

Moving into the Future Deliberately and Incrementally

Boldly heading down a straight path is not the way to navigate a volatile environment.

There is a cemetery in Flanders whose markers memorialize more war dead than any other graveyard in the world. The men buried there died boldly. Their commander, British general Douglas Haig, was a bold man. And he liked to have bold officers in his command. Despite having just lost 100,000 men at the Somme, he devised a bold plan to make "one last push" at a place called Passchendaele that he was confident would break through the fortified enemy lines, open a path to the sea and split the German army in half.

Positioned far behind the front lines, Haig was advised to avoid shelling enemy fortifications because that would probably destroy the dikes and flood the battlefield. He shelled anyway, the dikes burst and the fields began to turn into a quagmire. Then the rain came. By the time it was over, Haig had gained less than five miles of ground while 70,000 Allied soldiers died in the muck and 250,000 were wounded.

After all was quiet, a staff officer finally came to the battlefield and looked out over the sea of mud that the troops had been expected to boldly cross. Then he broke down and wept. By the end of World War I, a generation of the British Empire's youth had been led to their deaths. Not until commanders abandoned the big push in favor of incremental movements had armies been able to take and hold ground.

Volatility Requires Flexibility

Wars are, of course, volatile phenomena. Volatility describes the frequency, significance and predictability of swings in a situation. It makes the environment rich with the potential for unintended consequences and cascades of reaction disproportionate to any stimulus.

Volatile environments can be dangerous environments. Volatility can snap the necks and break the backs of those who presume to boldly shove a straight path through it. Volatile environments demand flexibility — a willingness to go right, then left; to stop, retreat and start over again. In volatile environments, what worked yesterday may not work today, but might work again tomorrow. The path through a volatile environment is made of zigs and zags, of branching experimentation.

We're facing the potential for significant volatility in health care. The question is what to do given such potential. Too often, organizations are advised to act boldly because only a revolutionary leap, it is argued, will lift them off the path of impending decline to a new place where continued success can be assured.

Boldness makes for heroic anecdotes and great fiction, but I've always found the cries for boldness troubling. First, they often seem to come from individuals who haven't ever risked much themselves and, as a result, certainly haven't gained or lost much by risking. As opposed to Teddy Roosevelt's "man in the arena" excerpt from a 1910 speech he delivered in Paris, the champions of boldness too often have faces unmarred by "dust and sweat and blood" and have themselves seldom confronted the prospect of loss by "daring greatly."

Then there's the word "bold." It's romanticized beyond its intention. Webster defines it as a "lack of fear of danger or difficult situations" but also as confidence that may seem "rude or foolish." On one hand, boldness is associated with a "fearless and daring spirit" and, on the other hand, with being "impudent or presumptuous." And then there's boldness that "breaks the rules of propriety" or moves "beyond the usual limits of conventional thought or action." Pulsing through these definitions is an unspoken potential for disproportionate risk or loss, should boldness fail.

The Advantage of Shortsightedness

Doyne Farmer is a professor at Oxford University and the Santa Fe Institute. He is a pioneer of chaos theory and complexity science. In a volatile future filled with complexity, Farmer has suggested that you may be able to predict short, but you can't predict far.

Boldness suggests a leap from a current state to a place of discontinuity — to a fundamentally different and better place. But that, of course, suggests that such a better place is knowable and attainable. Yet, by definition, an unknown thing is an unattainable thing except perhaps by luck or accident. Unfortunately, in a volatile environment flush with change and uncertainty, the future is unknowable.

Where do advocates of the bold suggest you jump? From your sorry current state (the curve you're now riding to certain demise) to the wisdom and glory of a second curve hovering somewhere above. So what should be the trajectory of your bold leap if you can't see even the dimmest outline of the mystical and perhaps mythical second curve? By its nature, boldness demands a long prediction and is, as a result, an often reckless gamble.

President John F. Kennedy's commitment to put a man on the moon by the end of the decade is often used to illustrate what boldness looks like. But then we already knew where the moon was, what a man was and when the end of the decade would occur. When Neil Armstrong made the one small step that represented a great leap for mankind, he put his foot down firmly on an object that had been in sight since the first humans looked skyward. We got to the moon incrementally, relentlessly improvising our way along, navigating through setbacks, disasters and discoveries. Steve Jobs got to the future the same way, borrowing the innovations of others when it served him, then carving Apple back to products and technologies he employed incrementally.

