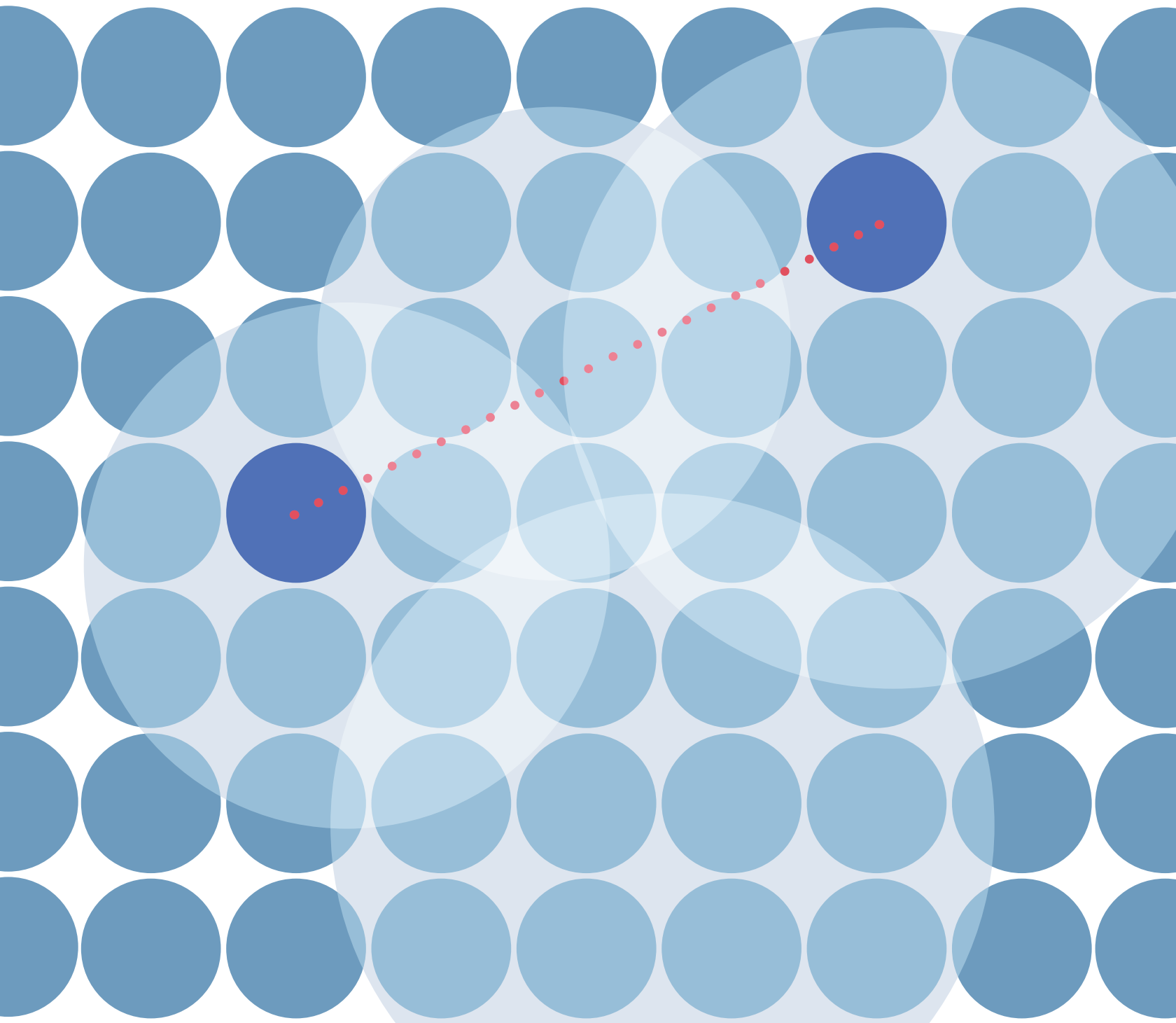


# Securing Its Future: How One Clinic Pursued Strategic Leader Development

Tim Wolfred  
Senior Affiliate  
CompassPoint Nonprofit Services  
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*“This is not notice that I am planning to leave but our way of developing the next generation [of clinic leaders].”* That was Irma Cota’s message to her staff and board when she began an extensive talent development effort at North County Health Services in San Diego County (NCHS) in 2004. At that time, Irma, President and CEO, and her three “chiefs” (CMO, COO and CFO) each identified a subordinate who would be trained to step into their positions—either as a result of a planned departure or in an emergency. And, to further deepen the talent bench, each subordinate identified at least one supervisee who would be prepared to step up when the subordinate stepped up or out. Irma stresses that the designated backups were not promised promotions; rather they were offered the chance to broaden their skills to support the success of NCHS and to be ready to fill in temporarily if their bosses were suddenly absent.

