

# The Art & Science of Networks

by Tim Size  
Rural Wisconsin Health Cooperative

Office of Rural Health Policy All Programs Meeting  
Rural Health Network Development Grantees  
August 19th, 2003

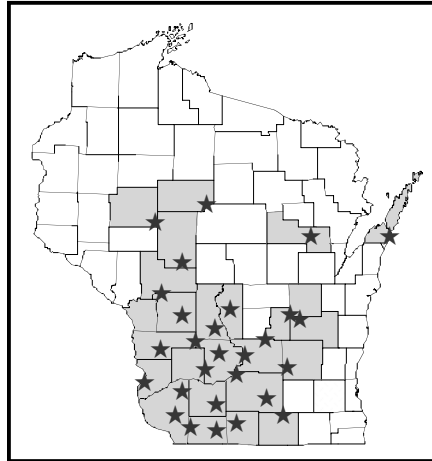
## Presentation Outline

- Brief Overview Of RWHC
- My Beliefs/Experience About Networks
- Creating & Maintaining Value
- The Basis Of Communicating Value Is Listening
- Getting The Most Out Of Network Meetings
- Developing Network Services
- Network Leadership Principles
- Parting Thoughts

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## RWHC ( 1 of 2 ): Overview

- Inc. 1979 for advocacy and shared services
- Cooperative owned and operated by 28 diversified rural hospitals (in aggregate \$500 M; 2,000 hospital & nursing home beds)
- \$5 million RWHC budget (90% fees, 5% dues, 5% grants).



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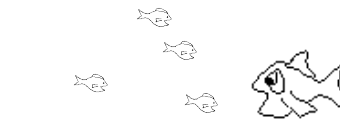
## RWHC ( 2 of 2 ): Products & Services

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Advocacy (Market &amp; Gov.)</li> <li>• Clinical: Audiology, Speech, P.T. &amp; ER Physicians</li> <li>• Coding Consulting Service</li> <li>• Credentials Verification Service</li> <li>• Educational/Benchmarking Prog.</li> <li>• Financial Consulting Service</li> <li>• Health Benefits Program</li> <li>• Health Plan Contracting</li> </ul> | <ul style="list-style-type: none"> <li>• IT Services, Wide Area Network</li> <li>• Legal Services</li> <li>• ORYX Quality Indicators Program</li> <li>• Patient Satisfaction Survey</li> <li>• Peer Review Service</li> <li>• PR &amp; Marketing</li> <li>• Professional Roundtables</li> <li>• Reimbursement Credentialing</li> </ul> |
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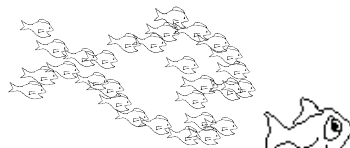
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## In A Competitive World, Cooperation With A Bite

### RWHC - Eye On Health



Before



After

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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

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

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 #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 that closes 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 business management fundamentals.)

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#### Belief #4: Rural Networks Are Rural Advocates

- Networks are well positioned to advocate for their communities in both private and public 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.”

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#### 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.

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### Belief #6: Networks & Systems Differences

#### Network Traits

- Supports Local Autonomy
- Focus On Local Issues
- Strength: Local Credibility
- Tends To Non-Profit Values
- Participation Voluntary
- Depends On Trust
- Leverage Tertiary Support
- More Health Plan Choices
- Senior Local Leadership
- System Hospitals Active

#### System Traits

- Assumes Local Responsibility
- Focus On Central Issues
- Strength: Capital.
- Brings For-Profit Alternatives
- Participation Required
- Less Dependent Upon Trust
- Committed Tertiary Support
- Health Plans—Fewer Choices
- Junior Local Leadership
- Participation More Restricted

