



# The Art & Science of Networks

by Tim Size  
Rural Wisconsin Health Cooperative

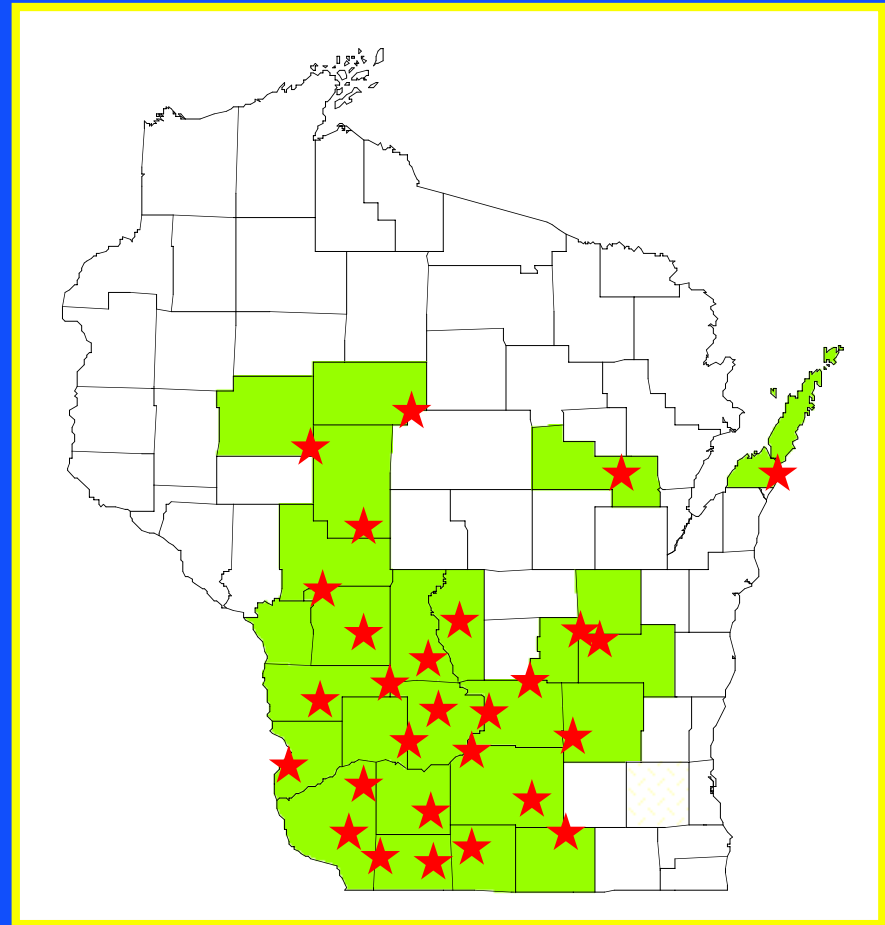
Office of Rural Health Policy  
Rural Health Network Development  
Planning Grantee Meeting  
Chicago, March 22nd, 2004

# Art & Science Of Networks Presentation Outline

- Introduction
  - Brief Overview Of RWHC (For Context)
- Managing A Network (Science)
  - Creating & Maintaining Success (Value)
  - Basis Of Building Value Is Listening
  - Getting The Most Out Of Network Meetings
  - Developing Network Services
- Leading A Network (Art)
  - Beliefs/Experience About Networks
  - Leadership Principles & “Tips”
- Summary To Do List

# RWHC ( 1 of 3 ): 25 Years Of Reinvention/Challenges

- Inc. 1979 for shared services, then advocacy.
- Cooperative owned and operated by 29 diversified rural hospitals (in aggregate \$500 M; 2,000 hospital & nursing home beds)
- \$4 million RWHC budget (87% fees, 7% dues, 5% grants).



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## RWHC ( 2 of 3 ): Current Products & Services

- Advocacy (Market & Gov.)
- Clinical: Audiology, Speech, P.T.
- Coding Consulting Service
- Credentials Verification Service
- Educational Roundtables
- Financial Consulting Service
- Health Benefits Program
- Health Plan Contracting
- IT Services
- Legal Services
- ORYX Quality Indicators
- Patient Satisfaction Survey
- Peer Review Service
- PR & Marketing
- Professional Roundtables
- Reimbursement Credentialing

## RWHC (3 of 3): Rural Networks Network! (Partial List)

- National Rural Health Association
- U.S. Department Health & Human Services
- Wisconsin Partners
  - Area Health & Education Centers
  - Department of Health & Social Services
  - Health & Educational Facilities Authority
  - Hospital Association
  - Office Of Rural Health
  - Patient Safety Institute
  - Primary Care Association
  - Rural Health Development Council
  - University of Wisconsin