“Strategic leader development” (or “strategic talent development”) is a term frequently used in succession planning literature to describe professional development activities undertaken to maintain and strengthen an organization’s talent pipeline. A major function of the pipeline is to prepare the organization for leadership successions—scheduled and unscheduled. Minimally, for a community clinic, it is a risk management practice essential to ensuring that the clinic’s critical health care services will not be disrupted by the departure of a staff leader.

## Focus on the Future

Across the health care sector, clinics are asking, *“What skills and talents do we need to prepare for and take advantage of the recently adopted federal health care reform legislation?”* Some have projected that they need to develop their marketing skills in anticipation of competing with for-profit providers who may pursue the newly covered clients of their community clinics. Others foresee the need to get better at building collaborative programs with for-profit and government providers in order to meet the expected surge in demand for preventive and primary health care services.

Optimally, talent development focuses not only on the skills that clinics need today but also on the skills needed to meet the emerging trends in the community health care sector. This strategic, future focus enables a clinic to sustain its reach and impact by preparing staff to lead in an evolving health care services environment. At North County Health Services, its four-year strategic plan, which is revisited and

“The mark of the great organization is succession planning. Organizations that engage in succession planning stay great and don’t slip back to good.”

Jim Collins, *Good to Great: Why Some Companies Make the Leap... and Others Don't*

## “What skills do our future leaders need to pursue our future directions, and what time and resources are we going to devote to building those skills?”

adjusted annually, lays out the future directions for the clinic. It identifies, for example, “the revenue strategies—the mix of grants, fees, and fundraising—necessary for success into the future”.

The NCHS plan also speaks to developing the clinic’s talent pipeline in light of emerging health care trends and expected challenges. It poses and answers the questions, “*What skills do our future leaders need to pursue our future directions, and what time and resources are we going to devote to building those skills?*” In response, it lays out the skills its medical and administrative leaders must have to maintain and grow the health safety net NCHS provides for its community. Emphasis is given to budgeting and financial oversight and to personnel management. It lays out training options for the current medical professionals who are looking to step into administrative positions in one of NCHS’s clinics. It states there will be a budget line item to cover training expenses and paid release time for staff enrolled in external educational programs. And finally, the plan speaks to a growing attention to “shared leadership”, both as a leadership development strategy and in acknowledgement of the fact that the next generation of clinic leaders expects a more collaborative leadership structure.

