

Healthcare Strategy

With Cole Lyons

Episode 109

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Cole (00:00):

If you apply that kind of thinking before acting approach to your actions in the operations space, it means taking a step back and looking at the competitive landscape in your industry, looking at the competitive landscape in your institution, different departments competing for funding, different departments competing for exposure, and looking at how even small actions in the operations world will impact that. So going from playing checkers instead, now you're going to be playing chess. With checkers, you're kind of looking at the very next move. With chess, the best players are looking many moves ahead.

Speaker (00:34):

Welcome to the Healthcare Leadership Experience Podcast, hosted by Lisa Miller and Jim Cagliostro.

Lisa is the founder of VIE Healthcare Consulting and now managing director at SpendMend. Lisa and her team has generated over \$1 billion in financial improvements for VIE's clients since 1999.

Since 2007, Jim has been a registered nurse working in critical care, perioperative services, and outpatient settings at nationally recognized medical facilities across three states.

You'll hear conversations on relevant and trending topics in healthcare and much more. Now, here's your hosts, Lisa and Jim.

Jim (01:13):

Hi, this is Jim Cagliostro and you're listening to the Healthcare Leadership Experience. Today's guest is Cole Lyons, president and co-founder of the American Journal of Healthcare Strategy. And today appropriately, we're talking about healthcare strategy.

Cole, welcome. Thanks for joining the show today.

Cole (01:29):

Thank you so much for having me on, Jim. Really appreciate it.

Jim (01:31):

Great. So I always like to start off every episode just hearing a little about your background. What you do with the American Journal of Healthcare Strategy and how you got to that point, kind of the steps that led you to this point in your career.

Cole (01:43):

Yeah, absolutely. So I started off as a medical assistant in the Department of Neurology here at Thomas Jefferson. We have an excellent neuroscience program here, one of the best in the region. And so I was really thrilled as my first real career in healthcare to get started there. One thing I had been educated in is process improvement for hospitals, but not for ambulatory care systems. And so when I started seeing a lot of the work being done there and how we could improve things, I got really excited in that. I took some courses at Johns Hopkins for process improvement in patient care management.

(02:20):

And so then I got promoted to being an outreach coordinator with the Department of Population Health. I did some process improvement projects there that were really successful. And during my time there, I met an

administrator with the Department of Facial Plastics here at Jefferson as well. And he had identified some processes that he had improved, and he was looking for a place to publish them. The kind of issue is in order to publish at JAMA or the American Medical Association or a New England Journal of Medicine through Massachusetts General, you had to really have very stringent guidelines. It was very difficult to publish, especially things that are smaller in scale. And so he then went to look at ACHE and he didn't like the fees associated with ACHE and their publishing, yet to be a member and a member for a certain amount of time. And so he had the idea of starting this written journal.

(03:12):

So Saeed Siddiqui, he started that written journal, and then he asked me to be a writer. And so I wrote a couple of things, did some editing. And then we met some other consultants and they said, "What you guys really should do is do the same thing but do it in a digital format." So do a little bit of writing, but really focus on videos, interviews, content creation. If a researcher does some research, go and interview the researcher. And so we started doing that. I started working on some business development. At the same time I was beginning my MBA program, so I kind of went from being involved with the writing to then being the president. Saeed was a little reluctant at first to give away some of his shares to promote me, but I put in a huge amount of work. He says that it's paid off giving me the extra equity and providing me.

Jim (04:00):

Awesome.

Cole (04:00):

So that's where I am now.

Jim (04:02):

That's great too. I love hearing that story. And that's all happened a couple of years, I guess, right? That's over the course-

Cole (04:07):

Yeah, we're about a year... Well, a little under a year in formation. Yeah, so I was a writer there for about three or four months or so. And then yeah, after that I was promoted per se to president. And so, we've only been going for probably about nine or ten months, and we have gotten to about 2,400 followers on LinkedIn, about 1,300 subscribers to the newsletter. So we're growing pretty fast.

Jim (04:31):

Nice. I know I'm a follower on LinkedIn. I'm not sure if I'm a subscriber yet. I think I am, but I'll double check and make sure that happens. And I love that you pointed out the focus on the videos and the content. Leading up to this conversation you mentioned about in healthcare, finding those alternative avenues. And that's an okay, we think a traditional journal that's people are reading through. But to have the videos to have that different content, I think that's up and coming. If not, it's already here, right?