Moving incrementally into the future holds the potential to generate more feedback than the big, bold jump. If there's a feedback loop associated with incremental iterations, then lots of incremental moves generate lots of feedback. When speed is needed, accelerated incrementalism may provide the best answer. And the faster you move, the quicker you can learn. The U.S. military is intentional about such learning and long has relied on "after action reports" — debriefs for the questions "What did we just learn?" and "What should we do differently?" Such knowledge accumulates and, over time, can create a smarter, more adaptive organization.

The OODA Loop

Often overlooked in the literature of management and business strategy is a U.S. Air Force jet fighter pilot named John Boyd. The oversight is notable in that Boyd has been heralded by some as perhaps the most consequential strategic thinker of the 20th century. Central to Boyd's contribution is a theory he applied to dogfighting called the OODA loop. There are four steps in the OODA cycle:

Observe: Actively scan the environment to seek out patterns existing and emergent. This necessitates active and continuous interaction with the environment by individuals capable of seeing the patterns.

Orient: Make sense out of observations within the context of your mission.

Decide: Know what to do — the best possible action plan that can be carried out in a timely fashion.

Act: Implement the decision.

The cycle feeds back into itself and generates continuous incremental adjustment to gain advantageous positions. Boyd felt "orient" was the most important and most difficult part of the OODA loop. It proceeds in two phases: analysis and synthesis. Analysis and synthesis bring to mind a room full of analysts pouring over data, correlating them and generating insight, but it also pertains to a single pilot or a leadership team. Boyd elevated OODA to a level of entire organizations and eventually to the grand strategy of nations.

It may once have been appropriate to think about navigating an organization into the future as being analogous to guiding a ship across an uncertain sea. There were reefs, storms and currents to avoid, all while keeping your destination in mind — that vision of arrival on a safe and desirable shore. But a ship is a metaphor that may have outlived its usefulness. Given an accelerating rate of change and growing uncertainty, it might be better to think about moving a fighter squadron across skies made hostile by opposing fighters.

The squadron seeks to maintain formation but when confronted breaks into the individual combatants that yield flexibility. A fighter squadron embodies a quality described as "loose coupling." In other words, it is simultaneously tight and loose. Tight about its commitment to its mission but embodying the potential to be loose about how it gets there. That looseness is on full display when fighters break away from formation to engage in dogfights.

Deliberate Incrementalism

Boyd's theory, as well as the work of others, suggests there is a safer, more responsible — albeit less romantic — way into the future that eschews heroic blind leaps in favor of steady, relentless climbs up peaks worth some bloody knuckles and bruised knees. At the Medical University of South Carolina, this option has been described as "deliberate incrementalism." Faced with growing change and uncertainty, MUSC decided to be deliberate and incremental as it confronted the future. As Jack Feussner, M.D., executive senior associate dean of clinical affairs, observed about the challenges represented by health care reform and a recession:

"There didn't seem to be a great deal of advantage to be gained by acting as if we were confronted with a crisis. It didn't seem to us that the sky was falling. We had faced turbulence in the past. We had carved out a sustainable position in the present. We felt we were standing on firm ground as we moved into the future. Every other year it seems like the pundits predict the onslaught of another perfect storm. We're pretty experienced with hurricanes here in the Low Country. We hunker down, take a licking, get up, brush ourselves off and move on. We're pretty confident about who we are and where we're headed.

"That doesn't mean we sit still. We know new reimbursement models are coming, that private practice is consolidating, that technology will continue to make seismic shifts, so we've attacked our costs, expanded access to our services, solidified relationships with hospitals and physicians throughout the state and worked hard to stay close to the action. You don't need a crystal ball to see the changes that are emergent."

Deliberateness reflects an organization that is purposeful. MUSC derived its deliberateness from its mission of improving health and from a vision crafted with input from throughout the organization. That vision to move up in the ranks of America's academic medical centers earned strong commitment. As a result, it is toward that aspiration that MUSC now leans, no matter how strong or uncertain the winds.