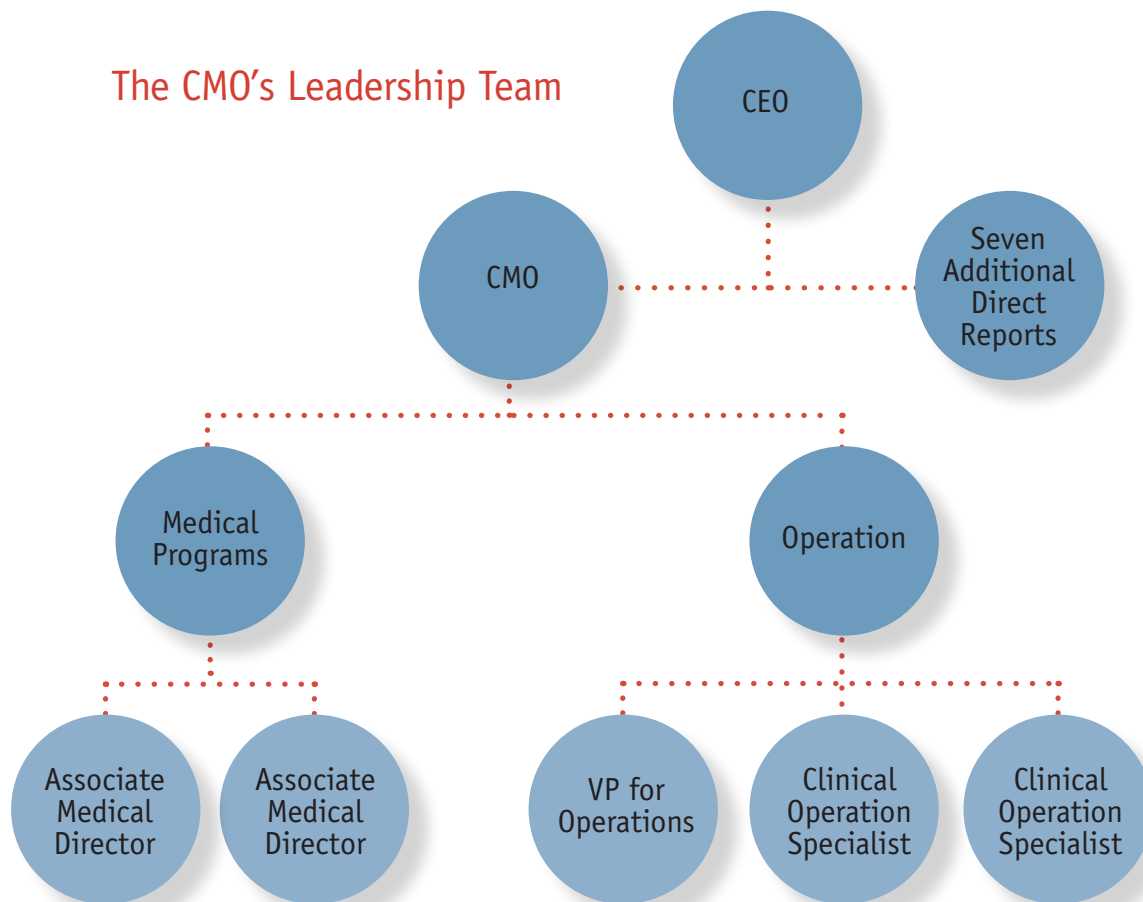
### Shared Leadership and Staff Retention

NCHS kicked off an ambitious new phase of strategic leader development in early 2010, when it reorganized its management structure. This was done to give NCHS greater administrative resilience by spreading leadership duties across more positions. With an eye to the future and staff retention, Irma observes that “we’re dealing with a Generation X and Generation Y staff that wants to have a say, that wants to express their opinions and ideas. We have to give them an environment where their ideas and skills can flourish. Shared leadership provides this type of environment.”

In the new structure Irma has eight direct reports. She notes that she also works on specific tasks with eight additional staff members who are subordinates of her direct reports. As she sees it, she is sharing leadership across those sixteen staff. And in working with all of them, she develops knowledge of their skills and talents and a sense of what job experiences and training opportunities would best help them expand and deepen their skills.

Similarly the CMO at NCHS is sharing leadership with a newly created five-person team that he supervises. In the reorganization, the administrative duties of the COO, whose position was eliminated, were rolled into the CMO job description. In his newly expanded position, the CMO shares the medical program oversight portion of his job with two Associate Medical Directors; they are simultaneously being prepared to step into that half of the CMO’s job in his absence. On the operations side, the CMO supervises two Clinical Operations Specialists and a Vice-President of Operations.

## The CMO's Leadership Team



Any clinic or organization addressing leader development does so in the context of its own unique leadership structure, a structure that fits its culture, existing staff skills and financial resources. The portion of the NCHS administrative structure graphed above provides an example of how the NCHS CMO position is structured to meet the administrative and succession planning needs in that division of the clinic. Redundancies in responsibilities are built in so that NCHS has staff both prepared both to provide backup in the event of unplanned absence of a key leader and ready to step up in a planned leadership transition.

Professional Development: Internal and External Resources

In looking to prepare their supervisees to share leadership, to fill in for their bosses, and to be prepared for met the clinic's future leadership needs, NCHS managers review performance evaluations. They also look for gaps in the education and experience needed to step up to greater responsibilities. Less formal observations of performance and talents by the NCHS leadership also feed into the pictures of the strengths and skill gaps of emerging leaders.

