# Preface

IN HIS BEST-SELLING BOOK *Good to Great: Why Some Companies Make the Leap...and Others Don't,* Jim Collins (2001) examined 1,435 "good" companies and analyzed how and why 11 of those companies became "great," isolating attributes that contributed to success. From his research, Collins concluded that every organization could inspire its own "pocket of greatness." Although his book targeted business leaders, the concept of studying successful organizations and determining what makes them successful is intriguing when applied to healthcare organizations.

In 2003 and 2004, we at Caldwell and Associates, LLC, collaborated with other healthcare leaders to take an in-depth look at the healthcare industry in terms of the premise and design of Collins's work (Pieper 2004). Some of the questions posed by our study were the same as those proposed by Collins, and others were unique to healthcare. What separates hospitals that demonstrate consecutive years of performance improvement from hospitals that have failed to achieve lasting gains? How do great hospitals formulate strategies, use benchmarks, set goals, and achieve tangible results? Are these differentiators transferable from one healthcare organization to another? Can these differentiators be isolated and replicated? How do they relate to the use of advanced quality methods such as Lean and Six Sigma?

## DESIGN OF GOOD-TO-BEST RESEARCH

To answer these critical questions, we partnered with HMC of Boston, a leading comparative data company, and studied 222 hospitals with capacities ranging from 15 to 854 beds. For each organization, we measured the percentage change in cost per case mix-adjusted discharge from 2001 to 2002. We named organizations that ranked in the 75th percentile or higher "quantum improvers" and designated those in the bottom quartile as "nonstarters" (Pieper 2004). The research team interviewed executives and decision support staff within these two groups. The team did not inform participants whether their hospitals were in the quantum improver group or in the nonstarter group.

In the five years since we started conducting our research, we have continued to examine healthcare organizations and their work. We are currently in the early stages of the next generation of research. We have taken the attributes identified in earlier research and developed an assessment tool that measures 57 variables related to an organization's structure, culture, and use of quality acceleration methods. Our belief is that these attributes and elements are predictive of an organization's ability to transform its work processes successfully.

From our research, we gleaned characteristics of quantum improvers that contribute significantly to their success. Likewise, we identified characteristics and behaviors of nonstarter organizations that contribute toward their lack of progress.

The theories and recommendations in this book are based on attributes identified by our research and tested across a broad spectrum of healthcare settings. The book's main premise proposes that an organization's success hinges on how transformational initiatives are organized for accountability and action. In other words, structure drives culture as much as culture drives structure. On the basis of this research and professional experience, we developed a model that healthcare organizations can use to organize transformation efforts. This book introduces that model and provides organizations

with a step-by-step approach to implementing performance improvement projects.

## CONTENT OF THE BOOK

In Chapter 1, we discuss why change is necessary in healthcare and why many organizations struggle with it. This chapter provides a foundation for our work and addresses the critical role the senior leader plays in achieving transformational change.

Chapter 2 outlines our research and describes the differences between quantum improver organizations and nonstarter organizations. We also present our model for improvement in this chapter, which provides the basis for the following four chapters. Each chapter discusses one of the four main components of the model:

• Organizing for accountability
• Linking strategy to quality
• Creating an environment for change
• Using advanced quality methods

The final chapter transforms our model into a seven-step process organizations can use to design and implement performance improvement initiatives.

This book is not a rehash of technical material on advanced quality methods contained in manuals that already exist in healthcare literature, nor is it a "how to" guide for quality professionals on advanced quality methods such as Lean methodology and Six Sigma. This book was written for senior leaders and performance improvement professionals who wish to master the art of managing change and innovation. It provides quality professionals, financial analysts, Six Sigma black belts, department managers, and physician leaders with a context and plan to synergize their roles with the strategic mind-set of senior leaders.

Over the last decade, little evidence exists that healthcare leaders have been able to corral the complexities of healthcare to drive change. Although well intentioned, many senior leaders have not been able to achieve and sustain performance improvement and operational success. The seven-step process presented in this book can help senior leaders drive change, realize improvement, and transform their organizations from good to great.

## REFERENCES

Collins, J. 2001. *Good to Great: Why Some Companies Make the Leap...and Others Don't*. New York: Harper Collins Publishing.

Pieper, S. 2004. "'Good to Great' in Healthcare: How Some Organizations Are Elevating Their Performance." *Healthcare Executive* 19 (4): 20–26.