## Creating & Maintaining Success (Value)

### RWHC Eye On Health

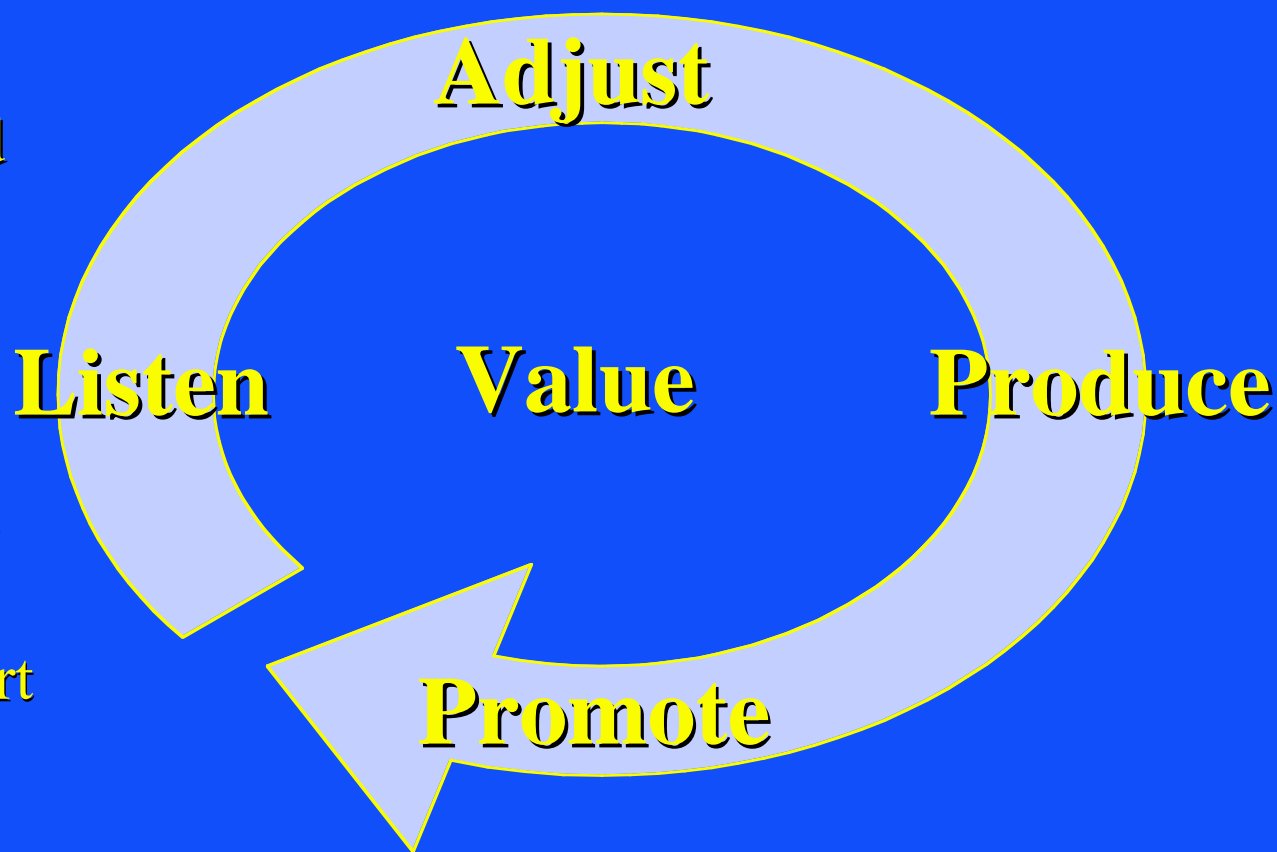


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# Strategically Adding Value Requires Art & Science

Strategy:

“The science and art of employing the political, economic and psychological forces of a group to afford the maximum support to adopted policies.”



Above “network growth cycle” is a variation of the traditional PDSA (plan, do, study, act).

