
Making the Shift

Part II: A Culture Change Playbook for
Healthcare Transformation



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Executive Summary

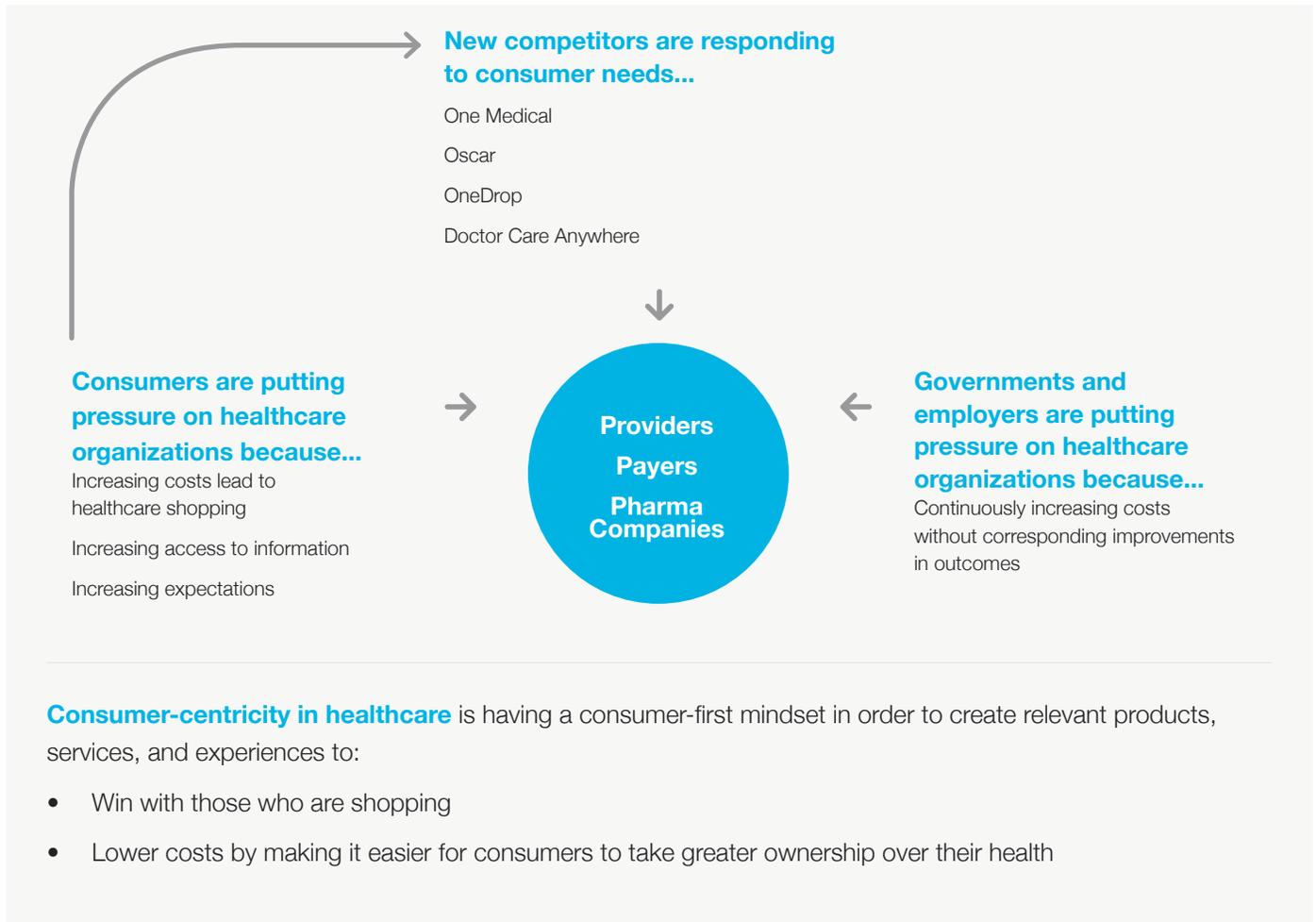
In July 2017, Prophet issued a report "[Making the Shift: Healthcare's Transformation to Consumer-Centricity](#)," which identified five key shifts healthcare organizations need to make to become more focused on consumers. The most successful organizations invest resources in creating a culture that supports a consumer-centric vision by first moving people, then enabling them, and if necessary, changing them. In-depth interviews with executives revealed a set of nine "plays" for driving this cultural transformation. The following report explores how organizations can use these plays to accelerate progress.

The Consumer-Centricity Imperative

RECAP: THE CASE FOR CHANGE IN HEALTHCARE

There is a new imperative to empower and engage consumers in healthcare. As we explored in "[Making the Shift Part I](#)," providers, payers and pharma companies are feeling extreme pressure from consumers and those who ultimately pay for healthcare: Governments and employers (Exhibit 1). While the reasons each group is demanding consumer-centricity is different, the result is the same. Healthcare organizations are shifting their focus to consumers.

EXHIBIT 1. THE FORCES DRIVING THE SHIFT TO CONSUMER-CENTRICITY



While healthcare companies are feeling pressure to upgrade their consumer experience with a focus on how to engage and empower consumers, the path to accomplishing this has been unclear. To find out what healthcare organizations need to do to reshape themselves for this consumer-centric era, Prophet conducted in-depth interviews with executives at large hospital systems, private payers, pharmaceutical companies and digital health companies around the globe.

RECAP: THE FIVE SHIFTS

Based on conversations with executives across the U.S. from providers like Mayo Clinic, Geisinger Health System, Intermountain Healthcare, United Family Health; payers like Aetna, Cigna, Anthem, Florida's Blue Cross Blue Shield plan, and AIA; and leading pharmaceutical companies like Pfizer, Novartis, and Eli Lilly and Company, Prophet identified five key shifts that healthcare organizations need to make to become more consumer-centric. While each shift is interrelated, given that the consumer experience touches every facet of an organization, each one is powerful on its own.

SHIFT 1: *From Tactical Fixes to an Experience Strategy*

While healthcare organizations often start enhancing consumer experiences in one-off initiatives (e.g., reducing waiting room times), many are moving toward optimizing the entire healthcare journey as a strategic priority. Doing so requires establishing a vision for the entire consumer experience, developing an action plan, and committing the required resources to ensure the new vision is successfully implemented.