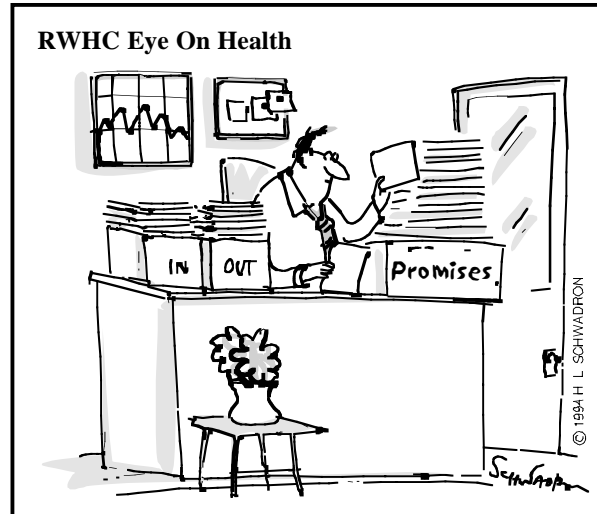
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### Belief #7: Network Leadership Needs To Be Developed

- 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.

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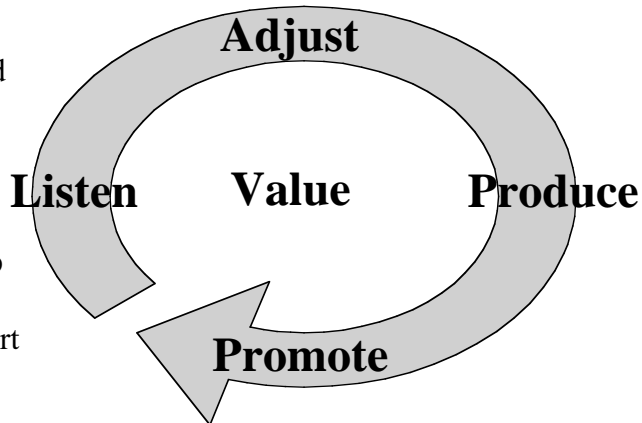
## Creating & Maintaining Value



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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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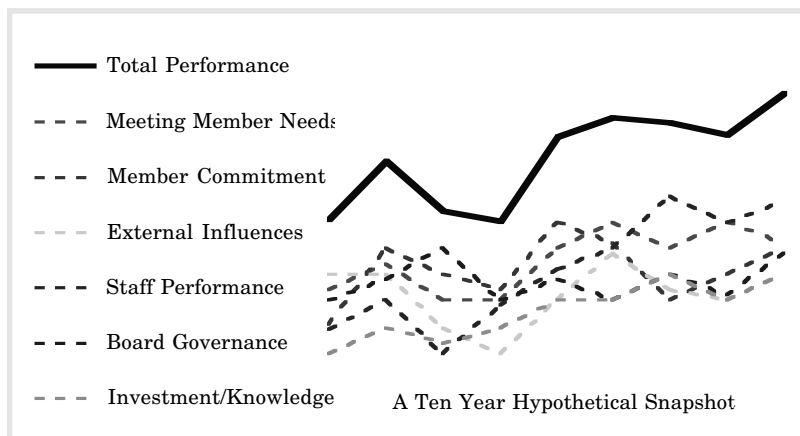
## Seek A Mixed Portfolio Of Developing Services

<b>Risk</b>	<b>Value Added</b>	
	<b>L, L</b>	<b>L, H</b>
<b>H, L</b>	<b>H, L</b>	<b>H, H</b>

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.

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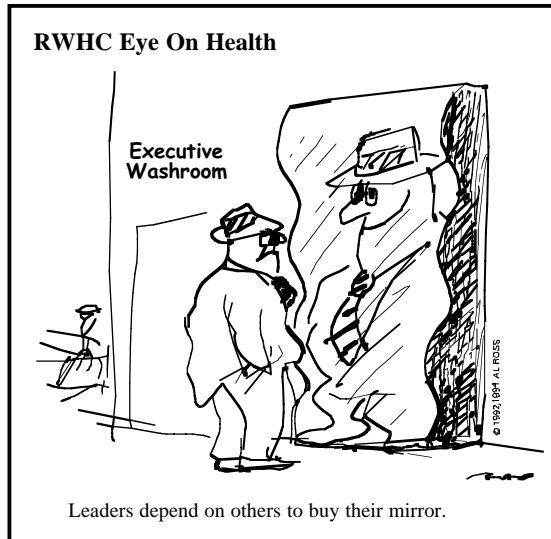
## Multiple Factors Drive Ongoing Reinvention