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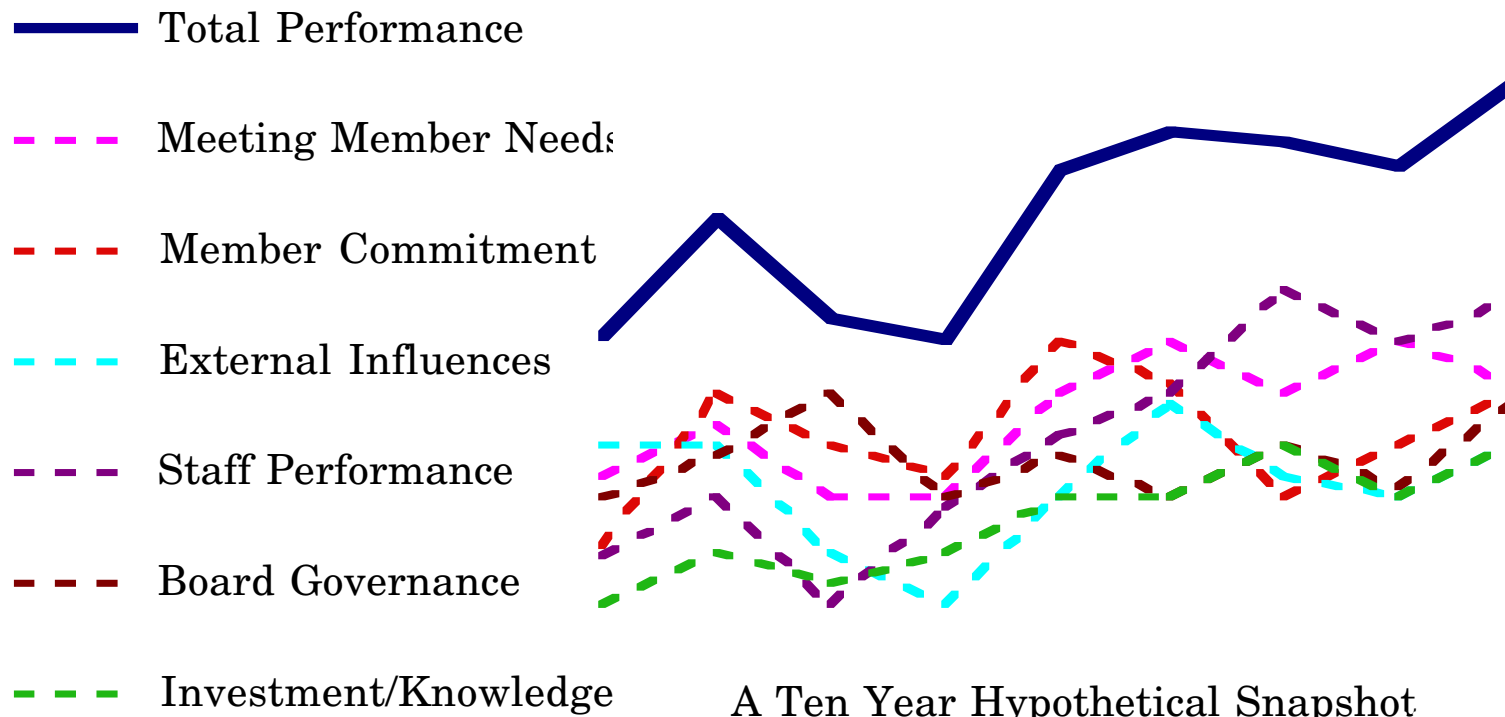
## Seek A Mixed Portfolio Of Developing Services

Value Added		Risk
L, L	L, H	
H, L	H, H	

Networks have multiple opportunities to invest scarce resources. When developing new services, it is useful to think in terms of maintaining a degree of “portfolio” diversification. Some low risk, low return products/services to maintain network member interest in the short run and some higher risk, higher return initiatives to provide substantive value over the long run.



# Performance Function Many Factors & Differ Over Time



# Listening Adds More Value Than Talking

## RWHC Eye On Health



Leaders depend on others to buy their mirror.

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## Communication: Annual & Biannual

Frequency	Communication		
Annual	Strategic Retreat & Plan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Budget	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Directory of Services		<input checked="" type="checkbox"/>
	Overall Satisfaction Survey	<input checked="" type="checkbox"/>	
	Exec. Director Review	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

 = Receive Information &  = Give Information

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## Communication: Quarterly, Bi-Monthly & Monthly

Frequency	Communication		
Quarterly	Member Staff Roundtables	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Public Policy Forums	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Affiliate Corporation Mtgs	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Monthly Board	Board Members Open Mike	<input checked="" type="checkbox"/>	
	Requests For Direction	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Financial Report	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Program Services Report	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Executive Director's Report		<input checked="" type="checkbox"/>
Other Monthly	Newsletter		<input checked="" type="checkbox"/>

 = Receive Information &  = Give Information

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## Communication: Ongoing

Frequency	Communication		
Ongoing	Dir. Member Development	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Staff to Staff Phone Consults	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Email & Listserves	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Paper Memos (Declining)		<input checked="" type="checkbox"/>
	RWHC Web Site		<input checked="" type="checkbox"/>
	NCQA Accredited CVO	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	JCAHCO Accredited ORYX	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