SHIFT 2: *From Fragmented Care to Connected Ecosystems*

Although payers, providers and pharma companies are finding new ways to work together, the healthcare journey is still fragmented for most patients, causing frustration, inefficiencies and high levels of dissatisfaction. Many organizations have begun integrating themselves into the broader ecosystem through partnerships to better enable them to meet their objectives around consumer-centricity.

SHIFT 3: *From Population-Centric to Person-Centered*

Many healthcare organizations are moving away from creating products, services and experiences for broad groups of consumers, such as those who have the same condition or those that fall into the same demographic. Instead, these organizations are beginning to create more customized products, services and experiences for people based on individual needs.

SHIFT 4: *From Incremental Improvements to Pervasive Innovation*

Instead of settling for small and time-consuming improvements to already established systems and processes, healthcare organizations are beginning to rethink the types of innovations that are required. These organizations are sparking change by consistently adopting a “startup” or minimally viable product mindset, using a portfolio of new approaches to better engage consumers.

SHIFT 5: *From Insights as a Function to a Culture of Consumer Obsession*

Some healthcare organizations are moving beyond establishing insights as a function to gathering intelligence about the consumer. These organizations are creating a culture of consumer obsession, where everyone in the organization is keeping people front and center at all times. Often this takes the form of an Insights Operating System (IOS).

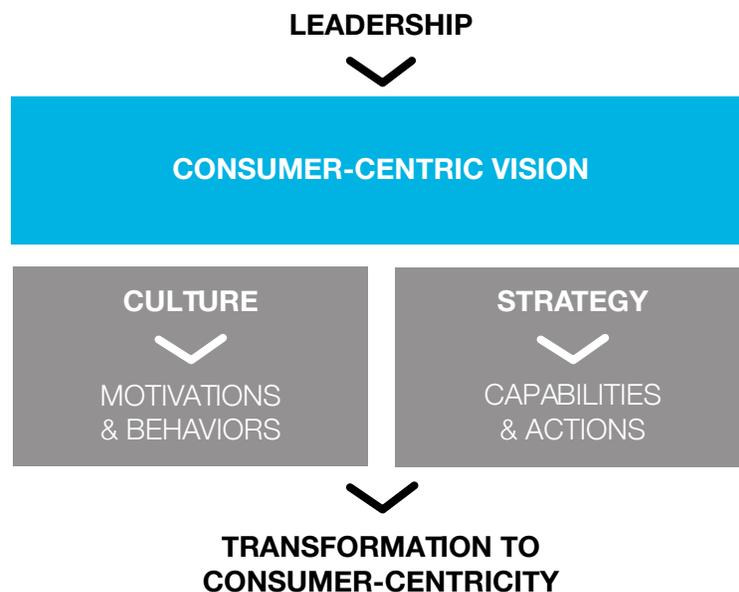
Creating A Consumer-Centric Culture

THE IMPORTANCE OF CULTURE

“The doctor always knows best.” This stereotypical view of the doctor/patient relationship has shaped the culture of many healthcare organizations. The default posture of many healthcare organizations is that providers, payers and pharma companies know what is best for the patient and their role is to tell the patient what to do. While this can be seen as a patient-first or patient-centered view, surviving and thriving in a consumer-centric world requires recognizing that there should be a two-way dialogue between the patient and the healthcare organization.

Healthcare organizations making progress towards becoming consumer-centric understand that culture and strategy need to work together to move the organization forward, as depicted in Exhibit 2 below. Defining the required actions to make the five shifts outlined in our last report is important, but that is only half of the equation. Embedding consumer-centricity in the culture of an organization, from the janitor to the Chief Medical Officer, is equally important to bringing a consumer-centric vision to life. Together, a strong culture motivates the entire organization and inspires organic behavior change, while strategy reinforces the vision by defining the capabilities and actions that are required.

EXHIBIT 2. PROPHET ORGANIZATIONAL CHANGE EXPERT HELEN ROSETHORN'S FRAMEWORK FOR CULTURE CHANGE ADAPTED FOR CONSUMER-CENTRIC TRANSFORMATION IN HEALTHCARE. SOURCE: “[HR AS A FORCE OF DIGITAL CHANGE](#)”



MELDING CULTURE AND STRATEGY

Take AbbVie, for example, the former specialty pharmaceutical division of Abbott that was spun off to create a new \$18 billion company. In launching a new-to-the-world company, AbbVie was faced with the challenge of defining a culture and strategy that would transform a historically deliberate organization into an agile biopharmaceutical company.

To create a culture focused on delivering remarkable impact for consumers, AbbVie developed a program called “The AbbVie Way,” with three pillars to define how the organization approaches its work, its capabilities and the “remarkable” impact it will have.¹ As Tim Richmond, SVP, Human Resources, AbbVie, explains in *Profile Magazine*, “One of the things I’ve learned is people need clear strategies and clear intent. Ultimately, our mission is to deliver a consistent stream of innovative medicines that can address unmet health needs. That’s really our North Star.”² These pillars clearly tie to a consumer-centric vision for how the new organization should operate. “Everything comes back to having a remarkable impact on our patients’ lives. If we can do that, the business will succeed,” he says.

To activate this cultural transformation, AbbVie has invested in mobilizing employees across the organization using “The AbbVie Way,” which employed a decentralized, global team of ambassadors, a series of workshops, and a journey map exercise that provided an interactive way for employees to learn about the company’s culture and values and feel personally connected to the vision. Furthermore, “The AbbVie Way” articulates specific principles for how work is expected to get done, informing both processes and systems, and the organization’s approach to talent, including hiring and incentives.²

AbbVie has made impressive progress in establishing its culture since its spin-off from Abbott in 2013. The organization’s annual employee survey reveals employee engagement scores near 80 percent, almost a 10 percent increase from 2013. Employees also gave the organization’s culture a high score of 74 percent in 2016, up from 60 percent in 2013.² Today, AbbVie continues to invest to both strengthen its culture and deliver on strategic priorities in support of its goal of making a remarkable impact on patients’ lives. Without both strategy and culture, AbbVie would not have been as successful in cultivating a consumer-centric organization from the ground up.

