

Developing a Strategic Board

With CEO support and opportunities for education, trustees can become better hospital leaders

By Carolyn P. Caldwell, FACHE

In today's health care environment, the trustee's role in the strategic direction of the organization is critical to its success. To perform at their highest levels, hospitals and systems require governance leadership that works in tandem with the CEO and holds the chief executive and senior management accountable for achieving the organization's short- and long-term goals.

Being strategic, however, will require more board time and effort, but the benefits are well worth it. A board that is actively involved in the hospital's strategic direction makes the organization stronger.

Founded in 1948, Desert Regional Medical Center is a 387-bed tertiary hospital located in Palm Springs, Calif. In 1997, Tenet Healthcare entered into a 30-year lease with the Desert Healthcare District, which is governed by a five-member elected board. The terms of the lease allow the district to appoint two of its community members to the hospital's 14-member board. Tenet leases and operates the facility.

Desert Regional Medical Center is undergoing a business planning process during which the board reviews the entire strategic plan, including all service lines. The board typically provides feedback and questions

management to ensure nothing was overlooked during the planning process. Final questions from the board center on how management will execute plan strategies. This governance due diligence, along with periodic updates from management on strategy implementation throughout the year, assist the board in holding the CEO accountable for achieving the organization's goals.

Education Fuels Governance

Engaging our board in analyzing organizational accomplishments

and challenges helps board members think strategically. Rather than focusing only on areas for improvement, we start each board meeting by highlighting the organization's victories. Trustees then discuss challenges and barriers to success and ask management what we are doing to address them. This process helps the board better understand organizational strengths and weaknesses

and keeps the board informed and up to date.

Board engagement depends on trustees having the resources they need to think and act strategically. This fall, our board and medical executive committee will attend a leadership education conference. In addition to information about health care issues and trends, the leadership conference helps trustees to better understand their governance role and to ensure the organization is meeting community needs and is being fiscally responsible. Medical staff leaders find that these programs enable them to talk with the board about health care quality and service challenges.

Senior management can provide the board with support, input and strategy discussions, but outside learning opportunities provide a broader health care context that helps trustees better support the overall vision, mission and values of the organization and community.

Connect with CEO

Boards can help their organizations to be strategic by serving as the eyes and ears of the community and giving senior management ideas about where the organization might focus.

As CEO, I talk almost daily with our physician board members because I

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see them at the hospital.

I also hold breakfast and lunch meetings as often as I can with community board members and ask them, "Are there service lines you feel we should be offering? What are we missing? What do people in the community think about the hospital? What do you think we are doing well? Where do you think we can improve?"

These discussions often continue in more depth with the entire board at our regular monthly meetings and may lead to opening a new service line or strengthening an existing one. While most hospitals conduct community needs assessments, additional input from the board also is invaluable in strengthening the organization's strategic direction.

Trustees who want their boards to function more strategically should consider the following steps:

1. Speak up. Broach the subject with board colleagues and the CEO, who should be receptive to having a board that is more engaged and strategic in its thinking and action.

2. Meet one-on-one. Spend time

outside of the boardroom with your CEO. Get together every other month to talk about ways you as a board member can be more valuable to the organization.

These informal meetings are especially important for new trustees who may initially be uncomfortable about bringing up strategic topics during a board meeting. Having one-on-one time with the CEO can give trustees confidence to share their perspectives in a setting that is more comfortable for them.

3. Be an active participant. In meetings, ask questions, be engaged and raise issues you feel are strategically important to the board, the leadership team and the organization. You

are the ambassador for the hospital, and the CEO is looking to you to be a key resource in helping to develop the organization's strategic focus.

Education, connecting with the community, and strategic discussions at meetings and with the CEO can help trustees to bring a stronger strategic focus to governance. **T**



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