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## Communication: Episodic

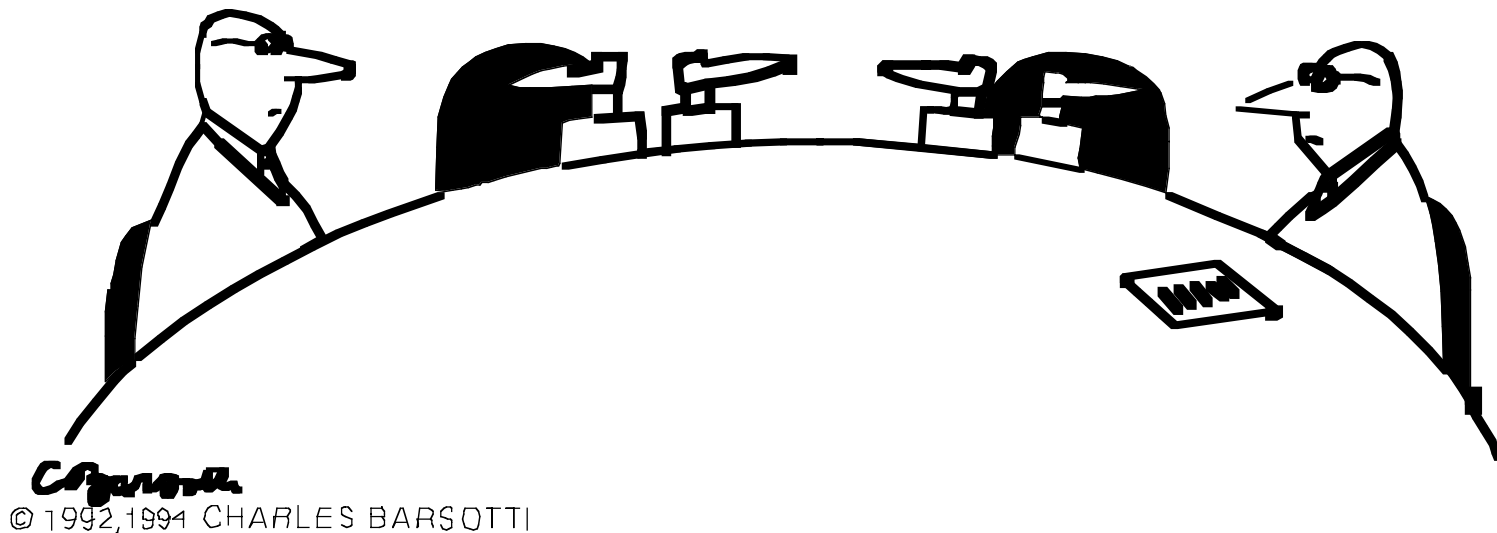
Frequency	Communication		
Episodic	Survey Member Interests	<input checked="" type="checkbox"/>	
	Survey Program Satisfaction	<input checked="" type="checkbox"/>	
	Talks To Members' Boards		<input checked="" type="checkbox"/>
	Talks To Members' Staffs		<input checked="" type="checkbox"/>
	Members Observe RWHC Staff		<input checked="" type="checkbox"/>
	3rd Party Publications		<input checked="" type="checkbox"/>
	3rd Party Word Of Mouth	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

 = Receive Information &  = Give Information

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# Getting The Most Out Of Network Meetings

## RWHC Eye On Health



"The collaboration makes sense, but it will take a while to understand them."



# Explicit Cooperative Board Ground Rules

## **Suggested Ground Rules for All (Source: TERCON, Inc.)**

Everyone Participates—No One Person Dominates  
Listen As An Ally—Work To Understand Before Evaluating  
An Individual's Silence Will Be Interpreted As Agreement  
Assume Positive Intent First When Things Go Wrong  
Minimize Interruptions And Side Conversations

*The above reminder is on every Board Meeting Agenda.*

# Board Agenda Structured, Not Controlled

## **Agenda for the Monthly Meeting of the Board**

### **Suggested Ground Rules** (Source: TERCON, Inc.)

- *Everyone Participates—No One Person Dominates*
- *Listen as an Ally—Work to Understand Before Evaluating*
- *An Individual's Silence will be Interpreted as Agreement*
- *Assume Positive Intent First When Things Go Wrong*
- *Minimize Interruptions and Side Conversations*

**10:00 am**     **Call To Order** (Jon Baker, President) *Enclosure #1*  
**Approval of Agenda**  
**Approval of June Minutes**

**10:05 am**     **Member Discussion** (Everyone)

Opportunity for Members to update or seek information from each other about issues they are facing with their own organizations, progress made locally, the Cooperative, rural health, etc.. **Member opportunity to share news, ask questions, etc..**

# Monthly Board Focus On Maintenance & Growth

## **10:20 am    RWHC Programs and Services** (Bonnie Laffey) *Enclosure #3*

Enclosed is the monthly update regarding RWHC Programs and Services. Several items will be highlighted-services that would benefit from more participation, services with pending changes, etc..