¹ <http://www.workforce.com/2016/11/21/abbvie-optimas-2016-general-excellence-winner/>

² <http://profilemagazine.com/2016/abbvie/>

Culture Change Playbook: Overview

NINE PLAYS FOR CONSUMER-CENTRIC CULTURE CHANGE

Healthcare organizations can make deliberate moves to create a culture of consumer-centricity. Prophet’s research and conversations with almost 60 executives across payers, providers and pharma companies uncovered nine plays for consumer-centric culture change:

Despite the importance of consumer experience (CX), many healthcare organizations begin with one-off initiatives (virtual appointments, reduced waiting room times, online billing), instead of creating a cohesive journey that ladders up to a broader strategy. As Louis Zollo, Director of Global Portfolio Development at Teva Pharmaceuticals, said, “There are a tremendous number of dead apps and ineffective online programs that don’t actually create any value. People don’t use them and they only take up space.” When CX is approached through disjointed initiatives, it is difficult to create the best possible experience for consumers. Many organizations lack the vision, culture and scale to truly execute on an integrated, seamless consumer experience. This sets up misaligned expectations and outcomes.

EXHIBIT 3. CONSUMER-CENTRIC CULTURE TRANSFORMATION PLAYS

MOVE PEOPLE	ENABLE PEOPLE	CHANGE PEOPLE
Determine how to mobilize employees around the vision, so they own it and believe in it	Provide employees with the tools, resources and support they need to carry out the consumer-centric vision	Ensure the organization has the right talent in the right places to support the consumer-centric vision
1. Develop a vision from the ground up	3. Reward experimentation	7. Build a team of change agents
2. Rally around a bold challenge	4. Take a progressive view of technology	8. Reset performance expectations
	5. Equip the frontlines with a 360-degree view of the consumer	9. Establish the right metrics and tie them to incentives
	6. Design processes around the purpose	

Move People

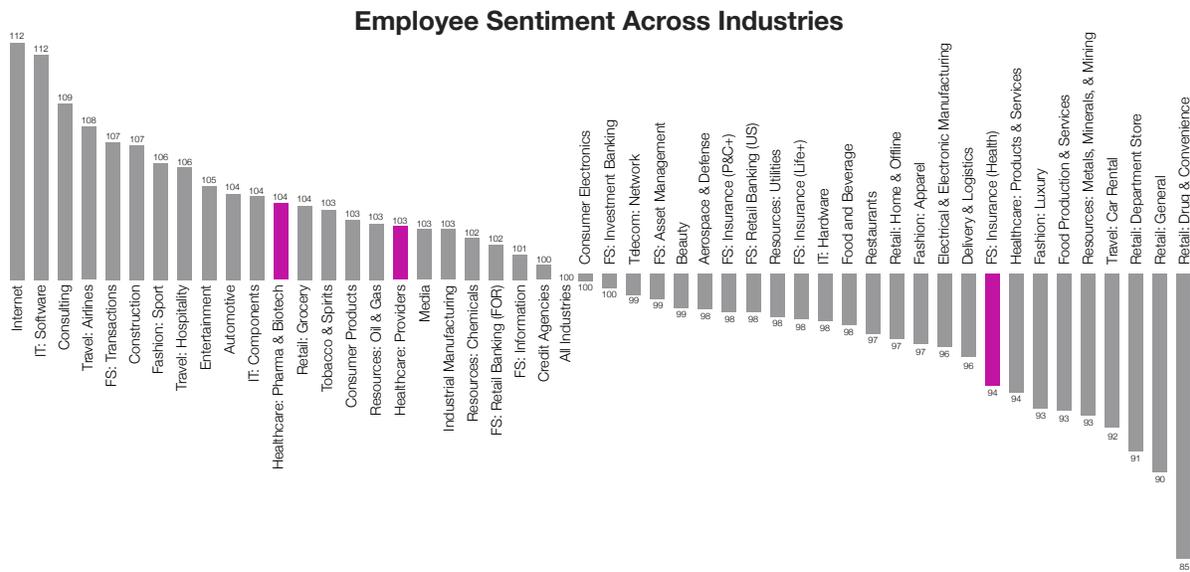
“We didn’t develop a consumer and patient-centric strategy for the sake of hanging it up on the wall. The patient is at the center of all that we do. We’re living and breathing it. It is how we manage, run meetings, prioritize initiatives, approve capital, hire talent - everything ties back to it.”

—KEVIN BROWN, PRESIDENT AND CHIEF EXECUTIVE OFFICER, PIEDMONT HEALTHCARE

What it Means to Move People

Having employees really understand and believe in the organization’s vision is critical to creating a consumer-centric culture. Healthcare organizations that do this well mobilize employees around a vision through a combination of external and internal initiatives that use, in equal parts, both rational and emotional levers to engage and rally employees. This approach is not the norm in healthcare as many companies, especially payers, struggle to inspire and engage employees (Exhibit 4).

EXHIBIT 4. HEALTHCARE PROVIDERS AND PHARMA EMPLOYEES RATE THEIR EMPLOYERS AS SLIGHTLY ABOVE AVERAGE, WHILE PAYER EMPLOYEES RATE BELOW AVERAGE



Index of the 12-month rolling average “Overall Rating” for all companies in an industry, by employees in that industry. Overall rating question: “On a 1-5 scale, how would you rate this company as an employer?”³

³ Glassdoor data, Prophet analysis

The Plays to Move People Include:

1. DEVELOP A VISION FROM THE GROUND UP

For a culture to shift towards consumer-centricity, every employee must feel personally connected to a common vision for the future. This vision becomes both credible and personally relevant when it is co-developed by employees and leadership, and leaders demonstrate, not just communicate, their commitment. Leaders who bring the vision to life inspire and mobilize their teams, creating meaningful examples of what it means to think and act in a consumer-centric way.

