

Emerging C-Suite Roles and Strategies

Healthcare’s continued shift from volume- to value-based care is transforming the requirements and expectations of senior leadership roles. This Industry Report offers B.E. Smith’s perspective on emerging C-suite roles and the factors contributing to this new landscape, as well as several strategies to guide top-level healthcare professionals. The findings are based on our extensive experience successfully placing C-suite candidates coupled with ongoing research.

The Emerging Executive Suite

Senior roles in healthcare—both traditional and new—are evolving at seemingly breakneck speed. Those at the top are taking notice. According to this year’s B.E. Smith Intelligence Survey, almost one-third of healthcare leaders view leadership competencies as their top concern. Additionally, 18% of leaders surveyed specifically cited “evolving leadership roles and competencies” as having the greatest potential impact within their organizations. A changing leadership skill set may help explain why 31% of surveyed executives saw “access to high quality talent” as a major recruitment challenge.

Role evolution is manifested not only in a shifting success scorecard for traditional senior leadership positions, but also in the creation of a host of new titles. Many combine administrative and clinical competencies, with physicians being frequent occupants:

- Chief Transformation Officer
- Chief Informatics Officer
- Chief Clinical Integration Officer

TOP CONCERNS OF HEALTHCARE LEADERS

Leadership Competencies

30.1%

Complex Operating Models

22.8%

Speed of Change

19.0%

Uncertainty of Risk

18.2%

Competitive Intensity

10.0%

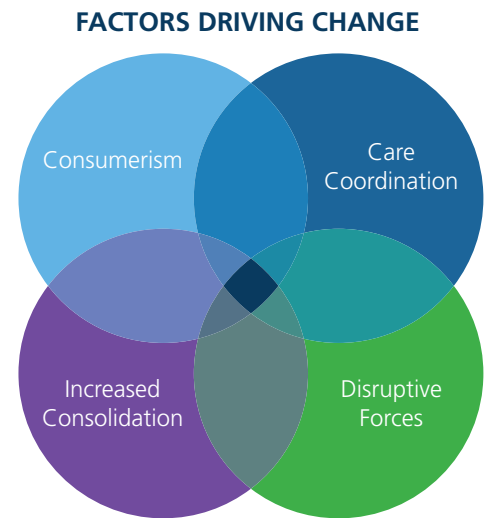
Factors Driving Change

When C-level candidates recognize and actively monitor the underlying drivers for evolving roles and competencies, they are better positioned to flourish in the new reality. Several major forces contribute to this trend:

- **Consumerism:** As patients heed such insurance coverage changes as high-deductible plans and technology enables greater healthcare transparency, many are taking more control over their medical decisions and health status. With that, patients increasingly demand responsiveness

from healthcare institutions and service akin to the personalization they experience online and in retail environments. To meet these needs and gain market share, leaders must be open to fundamentally altering myriad aspects of care delivery.

- Care coordination:** A central tenet of value-based care is the ability to manage care across many settings and over time rather than episodically. From patient-centered medical homes to population health, new approaches to care require new ways of organizing, communicating, and measuring success. Forward-thinking institutions have already prioritized care coordination. According to the 2017 Intelligence Survey, slightly over half of organizations are executing, or have plans for, a population health strategy.
- Increased consolidation:** Healthcare's changing economics have spawned industry consolidation through hospital mergers as well as partnerships, joint ventures, and other collaborations that require non-traditional management approaches and previously unimagined positions. We expect this trend to continue. A recent survey found that 61% of organizations anticipate an increase in merger, acquisition, and partnership activity over the next three years.¹
- Disruptive forces:** Today's C-suite faces potential business model disruption in the form of retail clinics, microhospitals, telemedicine, and other innovations to care delivery. These forces are best capitalized on by innovative management teams skilled at evaluating risks.



Role Requirements

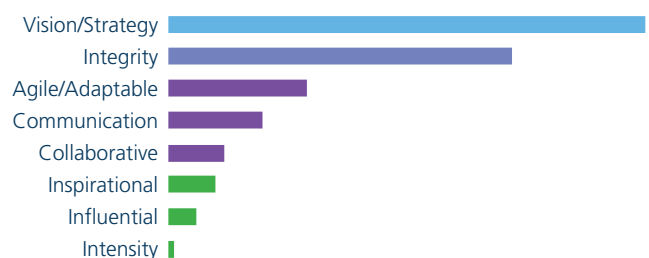
B.E. Smith's 2017 survey asked healthcare leaders which skills and traits were necessary to be successful in the future. The survey revealed that strategic orientation wins out by a wide margin as the most crucial leadership attribute. Integrity and adaptability follow, with other important traits ranked in Figure 1. This list suggests that the long-term winners will be visionaries who can adapt to an ever-shifting environment and communicate adeptly to influence their organizations.