Cole (04:56):

Yeah, it's really essential that we think of things differently. And actually, when people ask us what we do, we're not really a media company and we're not really a consulting company. Really what we're trying to figure out is how to transfer knowledge around in a better way, whether that is through consulting one-on-one, whether that's through one-on-one coaching, or whether that's through podcast or video. How can we get a community that is knowledgeable and is empowered by that knowledge? That's what our real goal is at the end of the day.

Jim (05:25):

That's great. So if I can, maybe I'm stepping back and asking this question, but I think it's important for our audience to hear. How would you define healthcare strategy and why would you say it's so important today?

Cole (05:36):

For me, it's kind of thinking before I speak. I think that's the best way that I've come up with how to explain it. In operations, day-to-day, things are quite

hectic, especially at high volume clinics. And you have to make very quickly, fairly educated decisions based on standard operating procedures. But sometimes that doesn't always lead us down the best path. So part of that is creating standard operating procedures that allow you time to think about how it impacts things long-term. So thinking before you speak for me means instead of just saying what I need to say in the moment, I think about what I say, how it will impact the person hearing it, how it'll impact my image. And if you apply that kind of thinking before acting approach to your actions in the operations space, it means taking a step back and looking at the competitive landscape in your industry, looking at the competitive landscape in your institution, different departments competing for funding, different departments competing for exposure, and looking at how even small actions in the operations world will impact that.

(06:44):

So another analogy going from playing checkers, instead now you're going to be playing chess. So with checkers, you're kind of looking at the very next move. With chess, the best players are looking many moves ahead. And how one move in one side of the board will affect the move in the other side of the board. It's a pattern of thinking that's very hard to develop. Even in the first way I mentioned with thinking before I speak, it's very challenging. When you're dealing with your spouse, for example, you're frustrated about something or you're having an argument, sometimes you just want to say whatever's coming to your mind. It's better-

Jim (07:17):

Guilty.

Cole (07:18):

Yeah, exactly. You know what I mean. It's easier if you can just calm down for a minute and say, "Okay, how should I approach this situation in a way that actually gives everybody the intended result?"

Jim (07:28):

That's great. And I love the comparison moving from checkers to chess. The healthcare industry is so complex. And so whether it's payers, patient care, the way health systems that have just grown exponentially, we need to be thinking not just how this action is going to impact the next week or who it's going to impact. The impact is and long-term. You mentioned that about long-term impact to the decisions we make.

I think you've already answered it. I was going to ask you why did you start the American Journal of Healthcare Strategy. I think you've kind of touched on that, but was there any kind of event or anything in your experience that's like, "Hey, yeah, we really need to jump both feet in into this"? Anything in particular that you'd like to share in terms of the beginnings of this?

Cole (08:12):

Yeah. So what has kind of gotten our motivation accelerated and what's also helped us to gain capital is the problem right now is VC-backed healthcare firms. So those that are backed by venture capital. They have a high concentration of MBAs who have really good strategic insights.

(08:30):

So don't get me wrong, and we can always go into this anytime, but there's a problem with a lot of the strategy theories out there in general that are taught to MBA graduates because it's based on economic theories that don't always play out in the real world. But still when they make decisions, it is much more strategic than in nonprofit healthcare. And so, one of the issues is that I'm not a fan of government-run healthcare, which is a little contrarian. I'm just not particularly a fan of it. I think that free market healthcare is good, nonprofit institutions are my favorite. I love nonprofit institutions. I think that that's the best form of delivering healthcare. But they don't act very strategically, especially compared to VC-backed or for-profit healthcare, which employ all these MBAs, they recruit MBAs from the top schools, they can pay them. That's one of the issues is that in nonprofit healthcare, we're a little strapped sometimes.

Jim (09:22):

Sure.

Cole (09:22):

I'm not saying that they're any less educated, they're just educated differently. They have MHAs, they have MPAs, a lot of them have MDs, and they are educated in a very different way. So the journal's purpose is how can we foster this community of improvement and education in strategic thinking for these people who are educated in a much more practical way? And MHA isn't sitting in their office thinking and going into philosophy a lot of times. A lot of times they're figuring out, how can we solve this problem? How can we deal with this emergency situation? Some of these VC-backed firms, these consultants, they sit around trying to think of how to solve problems. That is very valuable. That's an important thing.