At Mayo Clinic, patient-centered care is more than a slogan. “Every step we take, every tactical or strategic decision we make is based on what is in the best interest of the patient—and that is the only interest to be considered,” says Mayo Clinic President and Chief Executive Officer, John Noseworthy, M.D. Mayo Clinic has built and strengthened its organizational culture around this common mission. “At Mayo Clinic, we put patients first. That is the foundation of our culture.” In examining Mayo Clinic, it is clear how a powerful common purpose can create a self-propelling culture of consumer-centricity, where all decisions are informed by a patient-first mindset.

Co-creating a new company vision

Amid significant pressure from payers to shift from a fee-for-service to a fee-for-value model and a continued emphasis on accountable, effective care, Indiana University Health (IUH) had to re-think its business strategy and vision. To deliver on its mission, IUH bought and built PCP and urgent care centers and hospitals throughout the state to serve as accessible “front doors” to the system.

However, many of the employees of the acquired organizations did not fully buy into IUH’s vision because they didn’t have a hand in creating it and didn’t find it relevant to their roles. In evolving the business and recognizing the need to do “post-merger integration,” IUH leaders engaged with employees and took the time to understand their needs, wants and aspirations, both personally and professionally. This helped them create a common vision. “It is critical that team members are a part of the development of the promise; if you want them to live it and love it, then you have to create it with them,” says Mike Yost, Vice President – Marketing, Outreach and Experience, IUH. In creating what would be called the IUH Promise, the organization conducted employee focus groups and co-creation sessions around the state, and employees ultimately selected from a range of options to determine the go-forward vision. To pay all of this off, IUH spent a year rolling out this new vision and associated behaviors and values, carefully introducing the new co-created IUH Promise across the organization’s 15 hospitals and 30,000 employees.

Prioritizing both the consumer and employee experience

When we talked with Carl Armato, Novant Health’s President and Chief Executive Officer, about what enabled the organization’s shift toward consumer-centricity, the importance of mobilizing employees around a common vision was clear. In Prophet’s last report, we detailed Novant Health’s Standards of Service, which codify a consumer-centric vision through organizational pillars that employees can rally around. In addition to defining the way Novant Health serves its consumers, it also outlined three principles that define the way it treats employees, which Armato calls the “human experience.” “At Novant Health, we don’t look at the patient experience separately from the physician/team member experience,” he says. “They are blended together. We need to create a remarkable experience for our patients and our team members.” To mobilize employees around a vision, leaders should think about how they can demonstrate their commitment to living out the vision in every aspect of the employee and consumer experience.



Making it personal

Another aspect of building a vision from the bottom up is reflecting on personal experiences with healthcare. At some point, everyone interacts with the industry. Every CEO, physician, nurse practitioner, life scientist or administrative staff member has personally engaged with the healthcare system outside of their job. Quite often, when they are on the “other side of the fence” they can better understand why the healthcare industry is so frustrating at times. As one CEO told us, “I was shocked with how bad my own system was when I broke my leg and had to experience it myself.”

Making it personal requires more from leaders than beating the drum on strategy. It requires them to find their own ongoing source of inspiration so they can constantly remind the organization who they are serving each day, why their work matters and why the experience should be among the best in any category.

Case in point: The Cleveland Clinic has used this idea to rally employees around what it means to be consumer-centric. The organization produced a short video called “Empathy: The Human Connection to Patient Care” that features patients, families and frontline employees grappling with the challenges of both the healthcare system and serious health issues. Originally meant for an internal audience, it touched such a human chord that it went viral. The video asks the audience to put themselves in the shoes of patients and approach every interaction with empathy. “These videos have been pivotal in rallying people around a core element of our mission: to provide exceptional patient experiences, every day to every single patient,”⁴ said Adrienne Boissy, Chief Experience Officer at Cleveland Clinic in a recent *Harvard Business Review* article.

⁴ <https://hbr.org/2015/10/when-the-customer-is-stressed>

2. RALLY AROUND A BOLD CHALLENGE

Recognizing that large organizations often naturally resist change, leaders can use external bold declarations that motivate, drive and even shock the organization into taking action and delivering true consumer-centric experiences.

Conversations with healthcare executives uncovered various approaches:

Using “shock therapy” to shift culture

When David Feinberg, M.D., became Chief Executive Officer of Geisinger Health System, he set out to shift the organization from provider-centric to patient-centric, and he put his money where his mouth is. He made a public declaration of a money-back guarantee around consumer satisfaction. His ultimate and symbolic goal was to “Eliminate the waiting room and everything it represents. A waiting room means we’re provider-centered—it means the doctor is the most important person and everyone is on their time.” However, making this change would require a seismic shift in organizational culture. Geisinger Health System’s Chief Informatics Officer Alistair Erskine explains, “Everyone talks about putting the patient first and that’s great, but to make it actually happen we needed to take a big step that would force us to change.”

To take the first step, Geisinger launched ProvenExperience, the refund program under which consumers who are dissatisfied with the care they received at a Geisinger facility can request a refund for their co-pay. “Our strongest motivation was getting skin in the game to galvanize our 30,000 employees to achieve an excellent patient experience every time,” the executive team recounted in a recent *Harvard Business Review* article.⁵

Within a year of launching the program, Geisinger had refunded nearly \$500,000 to patients, which was more than a nominal amount, but quickly made up for in positive public relations coverage. Most importantly, ProvenExperience has galvanized the organization to operate with the consumer at the center of everything they do.

Galvanizing the organization

With the arrival of President and Chief Executive Officer Kevin Brown, Piedmont Healthcare made consumer-centricity a top priority. To deliver, Matt Gove, Chief Consumer Officer, and the marketing team set their sights on several patient experience initiatives including virtual visits, online scheduling, physician ratings and reviews, and same-day appointments for primary care. All these initiatives required a significant culture shift and departure from business as usual, especially for physicians. However, Gove and the executive team were confident that this is where the organization needed to go. “We knew that consumers wanted it and we knew from pilots that consumers used it,” says Gove.

Facing internal resistance to implement, Gove and the marketing team (with leadership’s backing) pushed forward with the program, giving the organization notice of when it would go public. “Marketing decided there were things that just needed to happen - we didn’t really ask for permission,” Gove recalled. “That said, it is almost never without support from allies in other functions like finance, technology and operations.” These bold programs shocked the organization’s culture and operations into delivering. Gove added, “If you don’t put a stake in the ground and tell everyone ‘this is what our consumer requires of us, so we’re going to go after it and succeed,’ it can be very difficult to get people on board.”