**Opportunity for questions, discussion.**

## **10:30 am    Product & Member Development** (Larry Clifford)

- 1) Before developing a plan for membership expansion, feedback is requested re the prospects of the following hospitals as potential new members: xxx.
- 2) Review three recommendations for collaborating with Primary Resources, Ltd., including:
  - Self-funded Equipment Maintenance Plan
  - Group Purchasing
  - Joint Education Programs
- 3) Survey results regarding Occupational Health Roundtable will be reviewed; approval needed if new roundtable to be implemented.

**Direction requested as noted.**

# External Relationships Embedded In Board Meeting

## Noon

### Organization Liaison Reports

Members of the RWHC Board serve in an advisory board or governing capacity with a number of organizations whose activities directly impact on rural health (please let Tim know as add/deletes are needed); updates or issues as relevant from:

- American Hospital Association (Worrick)
- Area Health Education Centers (AHEC) (Brown, Size)
- National Rural Health Association (Brown, Size)
- Office of Health Care Information (Grady)
- Rural Health Development Council (Manders, Size)
- Rural Medical Center/CAH DHFS Committee (Bruce, Caves)
- Unity/LLC (Brown, Manders, Moburg, Size, Teigen)
- WHA (Johnson, Steiner, Teigen)
- Wisconsin Rural Health Association (Brown, Kudronowicz)
- Other Organizations?

**Periodic updates, questions and feedback requested.**

## Network Services: General Principles

- Network goals frequently satisfied by shared services.
- They must produce real member benefit.
- Member and “network” perspectives may differ.
- They are shaped by the environment (market, technology, member proximity and relationships).
- Successful services help to build trust to build service.
- The decision to offer a service and the decision to use a service are determined by financial & other criteria.
- More complex services require more complex structures.
- Shared services increase network cohesion.

From *Networking For Rural Health* by Anthony Wellever  
available at <http://www.ahsrhp.org/ruralhealth/ruralpubs.htm>

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# Network Services: Basic Planning Questions

- What are key areas which determine network success?
- How attractive is the opportunity?
- What is the payoff for the network, for the members, for the communities?
- What is the time frame?
- Chances of success?
- What are the risks? Are they acceptable?

From *Networking For Rural Health* by Anthony Wellever  
available at <http://www.ahsrhp.org/ruralhealth/ruralpubs.htm>

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# Network Services: More Than One Way To Skin Cat

- Contract with a vendor.
- Create and manage a joint venture (include hiring staff) among some or all members to share service.
- Coordinate a shared service that is owned by a member or members.
- Negotiate terms of a master contract with vendors for members to sign bilaterally with vendors.



# Explicit Staff Accountability To Network Board

## RWHC Strategic Priorities for 2000 to 2003, Status Report As Of 10/2/00

Legend: A = On Schedule  
 B = Behind Schedule  
 C = Completed  
 D = Deleted  
 E = Ongoing  
 NA = Not Applicable (Ongoing Action)

[TS:XX%] = Indicates A Key Indicator With Weight For The Annual Review Of Executive Director