To succeed within these new parameters, C-level healthcare professionals must understand certain characteristics common to the evolving requirements and roles:

- An interrelated skill set:** The required competencies form an interrelated portfolio whose components are exercised in different ways at different times, rewarding both self-awareness and flexibility. While no leader is expected to be a superstar across all attributes, senior-level executives are wise to emphasize their strengths and demonstrate ability to build a complementary team around them.

FIGURE 1

HEALTHCARE LEADERSHIP ATTRIBUTES



¹ HealthLeaders Media, *The Steady March of Strategic Partnerships*, April 2017.

- **Micro-skills:** Keep in mind that each competency encompasses its own set of “micro-skills” which aspiring leaders must identify and then cultivate.
- **Ambiguity:** Since many of these new leadership roles are still being defined, career paths, compensation structures, and other job markers may remain uncertain for the near future. Make sure you are comfortable with such ambiguity if pursuing one of these positions.

4 Strategies for Success

The most beneficial strategies for landing a C-level leadership position will largely vary with the individual, the opportunity, even the healthcare institution. However, the following tactics have proven universally valuable for senior executives seeking to meet today’s and tomorrow’s requirements:

Exhibit a learning mindset

Successful hospital CEOs agree with Kim Cripe, head of Children’s Hospital of Orange County, who cited “an enormous sense of curiosity” as a critical leadership trait.² This learning mindset enables you to ask the right questions, get beneath standard answers, and elicit the type of innovative ideas newly emerging executive roles demand. Cultivating this trait is central to leading an organization that learns continuously and embraces change.

Sharpen financial acumen

Major changes in reimbursement models place cost management front and center. Senior leaders today must be highly adept at financial strategy, especially considering average operating margins are only 3% to 4% and one-third of hospitals have negative operating margins.³ Financial understanding extends to risk management. Ascension’s CEO recently underscored the absolute need “to perform well in our shared savings and shared risk contracts” using “analytics and actionable data.”⁴ Clinical leaders without a financial background should devote special attention to developing a solid fiscal understanding.

Hone communication skills

B.E. Smith research consistently lauds the value of great communication from top leaders. Beyond the benefits of articulating a vision to an entire workforce, gaining buy-in for change, and promoting employee engagement, strong communication supports two fast-emerging needs of new leadership:

- **Organizational branding:** As one analyst notes, “CEOs with the right personality, skills, and enthusiasm for



² T. Rosin, “11 Health System CEOs Name Their Greatest Talent Outside the C-Suite,” *Becker’s Hospital Review*, March 30, 2017.
³ American Hospital Association, *Trendwatch Chartbook*, 2016.
⁴ A. Tersigni, “Collaboration and Value are Keys to Reimagining Care,” *Becker’s Hospital Review*, March 21, 2017.
⁵ B. Murphy, “Trend: Making the CEO Part of Your Hospital’s Brand,” *Becker’s Hospital Review*, March 31, 2017.

public speaking can make powerful brand spokespeople.”⁵ The 2017 Intelligence Survey found organizational brand/culture was the top-rated motivator in recruiting leaders and second in employee retention.

- **External relations:** Fostering new partnerships with diverse organizations and building community support for population health management take finesse. Senior executives who communicate well with various constituencies heighten the chances for success.

Embrace collaboration

Evolving and new senior executive roles are nearly all collaborative by definition. They span functions, departments, even accepted norms. Strong collaboration skills are vital to achieving at least two key objectives. First, you'll need to contribute effectively in such growing management structures as dyads that pair administrators and clinicians in leadership teams. Second, a team-focused approach is necessary to break down functional silos that impede innovation, add cost, and work against the institutional alliances

required for value-based care. Healthcare professionals seeking top positions should maximize exposure to experiences and executive relationships that sit outside traditional models. This includes considering lateral moves which provide opportunities to build broader experiences, advancement credentials, and can bolster collaborative skills. This approach is commonly referred to as a “lattice” rather than the traditional “ladder.”

UNIQUE INTERIM LEADERSHIP MODEL

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Key aspects of the model include:

- Benefits such as health, retirement, and paid time off
- Contract management and compliance responsibility
- Interim focuses on client solutions rather than business development
- Full firm resource support for the assignment
- Online network with complete interim workforce providing access to shared best practices and resources

Conclusion

Candidates who understand the factors behind the healthcare C-suite's evolving and emerging roles and employ the strategies detailed here are best positioned to transform known uncertainties into untold opportunities and career success. As the industry's leading recruitment firm, B.E. Smith has the resources and experience to assist you on your career continuum.

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