⁵ <https://hbr.org/2016/11/why-this-hospital-offers-refunds-to-dissatisfied-patients>

Enable People

“We should empower our agents to solve consumer needs, without having to get a supervisor’s approval... it is about doing the right thing”

—PATRICK BLAIR, CHIEF MARKETING AND CONSUMER OFFICER, ANTHEM

What it Means to Enable People

Once an organization has bought into a consumer-centric vision, it is critical to remove any potential barriers to delivery. For the transformation to work, people need to have the right knowledge, tools and processes to apply consumer-centricity in their roles. This includes enabling employees outside of marketing and other functions traditionally closer to the consumer. For example, biotechnology company Amgen believes in embedding a small decentralized team of patient-centricity experts across the organization to sustain the change. “Amgen supports dedicated leaders who sit across the organization and ensure the patient voice is embedded throughout Amgen” says Jessica Nora, Executive Director, Patient Engagement Strategy. When organization-wide, consumer-centric processes are in place, everyone can more deeply understand how to better create relevant products, services and experiences that meet consumer needs and address pain points.

In today’s connected world, it is critical for organizations to understand that digital transformation is an enabler of consumer-centricity. But leaders at healthcare organizations need to shift how they think about digitally-enabling teams with tools and processes. As Altimeter principal analyst Brian Solis writes in [“Digital Transformation and the Race Against Digital Darwinism,”](#) digitally enabling teams is more than just technology; it’s about remodeling businesses to be agile, innovative and consumer-centric at their core. To deliver on the experiences that consumers expect and to produce better outcomes, the organization cannot relegate “digital” as being just about creating digitally-enabled products such as the latest app or website. Digital thinking should go deep into the fabric of the organization’s approach to creating and managing experiences. Organizations that invest in digital thinking, infrastructure and products as a foundational element of its culture, through strategy, technology and people, will accelerate their consumer-centric efforts.

Healthcare organizations that are in the process of making this shift recognize the importance of looking outside of healthcare for inspiration and direction. For example, Intermountain Healthcare is undergoing a transformation to not only improve patient access and outcomes, but also to better understand each individual patient’s needs and preferences. “Our aspiration is to be the first digitally-enabled consumer-centric integrated delivery system in the U.S.,” says Marc Harrison, M.D., President and Chief Executive Officer, Intermountain Healthcare. “We’re taking cues from Amazon, financial technology companies, Starbucks and the like. We are going to inject that holistically into a real digital transformation of an integrated health system to truly understand and serve people the way they want to be served.”

The Plays to Enable People Include:

3. REWARD EXPERIMENTATION

Becoming consumer-centric involves moving beyond training people on new skills to redefining the things that the organization identifies as excellence. In today's consumer-led, connected world this means the entire organization, not just marketing, needs to be comfortable with experimentation and developing a startup mentality to deliver on consumer needs.

Infusing digital-thinking in problem solving

Amgen, a multinational biopharmaceutical company, has invested in capabilities to develop consumer-centric services around its biologic drugs. An example of these services is Statwise, a program that allows patients to track symptoms and how they are feeling through a text-based response system. The data is aggregated in bi-weekly reports that can be shared with the patient's physician to facilitate a deeper dialogue around the patient's progress and results throughout a regimen of treatment using Amgen's Enbrel biologic.

Amgen's user experience and technology team, a group that is rare for a company in the pharma industry to have, drove the development of the Statwise program from concept to launch. Dave Marek, Vice President of Marketing at Amgen, credits the program's success to the team's ability to use a deep understanding of consumer needs within a digitally-enabled approach to customer service. The team started with the goal of creating deeper connections with consumers. Then, through engaging with these patients, they uncovered a key challenge many were facing in the first 30 to 90 days of therapy, so they developed a digital solution to meet consumers' needs. "Through engaging with the consumer, we realized that a simple text-based system was the most effective way for the consumer to quickly report how he or she was feeling," says Marek. "We're getting phenomenal feedback around the program in terms of driving better dialogue between the physician and patient." With the right mindset around experimentation, healthcare organizations can enable teams to drive consumer-centric innovation.

4. TAKE A PROGRESSIVE VIEW OF TECHNOLOGY

As discussed in [Prophet's last report](#), the healthcare industry tends to be conservative when it comes to technology-related innovations, because of a risk-averse mindset, difficulties proving a return on investment for long-term projects and a lack of structure for rewarding successful innovation. These struggles make the development and adoption of new technologies that enable employees to have a more holistic view of the consumers and better serve their needs more difficult. Specifically, legacy systems (e.g., EHRs) and heightened privacy and data security concerns make integrating new technology extremely challenging and complex.

Progressive healthcare organizations are increasingly willing to pilot new approaches to technology and data and take on new risks to advance the consumer experience. Progressive technology not only enables providers and payers to deliver better outcomes and service, but it also enables pharma companies to collect patient data and develop better products and wrap-around services to improve therapeutic outcomes. "The ability to collect data is colliding with the need to bring more value to the healthcare system," says Frank Cunningham, Vice President, Managed Healthcare Services, Eli Lilly and Company. "There is a huge opportunity to understand more about patients and what is happening in their lives and use that understanding to benefit the patient through better medicines and services."

Using cloud-based technology to re-imagine data collection

Tonic Health is a cloud-based platform that re-imagines the old clipboard forms of the past to make data collection faster and more efficient for payers and providers. The Tonic Health team has a bold vision for how its technology can transform data collection and how it is used by frontline people to improve the experience. “Most data collection is reactive,” says Sterling Lanier, Chief Executive Officer, Tonic Health. “Can you imagine if that data was used up-front to proactively improve the experience? Why isn’t the healthcare industry collecting and using data like brands like Ritz-Carlton or Four Seasons?”

A UCLA doctor reported to Tonic Health that the platform had revolutionized data collection for her office. She explains how the platform allows her to know exactly how a patient likes to be addressed before even meeting them (e.g., first name or Mr./Mrs./Ms.). This may seem minor, but the doctor says it makes patients more comfortable and gives her more time to discuss their health. Although cloud-based technologies such as Tonic Health are still a relatively new idea that some CIOs are resistant to adopt, those organizations with a more progressive view are able to capitalize on these innovations to improve the consumer experience.