Some organizations will use skill assessment tools as additional information on which to build a leader's professional development plan. One such tool is "Strengths Finder 2.0", ([www.strengthsfinder.com](http://www.strengthsfinder.com)) an online survey that identifies the respondent's particular talents. That list of talents generated is then compared to the skills profile for the position that the survey taker is being prepared to step into. A professional development plan is created to fill the identified gaps between his or her talents and the skills required for the job.

An example of an NCHS development plan is the training schema crafted for the new heads of two of NCHS's clinics. They were promoted internally based on their strong program skills and leadership talents. However they had very little budget management experience. So, a major piece of their ongoing skill development plans is focused on financial viability skills, i.e., "how to control costs and maximize productivity" in Irma's framing.

At NCHS a portion of staff's skill development plans uses growth opportunities that can be provided internally—inclusion in management

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team meetings; participation in creation of the clinic's strategic plan and in the annual "tweaking" of the plan; shadowing their bosses in specific management functions; and formal in-house trainings, which sometimes include presentations by outside speakers.

NCHS has also made extensive use of external training resources, e.g., classes at Nonprofit Management Solutions (a San Diego nonprofit management training resource), the certificate program in health care executive leadership at the University of California at San Diego, the Health Care Leadership Program at UCLA's Anderson School of Business, and the Clinic Leadership Institute operated by UC San Francisco's Center for the Health Professions and funded by the Blue Shield of California Foundation. NCHS budgets \$15,000 annually for staff participation in these programs. Some of that annual allotment has also gone to subsidizing the tuitions of managers who have pursued an MBA degree or an MPH degree.

An additional cost to these external training opportunities, Irma points out, is lost production time while the manager is off at school or a training—either for a portion of each work week across a semester or for several days for a training. But, given the importance of sustaining high quality care for the clinic's clients, Irma believes the costs are modest and justifiable.

## For the Smaller Clinic

North County Health Services is large. Its 2010 operating budget is \$41 million. Smaller community clinics might think that succession planning is a luxury available only to the larger, multi-layered organization. But paradoxically, talent pipeline development may be even more important

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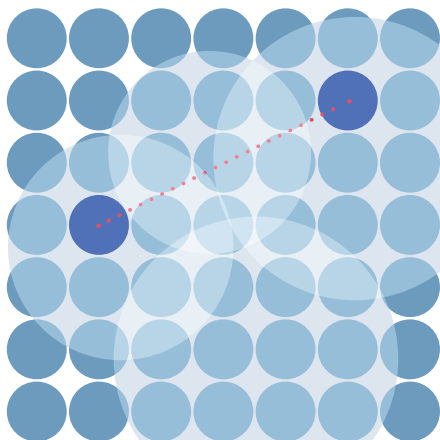
for the 25-person clinic than it is for the 250 person operation. Because the leadership in a small organization is concentrated in fewer people, each of them carries a larger slice of the management duties pie. A single departure can leave a large gap in management coverage.

The four-person management team in a small clinic, for instance, starts by making sure that they can cover one another's duties when necessary. They undertake cross training such that each critical management function has two people on the team that can carry it. As a next step, each top manager has an eye out for those on staff who have a desire and an aptitude to step up to greater responsibilities. The professional development plans for the potential managers are then focused on skills needed in their current positions and on skills required at higher levels of management.

### **Conclusion: Resilience and Security**

**Resilience and security are the outcomes. The clinic that undertakes strategic leader development becomes more resilient by reducing its dependence on any one leader for its sustained success. And it secures its future by ensuring that there are future leaders in the pipeline when a current leader departs.**

**A clinic's leader development plans are grounded in its strategic vision for sustaining and growing the essential health services on which its uninsured and underinsured clientele depend. The skills that current and future clinic leaders need in order to successfully pursue that vision become the professional development goals for those staff. The funding and time needed to pursue the training goals are allocated at the point the clinic is apportioning resources to each of its strategic goals. In its strategic planning process professional development is seen as essential to the clinic's ongoing viability and deserving of its slice of the resource pie.**



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