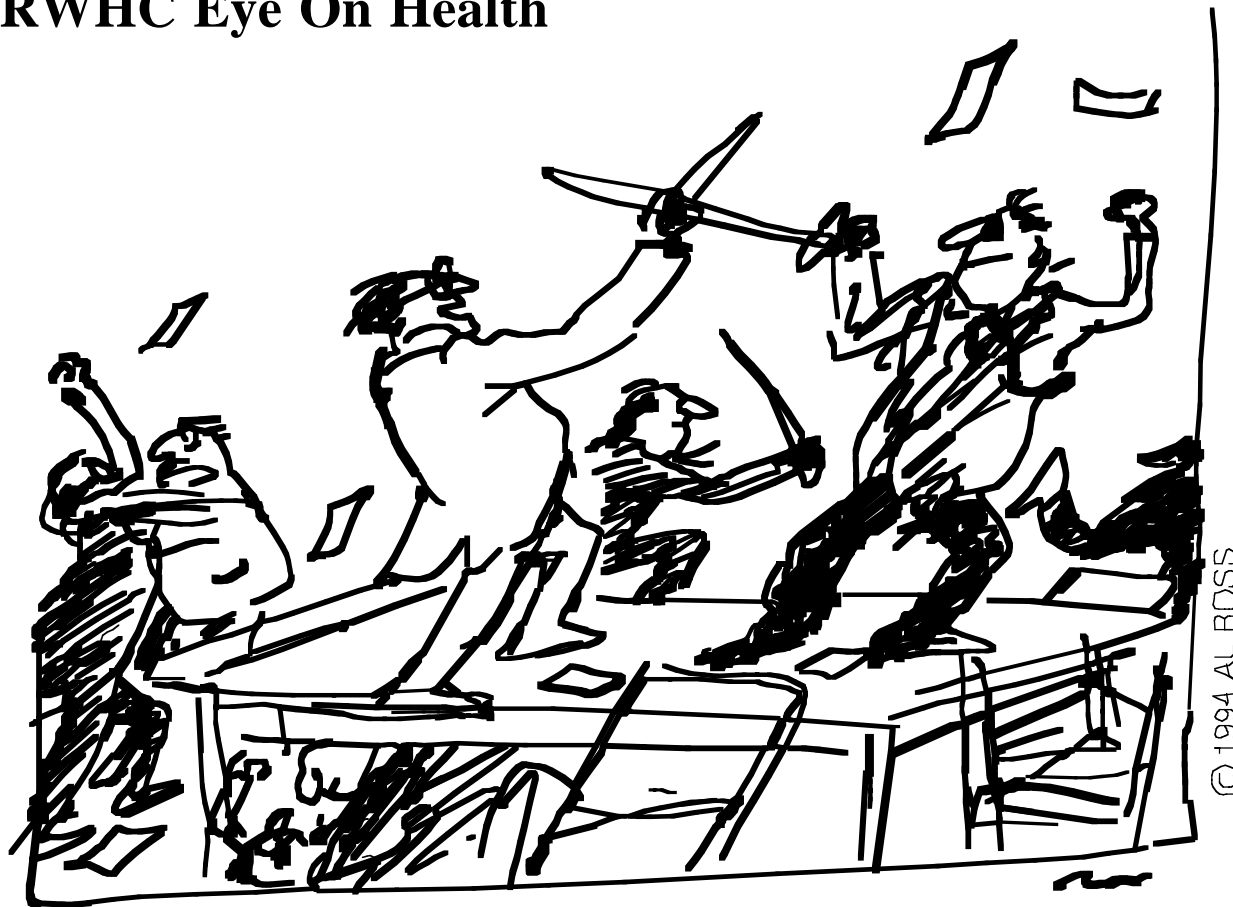
RWHC 2000-03 Strategic Priorities	SST Staff	Target Date	Status	Comments
<b>To fulfill its mission and implement its vision, RWHC will focus on the following:</b>				
<b>1. Meet or exceed the annual budgeted operating margin</b>	All	6/01	A	[TS:30%]
<b>2. Add two new member/owners through strategic, controlled growth</b>	LC	12/00	C	[TS:10%]

Example from 18 page RWHC Strategic Action Plan

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# Network Leadership: Its About People & Relationship

RWHC Eye On Health

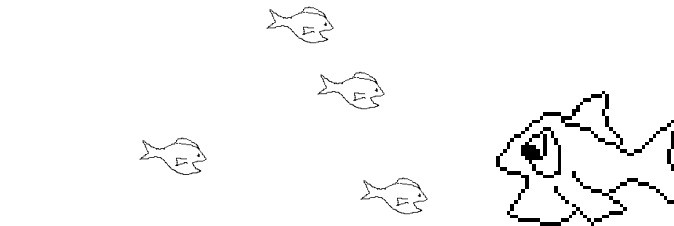


"Is is too late to discuss cooperation?"

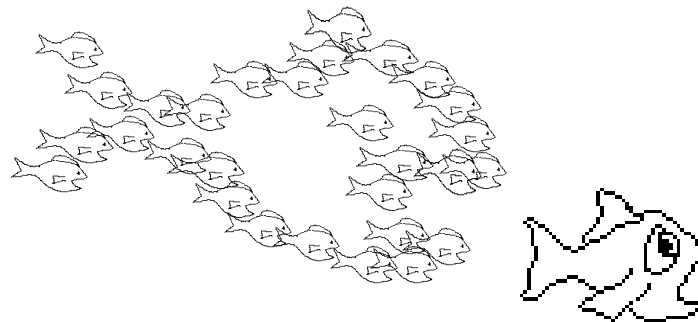
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# Beliefs About Networks: Cooperation With A Bite

## RWHC - Eye On Health



Before



After

All cartoons  
in this talk are  
from the  
RWHC  
monthly  
newsletter and  
are available at  
[www.rwhc.com](http://www.rwhc.com)

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## Belief #1: Not Every Group Is A Network

- A rural health network has a written agreement that defines the roles and responsibilities of the members and the purposes of the network
- It performs collaborative activities according to an explicit plan of action
- It is not owned or controlled by one entity

## Belief #2: Like Politics, All Networking Is Local

### RWHC Eye On Health



"Absolutely its a lousy fit  
but the quality's terrific."

