experience. While the best at our craft can make such engagements seem easy, this is deceiving because many of these engagements are anything but easy. Earning trust as a consultant is hard. Keeping it is perhaps harder.

As society continues to demand a better, less costly healthcare experience, consultants have an essential role to play in helping organizations meet these evolving demands. However, having no real authority or power to demand change, independent consultants can only advise, offering experienced insights and focused communication to influence key changes that can be implemented by their clients. The clarion call for disruption in healthcare involves a broader reach beyond healthcare. According to a recent survey of consultants from *Forbes* (Valet 2019):

At a time when disruption is seemingly the only constant in the corporate world, business leaders have increasingly enlisted management consultants to develop the digital solutions, employee experiences, and financial strategies they need to remain competitive.

Not all consulting is disruptive. Some consulting is more refined and less dramatic, and some might be more focused on research, innovation, and technology transfer. By sharing observations and experiences from a career of consulting to

healthcare organizations, I intend to help you, the reader, better understand what all of this entails, and hope it will improve your ability to manage expectations and aspirations if consulting is in your future.

Much of the book is focused on practical insights into the business of *management consulting*<sup>1</sup> that have served me well. It is based on personal observations from a career spanning more than 40 years and incorporates many stories from specific client experiences. Although these stories are authentic, some of the details have been modified to protect the identity of the client. It is not my intent that this be perceived as a “tell-all” book in the Washington tradition of political hacks. Rather, the stories are intended to make the concepts real and to reveal the real-life joys and tribulations of consulting to healthcare organizations.

## **DISRUPTION IS REQUIRED TO OVERCOME RESISTANCE**

Healthcare has been at the top of political debates for virtually all of the recent national elections. Consensus exists among most stakeholders that the healthcare industry must transform itself more toward a “value-based model” to be more affordable and sustainable. Hopes that healthcare could change itself in an evolutionary way have simply not been realized on a timely basis; it is taking too long.

Transformation is a more dramatic form of change that benefits from people outside an industry, and is often referred to as *disruptive change*. For organizations, people from the outside are often required to effectively penetrate the organizational cultures that need to change. Those within these organizations tend to be invested in the status quo; to these folks, embracing change is simply too risky. In the healthcare industry, hospitals are the main target of this disruption. The industry is being challenged to bend the cost curve by moving upstream to keep people healthier and less in need of hospital care. Consultants serve as a catalyst for change to help reform organizations by validating necessary changes and assisting to overcome the bureaucracy that often protects the status quo. It is a natural defense mechanism that organizations in every industry exhibit some resistance to change and reform. Healthcare organizations are no exception.

That independent consultants are an essential part of implementing transformational change is not universally understood or acknowledged, despite the fact that some of the most prominent voices in healthcare reform have been professional consultants. Our contributions are evident by our writing and research,

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1. The term *consulting* is used throughout the book as shorthand for *management consulting*. Jim Allen of Booz Allen is credited with first using this term in a 1929 brochure about the firm.

our speaking, and our functioning as trusted advisors to our clients. Yet, when it comes time to recognize leaders in the industry, the voice of management consultants is often missing. Like many industries, I suspect, recognition tends to go to the traditional players: people who lead hospitals and health systems, medical groups, insurance companies, and regional health networks. For reasons that are not entirely clear, even some of these prominent executives, some of whom might have previously spent significant time in the role of a consultant, have tended to overlook valuable lessons learned as consultants that could be shared when they reflect back on their accomplishments.

## **CONSULTING IS NOT WELL UNDERSTOOD**

Perhaps some of this lack of recognition reflects the reality that consulting remains one of the more misunderstood occupations one can pursue. Many people who use the label “consultant” are doing so “on the side.” Thus, consulting is sometimes more an avocation than a vocation. Indeed, some people who have “day jobs” cite consulting as something they do to supplement their income. Selling their time and talents at an attractive hourly rate may appeal to their entrepreneurial spirit. Since there are virtually no legal barriers to carrying the title “consultant,” it becomes a convenient label. Yet, it can be argued that such casual treatment of the label only adds to the confusion of what it truly means to be a practicing consultant. It also detracts from its being recognized as a legitimate profession.

## **CONSULTING, WHILE SEDUCTIVE, IS ALSO RISKY**

If consulting is thus easily misunderstood, what are some of the consequences? Among the most onerous consequences is the seduction that can lead many toward attempting to launch such a career, only to find that it can be quite treacherous. Whether it is the result of the cyclical nature of a difficult economic climate, where fewer consultants are being hired, or the simple realization that one’s talents are not suited to such pursuits, or perhaps the sudden recognition that marketing one’s talents to prospective clients requires a comfort with sales, the warning is real. “Buyer beware,” as the lawyers say. Pursuing consulting as a profession is not as easy as most people think. There is much that can go wrong, and much is required to be a trusted advisor on a sustainable basis. In the end, consultants need clients in order to thrive. After acquiring marketable skills (knowledge and expertise), it is through the market—getting and retaining successful clients—that a rewarding consulting career is defined.

Despite these risks, consulting remains one of the most popular careers being considered by new professionals who recently completed undergraduate and graduate degrees with a focus on healthcare. The Association of University Programs in Health Administration is the organization that works with graduate and undergraduate programs in health administration. As of this writing, there are a few hundred undergraduate and graduate programs in health administration. Generally, these programs are housed within a school of public health, business school, or school of public administration or public policy. People who manage healthcare organizations tend to have a graduate degree.