5. EQUIPPING THE FRONTLINES THROUGH A 360-DEGREE VIEW OF THE CONSUMER

Understanding the entire consumer experience and where the key pain points and opportunities exist is essential to enabling people. With this view, efforts can be prioritized and investments made to equip the front lines to deliver on the new consumer experience.

Florida Blue, as part of its ongoing transformation from a health insurance company to a health advocate, was guided by the principle of first interaction resolution as it revamped its customer service function. This approach is in contrast to the traditional first call resolution that can result in multiple transfers and frustrated consumers. The first interaction is critical because it sets the foundation for a deeper relationship where consumers are engaged and open to cross-selling of other value-added services. “We realized we had to earn our way into relationships through first interaction resolution,” says Patel Prakash, M.D., Chief Operating Officer, GuideWell & Florida Blue and President GuideWell Health. “The number one reason why our customers get frustrated with us is when we don’t answer their question the first time they ask. It sounds simple but when questions and issues are taking multiple calls, hold times and representatives to solve, people get frustrated.”

To equip employees to deliver against the consumer-centric vision, the organization mapped out the consumer journey to fully understand where the issues were and developed a comprehensive approach for addressing consumers’ questions at the first touchpoint. Florida Blue invested in systems that aggregate data across formerly disparate platforms so employees are empowered with the right consumer information to answer questions, as well as offer them solutions and value outside of the immediate issue. With the systems in place, Florida Blue also upskilled frontline employees by creating a training program that encourages a relational, rather than a strictly problem-solving, mindset with consumers.



6. DESIGN PROCESSES AROUND THE PURPOSE

To enable people, organizations are equipping employees across functions with the tools and processes they need to understand and solve consumers' needs and pain points. Great processes, whether operational or strategic, are informed by asking "How can we deliver the best outcome for consumers?" By starting with this question, the process is developed with the ultimate consumer-centric vision in mind. This purpose-first, process-second mindset better enables employees to deliver on the consumer-centric vision.

In 2014, the U.S. Department of Veteran Affairs (VA), which provides healthcare for over 9 million veterans, was in crisis. There were widespread issues with patient wait times leading to patient deaths, and intense scrutiny from Congress and the general public. To lead the cultural and organizational transformation, President Obama nominated Army veteran and former Procter & Gamble Chairman and Chief Executive Officer Robert McDonald. *Harvard Business Review* profiled this transformation and McDonald's pursuit of a principles-based organization in a 2016 article.⁶ "A rules-based organization is a safe place to work... as long as you follow the rules, you're never going to be criticized," McDonald says. McDonald describes the organization as "a culture of learned helplessness," one in which employees lacked both the tools and empowerment to deliver on the organization's consumer-centric vision.

To change this culture, the VA revamped its processes to be driven by its purpose of serving veterans. With the processes in place, they invested heavily in training and tools to communicate the consumer-centric vision and also enable and empower frontline employees at their 160-plus facilities to innovate in ways that deliver on their mission. "Every employee should own what they do, and they should always have a personal project ongoing to improve what they do," says McDonald. Since McDonald's tenure, the VA has made substantial progress. According to a 2016 report from RAND, the VA healthcare system outperformed the private sector on 96 percent of outpatient measures.⁷

Additionally, the VA has reduced pending claims by 90 percent and will offer same-day services at all its facilities by 2017.⁸ Healthcare organizations can empower employees by elevating the consumer-centric vision to ensure process doesn't get in the way of progress.

⁶ <https://hbr.org/2016/12/a-transformation-is-underway-at-u-s-veterans-affairs-we-got-an-inside-look%20The%20case%20study%20conducted%20by%20Harvard%20Business%20School%20on%20the%20transformation%20underway%20at%20VA>

⁷ <https://link.springer.com/article/10.1007/s11606-016-3775-2>

⁸ <https://www.va.gov/MYVA/docs/MyVA-Priorities-infographic.pdf>

Change People

“It all starts at the top. It is about putting leadership in place across the business and consistently setting the tone through the ranks.”

—DAVE EDELMAN, CHIEF MARKETING OFFICER, AETNA

What it Means to Change People

Even with a consumer-centric vision in place and the enablers to deliver on this vision, there is often a need to change the way employees think and behave across the organization. There may also be a need to closely evaluate and even rethink an organization’s talent, especially among those leading the consumer-centricity charge to transform culture. Strong leadership needs to be in place—the right people in the right places—to drive transformation across the organization. Without committed leadership, it can be extremely difficult to gain traction and alignment around a vision and secure the required investments. Ultimately, the organization needs on-the-ground teams that have the right mindset, values and capabilities to develop and deliver products, services and experiences to support the consumer-centric strategy.

The Plays to Change People Include:

7. BUILD A TEAM OF CHANGE AGENTS

While a single change agent can make progress in driving consumer-centricity, it takes a fully-integrated team to transform the culture of an organization. The CEO is ultimately responsible for setting the vision, but culture change is most successful when the CEO has built a team of change agents in the key seats around him or her. Whether insiders or outsiders, effective change agents drive the consumer-centric strategy at their organization from socialization to in-market results. No matter their function, these kinds of leaders can drive alignment with their peers, tell the story in a way that engages the entire organization from management to the frontline, and spearhead programs and initiatives that deliver quick wins and result in great momentum.