(10:06):

So how can we find a balance of that in healthcare? That is what really has been motivating us recently, is trying to help nonprofits stem the tide against VC backed firms and help them be competitive. Because at the bare metal, we believe that competition is what makes healthcare in the United States really, really good. Even though we have problems with our population care, our actual procedures that we perform, there are lots of medical tourists coming from other countries to receive care in the United States because our healthcare is really excellent in terms of a lot of the quality. So we want these nonprofit firms to be able to compete really well against VC-backed. And so that's what motivates us. And like I said, that's allowed us to get good capital funding.

Jim (10:52):

That's great, Cole. You're bringing two things to mind. The first I saw recently somebody posted on LinkedIn about we're so used to complaining about all the problems with healthcare. Indeed there's problems, but there's a lot of good. It's just a matter of taking that good where we're maximizing the potential that is there. And so we don't want to miss that, that there is good. It's just maybe we need to do things differently.

(11:13):

And then the second thing you made me think of when you talk about the business approach, and we talked about this prior to our conversation here, you had this business approach, but you don't want to be fully... Specifically with mergers and acquisitions. When we talk about mergers and acquisitions, a lot of times it's a business mindset. How do we do this most efficiently, most profitably? But we don't want to forget the clinical side of it. But if you have all clinical people making the decisions, then you forget, "Hey, it still is a business." So you need both. You need that well-rounded perspective. I mean, I'm saying specifically mergers and acquisitions, but like you're saying, healthcare strategy needs to include both of those worlds.

(11:50):

So I'd say really looking again at the landscape, the current landscape of healthcare strategy, would you say it's changed? Would you say the approach has to change? How can we best improve the landscape, especially in light of recent years? I mean, have you seen a shift in terms of how healthcare strategy needs to look?

Cole (12:09):

Yeah, so there are a lot of strategy departments now at most institutions, not all institutions. It's a similar thing with when it comes to compliance. Compliance and general counsel are different things. I'm not really one to speak on that, but you've seen a lot more compliance departments come up that focus on making sure we're in compliance with legal regulations and guidelines. And those departments are separate from our general counsel. And so you're going to see a similar thing with strategy where there's going to be a lot of strategy departments, which is excellent. Now, the problem though is that it's still pretty siloed.

(12:43):

So I talked with Prasana Ruxmohan and we have a podcast with her. She is an ambulatory transformation specialist. That's the title of her role. She works with the director of ambulatory operations to identify strategic areas for long-term improvement. So the director makes the final decision, of course,

she's the director. But as the transformation specialist, this is somebody who is thinking about how can we solve problems, how can we have a long-term strategic agenda with the way we do things? And she also interfaces with other departments, the chief development officer, the strategy department. So that is an example of how you can unify all the departments instead of having a siloed strategy team somewhere at headquarters. So I think that's what you're going to see.

(13:36):

One of the ways that this is going to work out really well, and a lot of programs are doing this, is through administrative fellowships. I actually have a lot of different things that we're involved with. With that, trying to get fellowship certified, trying to get fellowships publicized a lot because administrative fellowships have to rotate through every department in the organization usually. They know all the leaders. And so when they go and work in operations, they are very well-rounded. They have a much better strategic vision of the organization. They know clinicians, they know the house staff, they know the janitors, they know everybody. A lot of times they know the people who are on construction teams building the building. And so that gives them a huge, well-rounded approach that's also going to massively improve strategy. So yeah, the majority of organizations are still struggling. They're siloed or they don't even have really a strategy team, but there is a good trend for improvement I think on the way.

Jim (14:34):

You mentioned that word two or three times, well-rounded. And even in medicine, everything has become so specialized, which is great. You want people who are experts, full on experts in what they do. But to have that well-rounded knowledge, the relationships, the last few podcast episodes, it's come back to relationships a lot. All these things are so important in the big picture of things, especially when we talk about healthcare strategy.