## **CONSULTING HAS BROAD APPEAL TO NEW PROFESSIONALS AND THOSE SEEKING A CAREER CHANGE**

According to a number of surveys, consulting is the most attractive job for graduates of MBA programs (Bloomberg Businessweek 2020). Among recent classes at my alma mater, George Washington University, it is estimated that at least 10–15 percent of those who graduated with a master's degree from the Milken Institute School of Public Health have pursued consulting as a first job (Friedman 2019). However, consulting skills are not typically taught as course content. Often, the most exposure that a student might have to consulting is through a guest speaker or through conversations with a consultant they know. Compared to other, more traditional career choices, universities do not help students understand consulting as a career option. Alas, to be truly understood, consulting is ultimately something that must be experienced. This book aims to close this gap and prepare the reader for that experience should they decide to pursue a consulting career.

It is not only new professionals who are expressing an interest in consulting. More midlevel executives seem increasingly eager for a career change. In addition, experienced senior healthcare executives are migrating toward consulting as they are nearing retirement. Starting some years ago, a few prominent healthcare executives, who later in their careers were CEOs and senior executives of hospitals and health systems, became full-time consultants. What began as a few isolated examples has now become more common—seasoned executives turning to consulting as a potential “soft landing.” This trend is worthy of more study and understanding.

That professional consultants play a major role in the transformation of healthcare is not subject to debate. Given that both new professionals and seasoned executives seem increasingly drawn toward consulting, more exposure to the rigors of consulting is warranted. For those who are interested in consulting, there

are relatively few resources—other than anecdotes and guest visits by full-time consultants and recent alumni—to provide some enlightenment regarding the experience of consulting to the healthcare industry. Yet, the ability of healthcare to shift more toward value depends, at least in part, on the continued advice of experienced consultants who excel at their craft.

## MY CONSULTING EXPERIENCE

Consulting is personal, and every consultant's journey is different. Hence, it is important that I reveal some of my experiences before we get started. As I look back, I had two distinct advantages. First, I was fortunate to work for the oldest management consulting firm, Booz Allen,<sup>2</sup> where I was surrounded by very talented people and where I was introduced to the basics of the profession. My second advantage relates to understanding the intricacies of the healthcare industry. In this regard, I got to work with a cadre of brilliant pioneers in healthcare, including both health system leaders and pioneers in healthcare consulting. Not everyone gets to work with “Hall of Fame” industry leaders. Being exposed to such immense talent just as the US healthcare “system” began its transformation was pivotal to my career. It gave me the opportunity to connect some dots, which after all is what strategists do.

Also, before I get too far into this discussion, I feel obligated to point out a critical observation. One of the great challenges of consulting is to be “in the moment.” By that I mean having a presence of mind that allows you to experience important insights at the time of the client interaction. I believe, for most people, this happens only after gaining hands-on experiences through many client engagements. That was certainly the case for me.

The reason to point this out is that, in sharing my experiences, some (if not most) of the enlightenment I gained from these experiences might have occurred with the benefit of hindsight. To claim otherwise is to suggest an omniscience that I don't possess. Sure, I got better at being in the moment as I gained experience and emotional intelligence. But, in some cases, it might have taken years for me to process some insights that I ultimately derived from a particular situation (no doubt there is still some processing going on). There were more than a few times when, following a key client interaction, I said to myself, “What just happened?”

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2. Founded in 1914, the firm reflected heavily on its founders, Ed Booz and Jim Allen, and their educational roots at Northwestern University. Their values and client orientation have endured the test of time and survive to this day.

That said, I do seem to have a knack for thinking on my feet. As you will see from some of the experiences I share, a few confrontations required quick thinking to be effectively managed.

With more than 40 years of strategy consulting experience as a trusted industry advisor, I am that rare person in healthcare commonly referred to as a *career consultant*. I do not think this happened by chance. In support of this career, I have traveled over 5 million miles to serve clients in 40 states from coast to coast, encompassing literally thousands of engagements, some of which have lasted about a month, but most of which have lasted four to six months. I have served almost 500 specific clients—mostly hospitals and health systems—each having unique programs, cultures, issues, and challenges. Yes, I detect some common patterns, but the people are always different. After all, healthcare is ultimately about people.

## CONSULTING IS INTENSE

The workload of a management consultant can be extreme at times. I have always felt either too busy or not busy enough. While the vast majority of engagements have been challenging and rewarding, not every assignment is. Moreover, there are clearly some things that, with the wisdom of hindsight, I would have done differently.

Overall, though, I would not change a thing. The highs are remarkable when a client successfully embarks on a new path or solves a chronic problem as a result of your input. At the same time, one must acknowledge that the lows, when they occur, can be debilitating. To be sure, I have relied on faith and family to take me through a few rough patches over the years.

In the long run, I have spent much more time with my clients in the rarified air of opportunity and have truly been rewarded in many different ways as a servant leader and advisor. I have always defined my success by that of my clients. Both at the corporate level, through superior positioning in a highly competitive market, and on an individual level, through advancement to bigger and better jobs. Although much of what consultants do remains anonymous, there are often opportunities for innovation, and some are occasionally recognized (one CEO, Brian Grissler at Stamford Health, was the Ernst & Young Regional Entrepreneur of the Year for Social Enterprise in the Metropolitan New York Area). Many lessons were learned along the way. While most of these lessons have been positive, others have been difficult to accept. Either way, I am the better for it, as are my clients.

It is my hope that sharing some experiences and observations, warts and all, will help the reader recognize some of the nuances that are so much a part of

management consulting. To the new professional, some of the examples might not yet resonate because of the complexities involved. Managing expectations is critical to having a good consulting career experience. To those who read this book, may it help you to develop a set of expectations grounded in reality that ultimately translates into an exceptional and rewarding consulting career, if that is the path you choose.

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