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## Basis Of Communicating Value Is Listening



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## Communication: Annual & Biannual



Frequency	Communication	👂	🗣️
Annual	Strategic 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"/>
Biannual	Strategic Plan Update	<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"/>
Bi-Monthly	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"/>

 = Receive Information &  = Give Information

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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



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## 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.*

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## Explicit Staff Accountability To Network Board

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

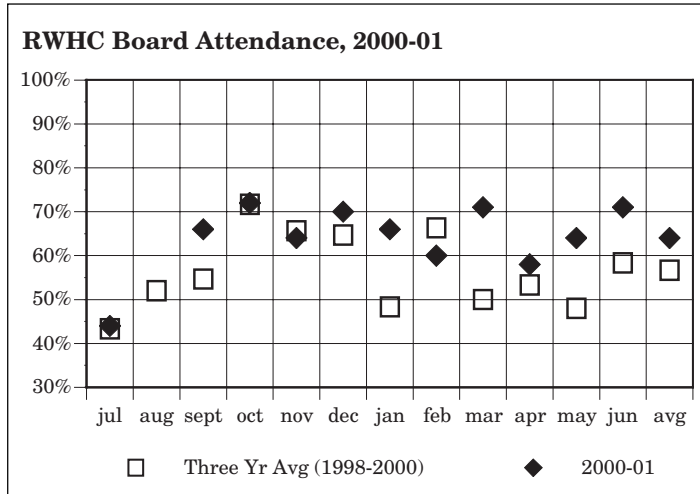
Legend: A = On Schedule  
B = Behind Schedule  
C = Completed  
D = Deleted  
E = Ongoing  
NA = Not Applicable (Ongoing Action)

[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
To fulfill its mission and implement its vision, RWHC will focus on the following:				
1. Meet or exceed the annual budgeted operating margin	All	6/01	A	[TS:30%]
2. Add two new member/owners through strategic, controlled growth	LC	12/00	C	[TS:10%]

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## Board Accountable To Itself For Participation



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## 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..**

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## 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.**

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## 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.**

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### 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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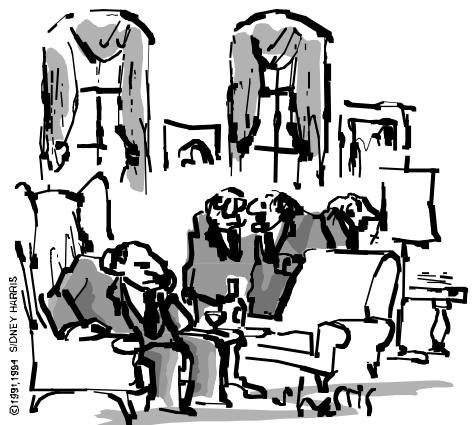
## Network Services: More Than One Way To Skin Cat

- 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.

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## Network Leadership

### RWHC Eye On Health



"He is reminiscing about the good old days when the rurals knew their place and kept quiet."

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### 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.

Wayne State College Advising Center's Faculty Advisor handbook  
<http://www.wsc.edu/advising/program/career/personality/entp.html>

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### 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 is never satisfied but always gives hope.
- Members become healthier, wiser, freer, more autonomous (paraphrasing Robert Greenleaf in *Servant As Leader*).

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### Parting Thoughts

- 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.
- 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.

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“The Art & Science Of Networks” PowerPoint presentation is available to be viewed online or downloaded for future use at:

<http://rwhc.com/General.Info.html>

2003 RWHC Quality Indicators Program: This program has met the criteria for inclusion in the accreditation process and is included on the Joint Commission’s list of acceptable systems. RWHC is committed to meeting future criteria established by the Joint Commission on Accreditation of Healthcare Organizations. With nearly 100 participants, RWHC offers one of only two rural-based performance measurement systems. Information is available online at:

<http://rwhc.com/products.services/quality.html>