(14:57):

If you're just tuning in, you're listening to the Healthcare Leadership Experience, and I'm your host, Jim Cagliostro. This show is sponsored by VIE Healthcare Consulting, a SpendMend company, which provides leading-

edge financial and operational consulting for hospitals, healthcare institutions, and other providers of patient care.

Since 1999, VIE has been a recognized leader in healthcare costs, hospital purchased services, healthcare benchmarking, supply chain management, and performance improvement.

You can learn more about VIE Healthcare Consulting at viehealthcare.com.

(15:29):

So Cole, I'd like to continue the conversation and really just ask the straightforward question, how can hospital leaders join the journal and encourage their leaders to access your content? What's the best way?

Cole (15:40):

So we have some cool things coming out. We have a new website that... One thing that's really interesting about websites, they're much more expensive than I imagined. So kudos to all these hospital systems who have on-demand staff. I think that that's been a great thing that I've heard about recently.

Jim (15:56):

Sure.

Cole (15:56):

I was talking to my friends in strategy and she said that they were building a website and they have coders at the hospital. I'm like, "That's a really expensive person to have." But then I saw the cost of developing my own website and I was like, "Wow, it's really expensive." So we are building a website. It's an excellent website that you're going to be able to see. And we're also developing a mobile app. And so those are going to be great platforms as well as our new courses that are coming out. But in the meantime, we really encourage you to get involved on LinkedIn and we encourage you to actually get your employees involved on LinkedIn, whether that's just subscribing to us or just being there in general.

(16:32):

LinkedIn is one of the best knowledge communities. There's a bunch of knowledgeable people. All my mentors have come from LinkedIn. The past two jobs I've gotten, including the journal, so I guess past three jobs, have all come from people I've met on LinkedIn. So I would say go to LinkedIn, the American Journal of Healthcare Strategy is on there. I am on there. Happy to network and connect with anyone. Also, just happy to be kind of a funnel connecting you to other people. If you want to meet someone in the Philadelphia region, I know most of the senior leaders here at least casually, so I can always connect you to somebody if there's somebody you want to meet. So yeah, LinkedIn is definitely the best way until we get that website and mobile app up and running.

Jim (17:11):

That's great. I look forward to seeing that. And you mentioned the new courses. I know you have educational content. Right now, is there a specific way to access that? Is LinkedIn the best way? Once the website comes up and the mobile app, I imagine it'll all come through that.

Cole (17:24):

Yeah. For hospitals that are looking to, and this also goes to sales teams... I know sales teams have told me that they've benefited a lot, our YouTube channel and our LinkedIn, a lot of time our LinkedIn will link to the YouTube channel, but on YouTube, it's the American Journal of Healthcare Strategy there as well. All our videos are up there. Whether you're a sales team, an administrative fellow, an MHA candidate, or even an institution, please go and check that out.

(17:49):

The courses, mainly the first one is going to be in Introduction to Healthcare Strategy. It's a really interesting course. We'll be sharing more about that. And then there's also How to Conduct Research for Non-researchers, that is affiliated with the MPH program at Mount Sinai. So that's a course that's going to be coming out. So those two courses will be available later on this year in September. Until then, stay tuned on the YouTube channel and on the LinkedIn. All free to access content, no charges or anything like that. You can also subscribe to our newsletter. You can easily get that on LinkedIn or at the

current website, although I would stay tuned until that new website comes out, and I'm sure you'll be probably all seeing it all over LinkedIn. We're having a pretty big launch coming up later this year.

Jim (18:32):

So you answered that. My follow-up question was going to be, is there a cost to the user? The fact that it's free is awesome. I love that. And we will make sure, at least your link for your LinkedIn profile will be on the show notes. We'll try to get some of those other links in too.

(18:46):

So maybe a bigger picture question, in terms of the education, why would you say education is so important? I think we'd all agree, most of our audience would agree education is valuable. Why is it so valuable in the healthcare strategy area? Is it something that is frequently changing? Is it something you feel like we're just not educated enough in terms of healthcare strategy? How would you answer that?

Cole (19:08):

I think the first reason that it's important is because if you're an MHA grad and you're interfacing with an MBA graduate or somebody who's a consultant, I guess classically trained in business, you need to understand the economic theories that they're going to be using and you also need to understand why they seem flawed. So when you go through a strategic plan and you utilize one of these theories, it could be like Blue Ocean or you utilize Porter's Five Forces, I like them, I think they're excellent, but they are flawed in some situations. And coming from operations, you'll identify, "Oh, there's something wrong with this," but you might not exactly know how to explain it.