Building a team of change agents at Mount Sinai Health System

In our July report, [Making the Shift Part I](#), three different archetypes of leaders who put the consumer first were identified: healers, strategists and consumerists. By building a team of change agents across these archetypes, leaders can ensure that consumer-centricity starts at the top. Ken Davis, M.D., President and Chief Executive Officer, Mount Sinai Health System fits the healer archetype and has made patient satisfaction and patient-centered care a critical issue in his system. “It took decades for the culture to change to put the patient first rather than the physician first. The marketplace in Manhattan is the most competitive on Earth. Now there is a necessity to be patient-centered,” says Dr. Davis.⁹ As the top leader at Mount Sinai, he has built a leadership team over the years to change the organization’s culture and strategy. In 2015, Dr. Davis hired Niyum Gandhi as Executive Vice President and Chief Population Officer to oversee Mount Sinai’s transition from a primarily fee-for-service model to an approach inclusive of value and risk-based population health. Gandhi fits the strategist archetype, having come from a management consulting background, where he served as a partner in the Health and Life Sciences practice and focused on value-based health care transformation. To lead marketing, Dr. Davis hired Margaret Coughlin as Senior Vice President, Chief Marketing and Communications Officer, in 2017. She fits the consumerist archetype, starting her career at Procter & Gamble and in the advertising agency world. “We need to view every patient and prospective patient as a consumer and really understand their need to build loyalty,” says Coughlin. Together, the team is poised to drive transformation through a relentless focus on understanding and delivering on consumers’ needs.

Driving consumer-centricity at Piedmont Healthcare

In 2013, Kevin Brown, President and Chief Executive Officer, Piedmont Health, arrived at the organization with a strong track record in patient-centricity, quality and safety. With Brown’s arrival, he empowered Chief Consumer Officer Matt Gove to drive alignment and execution against a consumer-centric vision for Piedmont. Brown also brought in new leaders from companies like Kaiser Permanente to build a strong leadership team to drive change. The newly formed team galvanized the organization through the creation of “The Piedmont Way,” a set of service standards that formalizes the organization’s vision and values for consumer-centricity. This vision is now being implemented through experience design and initiatives at critical consumer touchpoints across the consumer journey including same-day appointments and physician ratings and reviews. “Change really starts with leaders who understand and believe in consumerism, bring other people along in the journey, and get quick wins to build momentum,” says Gove.

8. RESET PERFORMANCE EXPECTATIONS

Building a consumer-centric organization requires thinking through the talent required to support the transformation. Leaders must take a close look at what they need and expect from their teams and how they define roles and responsibilities to support the strategy. In some cases, this may surface a need to look outside the organization for people with different skill sets and experiences (e.g., consumer strategy, digital, insights/analytics).

Rewriting the job description for customer-service representatives to deliver a better experience

Florida Blue was discussed earlier as an example of how organizations can upskill frontline talent to deliver on a consumer-centric strategy. In addition to enabling current talent, Florida Blue re-evaluated its talent approach for its call center by rewriting the job description to emphasize the most important skills for improving the “first interaction resolution.” “We historically focused on the hard skills like healthcare knowledge while hiring, but we’ve found that those skills don’t always translate into great customer service. We can teach hard skills, we can teach healthcare, but communication skills are much harder to teach,” said Dr. Patel of Florida Blue.

⁹<http://www.modernhealthcare.com/article/20160820/MAGAZINE/308209955>

With a new job description in place, the organization took several steps to change its approach to hiring. To find the right talent, Florida Blue increased pay for the position and turned recruiting efforts toward nontraditional talent pipelines, such as customer service professionals with experience at hospitality companies like hotels or airlines. Additionally, it changed the interview process to focus more on the problem-solving and soft skills that enable deeper relationships and connections with consumers. “We are deploying different tests in the interview process to really look at how individuals react to real life situations that test communication and social interaction skills,” added Dr. Patel. For example, Florida Blue is currently piloting a program that uses AI to analyze video from face-to-face interviews to identify common attributes that predict success in the role and, eventually, inform hiring decisions.

Challenging talent to unleash latent potential

When Dave Edelman, Chief Marketing Officer, Aetna, joined the organization, he set out to build a strategic and digitally-enabled marketing organization from the ground up to support the organization’s consumer-centric vision. Edelman redefined what was required as a marketer at Aetna and closely examined the marketing talent in place. Explaining the challenge, Edelman says, “You have to really look hard at your talent and ask: Is your talent going to take you there? Will they have the right strategic lens? Do they understand analytics and how to use analytics in what they do?” Edelman also noticed there was talent that may not have been given a full opportunity to shine. “Sometimes you have talent that is latent that needs to be unleashed,” he says. “Early on, I gave people projects to own and some really rose to the challenge. I could see that there was a lot more there to tap into.” To drive culture change, leaders should clarify what is required to deliver the consumer-centric vision and look for opportunities to uncover and unlock latent talent in an organization. Leaders can use the consumer-centric vision to challenge and foster employees’ relevant passions and skills that may have been overlooked in the past.

9. ESTABLISH THE RIGHT METRICS AND TIE THEM TO INCENTIVES

Mobilizing an organization around a consumer-centric vision requires top-to-bottom alignment on a common set of goals. Organizations making this shift need to establish clear metrics, that connect the consumer-centric vision to the overall business strategy. “Consumer-centricity cannot be viewed simply as a marketing piece, it has to be tied to all strategic goals,” says Chris Fanning, Chief Marketing Officer, Geisinger Health Plan. If organizations only value and reward non-consumer metrics like revenue or operating efficiency, then progress on those metrics is all that will be delivered. Having consumer metrics, even as simple as satisfaction, is critical to showing and driving a true commitment to consumer-centricity.

Recognizing that consumer-centricity must be viewed as a driver of growth, leaders are rethinking the types of metrics they focus on. Many organizations are moving from measures tied to satisfaction (e.g., Hospital Consumer Assessment of Healthcare Providers and System, or HCAHPS, score) to measures tied to loyalty (e.g., Net Promoter Score, or NPS). “While satisfaction is important, we want to raise the bar and go from transactional metrics to metrics that measure how well we are creating relationships with our patients and creating loyalty,” says Mike Yost, Vice President, Marketing, Outreach and Experience at Indiana University Health.

Establishing metrics is a good first step, but to force real behavior change, organizations are beginning to tie employee compensation to key consumer-centric business metrics. This tactic applies to not only executives, but also frontline employees interacting with the consumer every day.



Tying compensation to consumer-centric metrics

In 2014, health insurer Anthem made consumer-centricity one of three strategic priorities. To set a foundation for change, Anthem looked at its key metrics and realized that while consumer-centric measures were in place, the organization truly lacked clarity on where it should focus to drive real change. In 2015, executive leadership and the board endorsed NPS as the organization's key metric and tied it to executive compensation, resulting in a closer focus on building a relationship with the consumer.