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## Belief #3: Its About Non-Profit Entrepreneurship

- Rural networks have attracted significant government, foundation and local investments of time and money.
- Network development is an entrepreneurial activity and as such success is not certain. But the odds can be increased if all participants understand that networks are businesses, albeit “non-profit.”
- A key responsibility is to NOT BECOME A small business startup FAILURE after running through its initial grant or capital.
- (This talk focuses on those practices particularly relevant to successful networks; it is not intended as a primer on other necessary business fundamentals.)

## Belief #4: Rural Networks Are Rural Advocates

- Networks are well positioned to advocate for their communities in BOTH PUBLIC AND PRIVATE sectors.
- The governance and management of network advocacy and shared services use largely the same organizational structure and skill sets.
- Advocacy, particularly against a common “foe” is a powerful glue to hold a network together as it develops concrete shared services and deals with other day to day pressures.
- Advocacy is both external and internal; network leaders, while subordinate to their board also have the obligation to challenge the board with information and expectations from the “outside.”



## Belief #5: Sustainability Starts Yesterday

Sustainability is too often thought of as just one of those annoying questions one has to answer at the end of any most grant applications about “life after the grant.” While grants are not paid back like a bank loan, the underlying and tedious detail of good strategic and business planning must be as stronger or stronger.

There are many reasons to participate in a network but few can be accomplished if the organization can't achieve at least a basic level of financial stability. ALL network decisions must include the consideration of how the decision helps the network achieve financial stability.

## Belief #6: Networks & Systems Differences

- |                               |                                  |
|-------------------------------|----------------------------------|
| • <u>Network Traits</u>       | • <u>System Traits</u>           |
| • Supports Local Autonomy     | • Assumes Local Responsibility   |
| • Focus On Local Issues       | • Focus On Central Issues        |
| • Strength: Local Credibility | • Strength: Capital              |
| • Tends To Non-Profit Values  | • Brings For-Profit Alternatives |
| • Participation Voluntary     | • Participation Required         |
| • Depends On Trust            | • Less Dependent Upon Trust      |
| • Leverage Tertiary Support   | • Committed Tertiary Support     |
| • More Health Plan Choices    | • Health Plans—Fewer Choices     |
| • Senior Local Leadership     | • Junior Local Leadership        |
| • System Hospitals Active     | • Participation More Restricted  |

## Belief #7: Network Leadership Needs To Be Developed

- Significant management practices necessary for successful cooperatives are not commonly seen in traditional vertically organized institutions and systems.
- Most administrators have had little experience and even less training regarding leadership within the network context.
- The "natural" administrative response will frequently come out of traditions that may be inconsistent with the actions needed to support networking.
- Network development can look easy, but collaborative processes require more time up front to build trust.
- Enlightened self-interest is necessary for members to begin and continue working together.

## Belief #8: Network Leadership Skills Not Traditional

### • Network Leader

- Desire to serve others
- Cooperative, interdependent
- Focus on gaining buy-in
- Intuition balance “proof”
- Shares big-picture
- Listens deeply
- Value from cooperative.
- Develops trust, less hierarchy
- Accountability to learn

### • Traditional Leader

- Drive to achieve
- Competitive; independent
- Focus on fast action
- Facts, logic and proof
- Controls information
- Time telling, giving orders
- Value from individual talent
- Supporters as power base
- Accountability to blame

By Dr. Rick Toomey, East Tennessee State University Community Partnerships Program; from *From Hero As Leader to Servant As Leader* by McGee, Cooper & Trammell, April, 1999.

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## Belief #9: Maximize Successes; Not Minimize Failures

- A far from complete list of personal failures (it comes with risk):
- RWHC multiple employer health insurance trust shut down, just narrowly escaping bankruptcy.
- Major grant to address heart disease written but not reviewed because deemed not to be qualified applicant.
- Major grant to address low rural mammography rates written but not submitted due to a break down in a key relationship.
- 13 years and counting to have a single survey for rural hospital that also operate nursing homes, home health, hospice, etc.
- 8 years of chairing the state AHEC System Board and never getting the two medical schools to play well with each other.