(19:50):

And so it'll give you the language, it'll give you the techniques. You'll be able to construct these Five Forces plans, the Blue Ocean Plan. There's another one I can't remember off the top of my mind. But then it'll take you and say, "Okay, here's the problems with some of them. Here's how you can identify

what the issues are, and here's how you can fix them as well." So when a consultant comes in and gives you this awesome plan, it'll not have you throw plan in the trash. It'll have you say, "Oh, here's how I can adapt it to fit my organization." Some of the best consulting firms will be pretty good at that, but at the end of the day, they still are consulting firms. They can't fully integrate into your organization unless you're willing to spend huge sums of money.

(20:31):

Most healthcare organizations are not going to be going with the Deloitte or the McKinseys or the Bains. They're going to be going with some of the smaller firms. The firm we work with is amazing and excellent, but it still has to be slightly adapted to our organization. And unless you have education to really kind of know what they're talking about, it can be pretty daunting. I've had to educate myself a lot. And honestly, I still don't understand some of the Medicare terminology that I'm being thrown at, at work.

Jim (20:57):

Sure.

Cole (20:57):

So there's other people who provide Medicare courses. I've been taking those in. We kind want to provide that with the strategy space for those who are in the strategy departments.

Jim (21:07):

I know the pain, exactly what you're talking about. I shared with you before going from the bedside to the business side, there's acronyms that it'd be the exact same acronym, but means something completely different in the business side of healthcare versus being at the bedside.

Cole (21:20):

Absolutely. Yeah.

Jim (21:21):

I appreciate that emphasis on the education. You talk about the language that's needed. And ultimately the goal is so that we can collaborate better so that we do understand the language that the person across the table is speaking so we can work together in a more productive way.

(21:37):

I love what we've covered Cole, and I like to end each episode just asking our guests a leadership lesson that you've learned through your career, through your experience, anything that you've learned up to this point or anything that you feel like has carried you through in terms of leadership. If you could just leave our audience with that to end our episode, that'd be great.

Cole (21:55):

I think that's a good question. It's so funny because I ask that question when I interview all these fellows, and so I've heard so many. Humility is really, really important. I've been so privileged to sit with most of the CEOs of hospitals in the Philadelphia region. I think that the humility of some of them is really astounding and it leaves a lasting impact on me. I also think that those are usually the ones who are most respected, being down to earth and being humble, speaking with all of the members of staff because you actually need to and want to and not just because it makes you look good. I don't know anyone in Philly who does it just because it makes them look good. But I know that when I speak with them and they actually are talking about, "Oh yeah, Frank's kid, he's out playing softball today" and I'm like, "Oh, who's Frank? What team is he on?"

(22:45):

"Oh, he's with our janitorial staff." I'm like, "Oh, is he the director?"

(22:50):

"No, he's just on the janitorial staff."

Jim (22:51):

It's awesome.

Cole (22:52):

"He's just a normal employee." I was talking with Kevin Mahoney for example. The reason that it motivates Kevin is because we can't have dirty floors. It's not something that we can do in this hospital, so it's very important that we have someone cleaning the floors. And they have to take their job seriously. He's like, because he understood that, "If you do it wrong, there's going to be water everywhere. If you do it too dry, the mud will be on the floor." So I guess having that respect and having that learning, so that humility is important.

(23:22):

Also, the other lesson Six Sigma, the Gemba walk, the... Well, in Japan for example, just real quick on that.

Jim (23:30):

Please.

Cole (23:30):

Before you can become a manager in Japan, you have to go through all the departments. It's a very extensive process in some of these automobile companies, and that's why one of their quality is so excellent in a lot of the automobiles that they produced especially during the '90s, and that's again back to the administrative fellowships.