With executive leadership buy-in, NPS was also tied to compensation for all employees on incentive plans, from the CEO, down. Initially it was 5 percent of compensation in 2016, and then it increased to 10 percent in 2017. However, this was not the end of the journey. "Once it affected everyone's bonus, the demand to meet with the leaders and their teams to discuss the metric took off," says Doug Cottings, Staff Vice President, Market Strategy & Insights at Anthem. "Those wanting to understand the results, how NPS is measured, what actions each department can take to improve surged dramatically and continues to increase." Even with strong executive alignment and the program in place, there was significant work to be done in implementing NPS throughout the organization and sharing results to keep up momentum. As Anthem found, incentives are not enough on their own to drive results. Instilling lasting cultural change requires employees have a clear understanding of the specific performance objectives, behaviors, and actions needed to drive improvements tied to consumer-centricity.

Incentivizing a sales force on quality not quantity

GlaxoSmithKline (GSK) became the first pharmaceutical company to fundamentally revamp its incentive structure for its U.S. sales teams, moving from the number of prescriptions issued to more consumer-centric metrics.¹⁰ Today, GSK incentivizes sales representatives based on three factors— individual knowledge, behaviors and activity, evaluations by customers, and overall business performance. The change was made as part of the organization's "Patient First" program which focuses on facilitating better collaboration between GSK and the broader healthcare community through a focus on consumer-centricity. The change aligns sales team incentives with patient interests rather than financial interests, which allows frontline representatives to focus on knowing the products inside and out and delivering great service to the doctors and healthcare teams they serve.

¹⁰ <http://us.gsk.com/media/387087/first-in-pharma.pdf>

Measuring Progress

STAGES OF ADOPTION OF CONSUMER-CENTRICITY IN HEALTHCARE

Becoming more consumer-centric takes time, hard work and dedication to implement the right strategies and culture-change initiatives needed for true transformation. Our research reveals that organizations usually go through four stages to become more consumer-centric. These run the gamut from early adoption to transformation. Based on the descriptions below, where do you fit? (Exhibit 5).

1. LEARNING

Organizations in the Learning stage understand that becoming more consumer-centric is critical and realize over time they will need a holistic strategy to transform. But they have yet to develop a definition of what the transformation involves at a strategic or cultural level, or the roadmap to get there.

2. COMMITTING

Organizations at the Committing stage are aligned on the key components of making the transformation, and have begun to identify the key types of investments required to be more consumer-centric. However, they have not begun to make investments in culture and processes at scale, most likely because they do not have a clear understanding of the cost-benefit trade-off.

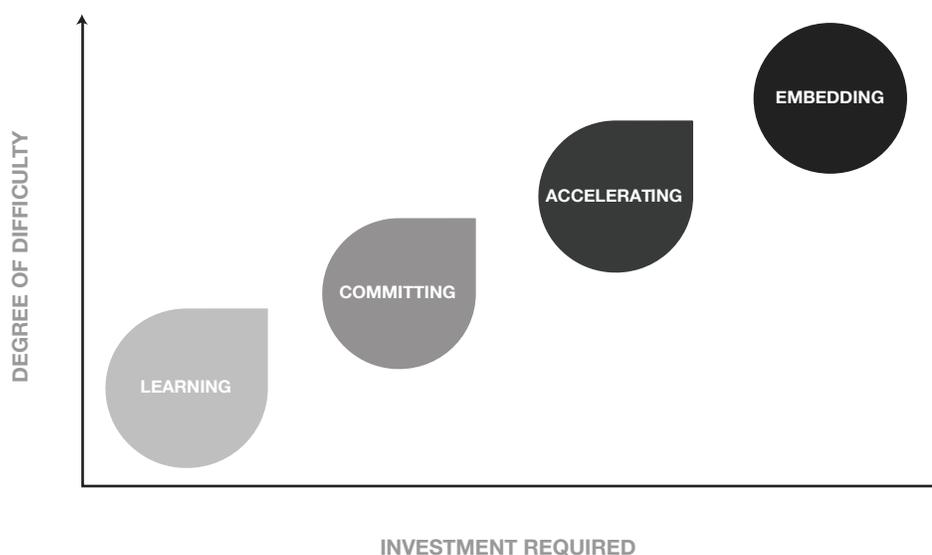
3. ACCELERATING

In the Accelerating stage, organizations have begun to transform. They are beginning to realize tangible quick wins and gain internal momentum. Consumer-centricity is just starting to become fully embedded in the culture and hope is high that it is sustainable.

4. EMBEDDING

In the Embedding stage, organizational transformation to consumer-centricity is now self-sustaining, with a culture of consumer obsession built into the organization, and a new way of doing business is clearly realized.

EXHIBIT 5. MATURITY MODEL FOR CONSUMER-CENTRICITY IN HEALTHCARE



Conclusion

The nine plays outlined in this report reflect some of the key ways to move, enable and change people. They provide a pragmatic approach for leaders who want to transform their organizations and cultures to become more consumer-centric. However, leaders will need to self-assess their specific situation to determine where to start and which combination of plays to focus on in the short and long-term. Having a clearly articulated vision is most often the best starting point. But from there, leaders should identify a manageable combination of plays that include both short-term wins to build momentum and some that will stretch the organization toward more ambitious goals. To build the right portfolio of culture-changing plays, leaders should carefully diagnose their current state and organizational readiness for each of the nine plays, identify the magnitude of the required changes, and develop a roadmap that can generate excitement and make the path toward consumer-centricity feel tangible and clear.

Methodology

This report was developed based on in-depth interviews with over 50 executives. Our deepest gratitude to the following:

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About Prophet

Prophet is a consultancy that helps clients find better ways to grow by focusing on three important areas: creating relevant brand and customer experiences, driving accelerated growth strategies and leveraging digital as a transformative force in their business. We operate differently than other consultancies, blending insight, strategy and creativity with an optimistic yet pragmatic approach. We have partnered with some of the world's most successful companies, including Electrolux, T-Mobile, UBS, Gatorade and GE. With nine global offices and more than 350 experts in marketing, innovation, digital and design, we are able to bring together the right people with the right experience to solve our clients' business challenges.

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