# Network Leadership: Relationship Principles

1. Make Yourself a Partner Who Can Be Trusted
2. Respect the Need to Effect One's Own Future
3. Involve All in the Planning Process
4. Assure All Participants Know They Are Needed
5. Share Your Big Picture
6. Agree on Methods of Accountability Up Front
7. Assure that a Fair System of Arbitration is Available
8. Participation Must Makes Sense

From *Managing Partnerships* by Tim Size available at  
[Http://www.rwhc.com/General.Info.html](http://www.rwhc.com/General.Info.html)

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## Network Leadership: Staff Need To Enjoy Networking

- The opportunity to work on a variety of creative challenges that let them try new and different approaches.
- A casual yet exciting atmosphere where rules and restrictions are kept to a minimum.
- An environment that encourages and condones risk-taking and autonomy.
- Needs to be recognized, evaluated, and compensated for their creativity, expertise, and competence and to see their visions materialized into the world.
- Need to understand people rather than judge them.



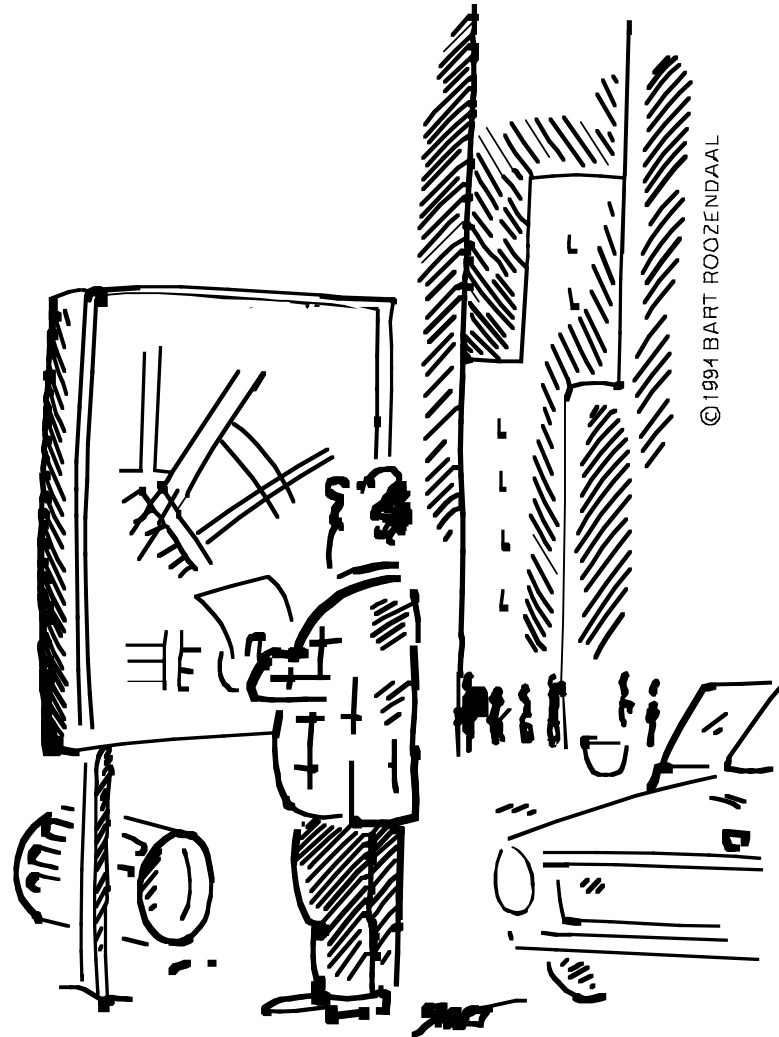
# Health Network Leadership: Metrics Of Success

- Member health care costs and outcomes are good.
- Mission comes first; business is means to that end.
- The “Provider” is the community’s preferred provider.
- Strong board seeks strong management & vice versa.
- Key players think and act systemically.
- Leadership gives hope.
- Members become healthier, wiser, freer, more autonomous (paraphrasing Robert Greenleaf in *Servant As Leader*).

## Summary To Do List

- Work on making operational the eight Leadership Principles noted earlier, in particular the development of trust.
- Implement Tercon's meeting guidelines noted earlier have stood the test of time at RWHC.
- The leadership goal is to add value and to gain influence for the participants, it is not about individual control.
- Remember collaboration is based on unity not uniformity.
- If you aren't enjoying your work most days, change it or leave it. A vocation is something done to fill time before retirement, an avocation is something you do as long as you can.

## RWHC Eye On Health



"The advantage of not looking at a map is that you don't have to admit you're lost."

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More links about RWHC & about networking available through:

<http://www.rwhc.com>

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