(23:49):

When these people rotate through these departments, I was talking to one the other day that she was in the parking lot looking at the road signs in the parking garage and working with the builders in the state to make sure that these parking lot road signs were constructed correctly. A few years later, she's going to be a hospital administrator, but that experience in the parking

lot looking at the road signs, invaluable, because now she has a connection to the whole organization. And you can only make that connection if you're humble. So I think that that's the biggest one. And that's what's allowed me to, I think, meet with so many of the CEOs that I have a very humble approach to it, like, "I'm nobody. I don't really know anything." Lisa, she hates it when I say that, but I try to be very humble about it, and I think that's why we've had such success.

Jim (24:36):

That's great, Cole, and so I really appreciate. That's actually a theme that's come up in some recent podcasts as well, the humility. A lot of times we want that respect, and sometimes we go about it the wrong way. But when you're meeting with a lot of these CEOs, a lot of these healthcare leaders, and you raised, "Hey, they can be humble." I think approachable is another result of that when they had that humility. They gain that respect, but they're also very approachable, and so that people feel like they're being heard, and they can actually make changes and have progress in conversation.

(25:04):

Beautiful, Cole. I love that. Well said. Thank you for being on the show today. And thank you to our listeners for being with us today. If you have any questions about VIE Healthcare Consulting, a SpendMend company, or if you'd like to reach out to me or Lisa Miller, you can find us on LinkedIn.

We at SpendMend love helping hospital leaders uncover financial leakage and improve the patient experience. And I know that today's episode gave you some new insights to consider and use in your career and in your own healthcare organization.

(25:31):

Cole, once again, thank you for being on the show with us today.

Cole (25:33):

Well, thank you for having me.

Speaker (25:36):

Thanks for listening to the Healthcare Leadership Experience podcast, we hope you've enjoyed this episode. If you're interested in learning new strategies, best practices, and ideas to utilize in your career and healthcare organization. Check out our website at thehealthcareleadershipexperience.com.

And oh yeah, don't forget to rate and review us and be sure to join Lisa and Jim, next time on the Healthcare Leadership Experience podcast.

Thanks again for listening.





MEET LISA MILLER

"It's important for hospitals to have a clearly defined cost savings strategy with purchased services as a component to that strategy. We provide our clients with a focused roadmap to achieve those savings through our expertise since 1999."

Lisa Miller launched VIE Healthcare Consulting in 1999 to provide leading-edge financial and operational consulting for hospitals, healthcare institutions, and all providers of patient care.

She has become a recognized leader in healthcare operational performance improvement, and with her team has generated more than \$720 million in financial improvements for VIE Healthcare's clients.

Lisa is a trusted advisor to hospital leaders on operational strategies within margin improvement, process improvements, technology/ telehealth, the patient experience, and growth opportunities.

Her innovative projects include VIE Healthcare's EXCITE! Program, a performance improvement workshop that captures employee ideas and translates them into profit improvement initiatives, and Patient Journey Mapping®, an effective qualitative approach for visualizing patient experience to achieve clinical, operating, and financial improvements.

Lisa has developed patented technology for healthcare financial improvement within purchased services; in addition to a technology that increases patient satisfaction through frontline insights.

Lisa received a BS degree in Business Administration from Eastern University in Pennsylvania and a Masters in Healthcare Administration from Seton Hall University in New Jersey.

She is a member of the National Honor Society for Healthcare Administration – Upsilon Phi Delta. Her book *The Entrepreneurial Hospital* is being published by Taylor Francis.



MEET JIM CAGLIOSTRO

Jim joined VIE Healthcare Consulting in 2018 and brings to the role over a decade of critical care nursing experience at highly regarded medical facilities across three states.

During that time, he observed both the 'good and bad' of hospital operations in a number of regions, giving him a unique insight and understanding which he brings to VIE Healthcare Consulting's clients.

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MEET COLE LYONS

Cole Lyons is driven by the conviction that exceptional healthcare should be accessible to all. As Vice-Chair and Co-founder of The American Journal of Healthcare Strategy, he's dedicated to elevating customer engagement in the healthcare sector.

At Jefferson Health, as Senior Engagement Partner on the Medicare STARS team, Cole bridges the gap between healthcare organizations and communities, creating value at both B2C and B2B levels.

With expertise in project management and process improvement, he spearheads initiatives like Jefferson Maps and the Pap Toolkit,

embodying his commitment to enhancing healthcare access and outcomes. Cole welcomes collaborations to further his mission.

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