

Strong leaders required

During an era of rapid transformation for the healthcare sector, which strategies will be most effective in helping organizations strengthen their leadership teams? Samantha Carey and Tom Koch examine the issues



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Building the right leadership team is a significant challenge for today's healthcare organizations, regardless of their industry niche or size. Strong forces are pushing this sector in the direction of major change and, increasingly, we'll see many businesses struggling to keep up. US healthcare reform will be an important part of this process, but there are many other forces of change at work as well including an aging

population and shifting investor interest, demonstrated in particular by much more attention from the private equity community.

With these various trends all combining to encourage - in fact, to necessitate - a movement by healthcare companies to become more cost efficient, technologically savvy, strategically focused, and, above all, competitively nimble, the same-old, same-old approach to management just won't work.

Whether the business is a chain of hospitals, a provider of home healthcare services, an imaging company, or another type of business within this sector, there is a fundamental need to assess the skills and experiences of the leadership team, especially as these relate to the corporation's short- and longer-term challenges and opportunities. For many companies, there is great potential; however, where there are talent gaps, these must be addressed. And where there is a lack of clarity or direction at the top, this also cannot be ignored without great cost. For the healthcare sector, this is an era in which marketplace dynamics demand leadership and vision like never before.

A well-qualified and active board of directors can play an invaluable role in setting the agenda and helping the company achieve its key priorities. But in order for this to happen, the

board cannot consist simply of a group of wealthy benefactors and corporate insiders. For companies that are committed to building the right leadership team, this must begin in the boardroom, with a group of top-quality directors who will bring tangible operating and functional experience to the table, as well as a commitment to asking the tough questions. Impactful healthcare boards will need to be proactive and extremely capable of helping their companies think in new ways and chart out new courses, in order to help them deliver value. If the board is doing its job well, it will also focus on succession planning and talent bench-building, since both are essential to achieving sustainable, profitable growth in this turbulent marketplace.

In a sector like this one, with high demand and a limited supply of top talent, healthcare executives should not only be open to hiring great talent - they need to be prepared to act decisively, acquiring valuable talent as it becomes available. The right hires will be men and women who possess 'turnkey' skills, contacts and experiences that could result in an immediate impact for the business. Great talent won't necessarily fit into traditional capacities, roles or functions. A 'general athlete' can take on a strategy role, identifying areas of need and opportunity, and then set himself or herself, along with the organization, on the path to solutions.

These days, there may be pressing talent needs that companies simply cannot fill, at least in the short run. In such cases, a company should try to identify key advisors to help it bridge those critical requirements. This strategy is also effective in situations in which there are areas of expertise that will be most valuable to the organization immediately and in the short term - during this period of quick, intense, transformative change and development - rather than over the longer term, when different executive skills will be required.

This period will not be easy for the healthcare sector. But the potential rewards are great. A strong board of directors, top quality executive team, and the right advisors will help organizations better pursue and achieve their goals.

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