To keep moving incrementally in the right direction, MUSC relies on a handful of driving strategies that it is prepared to adjust as it confronts the shifting dynamics of a turbulent and uncertain future. Even more changeable are the tactics supporting the driving strategies.

Breaking Down Silos

MUSC, like most academic medical centers, comprises three entities — a medical center, a medical school and a faculty practice plan. Despite a positive and productive relationship among them, the three entities had tended to operate in distinct silos. It was clear to Etta Pisano, M.D., when she joined MUSC as the dean of the school of medicine in 2010, that there was a need to break down those silos and create an environment in which MUSC could generate a shared vision.

She also concluded that such a vision couldn't be realized by relying on occasional planning sessions. She convened a weekly clinical leadership council composed of a dozen top leaders from across all three entities. Those meetings provide the time and space necessary to flesh out the implications of MUSC's vision and make the continuous adjustments to strategies and tactics deliberate incrementalism requires.

There is, after all, a flip side of Doyne Farmer's prediction coin. While you can't predict far, you can predict short; but doing so requires being continuously engaged with the patterns of an emerging future. The clinical leadership council provides a mechanism for such engagement. At MUSC, ongoing dialogue in the clinical leadership council allows leaders from across the clinical enterprise, in a timely and continuous fashion, to share observations (observe), make sense of those observations (orient), reach important decisions (decide), ensure that those decisions are effectively implemented and make adjustments (act).

Pat Cawley, M.D., executive director and chief executive of the medical center as well as vice president for clinical operations at MUSC, emphasized that "You've got to keep in contact with change and uncertainty at the front lines where the real value is created. You've got to think about where doctors will be in the foreseeable future, where patients will be, where technology will be. And you can't do that with any degree of confidence if you're holed up in a conference room contemplating bold leaps."

Like fighter squadrons, academic medical centers such as MUSC also have been described as "loosely coupled." Up close, particularly to outsiders unaccustomed to them, an academic medical center may look confused, inefficient and ponderous. But viewed from the distance of their century of existence, they display an impressive level of coherence and durability. Semiautonomous faculty consume themselves with focused dogfights, but also display a propensity to stay in formation over time. The aligning force is a shared commitment to a mission that, for an academic medical center, is improving health through the combination of teaching, research and patient care.

It's been suggested that loose coupling yields greater sustainability over time because it provides greater flexibility than the more rigid command-and-control models in evidence in traditional management hierarchies employed by most mature corporations and hospitals. Rigid things are prone to fracture in volatile environments, while flexible things can take a blow and keep on ticking.

"We actually think the modern academic medical center is a pretty solid model," commented Pisano. "It's demonstrated its durability for more than a century, and there have been some very disruptive changes that have cascaded through health care in that time. The best approach to an uncertain future is to take a lesson from life. Life evolves by experimenting its way along, not through bold leaps. When life is confronted by big changes, it steps up its rate of evolution. Even though, in retrospect, life transforms dramatically, it does so incrementally across vast spans of time. Life doesn't make big revolutionary leaps."

Measurable Results

MUSC's deliberate incrementalism has served it well. In 2013, market research indicated that MUSC was most preferred by a wide margin across its nine-county regional service area, with consumer preference rising 10 percent since 2012. MUSC was rated as having the best image and reputation by a margin twice that of its nearest competitor. And its overall market share had grown by 7.5 percent over the same period.

Furthermore, its HCAHPS scores put it among the highest performers nationally, not just among academic medical centers but compared with all hospitals generally. It also generated a 5 percent improvement in operating margin. Rather than struggling like most hospitals in the United States to maintain inpatient volume, MUSC's greatest challenge has been to offer sufficient capacity to meet growing demand.

My father is a pilot. I grew up around airplane hangars. Dad had a neighbor at the airport who decided he was going to fly his plane alone from central Illinois to Alaska. The likelihood of bad weather was a foreseeable characteristic of the future he confronted. Flying conditions in Alaska are notoriously volatile. This pilot left his plane in a shambles, belly up on a field of ice too remote to make recovering it worthwhile. He was lucky to have survived.

There is a well-worn saying among aviators: "There are old pilots. And there are bold pilots. But there are few old, bold pilots."