Succession Planning for Administrators

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Financial Disclosure

Succession Planning for Administrators

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Maureen and Elizabeth are senior consultants at BSM Consulting. Allergan, Inc. is a client of BSM Consulting.

Objectives

Practice administrators and physicians will:

- Understand the practice leadership landscape.
- Learn steps to develop an administrative succession plan.
- Apply this process to their unique practice situation.
Agenda

- Review Demographics and Industry Shifts
- Determine Why Succession Planning is Important
- Identify Steps in Succession Planning
- Review Case Study (incorporated throughout)
- Identify Resources and Tools (incorporated throughout)

Background: General Demographics

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<th></th>
<th>2000</th>
<th>2010</th>
<th>2015</th>
<th>2020</th>
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<td>0 – 44</td>
<td>184,624</td>
<td>189,025</td>
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<td>35,061</td>
<td>40,229</td>
<td>46,837</td>
<td>54,804</td>
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<td>TOTAL</td>
<td>282,125</td>
<td>310,334</td>
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Source: U.S. Census Bureau, Population Division, Interim State Projections of Population.
Background: Industry

Bureau of Labor Statistics (BLS) projects that demand for healthcare administrators will grow 22% nationally from 2010 to 2020, well above the 14% average for all occupations.

Increased Demand + Increased Retirees = Longer Recruit Time

Background: Timing

Busy with “day to day” issues

It’s emotional
- Retirement is typically not discussed.
- Physicians struggle with designing and executing their own exit strategies. How do we expect them to provide guidance for their staff?

Therefore, the best case scenario is a 1 to 3 year process to implement a succession plan.

So let’s get started!
Importance of Planning

What do you need?

**Personal Retirement Planning**
- Timeline: Start early and be prepared
- Financial: Work to understand your needs
- Advisors: Seek help when needed

**Emergency Planning**
- Planning is not only for retirement!
- Practices need leadership if the administrator has an emergency and cannot return to work.

**Family**
- Will your family be okay?

**Career Growth**
- Will you be leaving your practice to pursue other career goals?

Importance of Planning: Personal First

No matter why you are leaving,

...you have cared about this place, these people.

“You have no real ending. It’s just where you stop the story.”

- Frank Herbert

You want to finish well.

Succession Planning Steps
Step 1: Assessment

What does the practice need when you retire?

Organizational Structure (Has it changed?)

Strategic Plan:
- Where are we headed?
- What type of leadership will be required to get us there?
- Current leadership gaps?
- Core values defined?

Creation of Timeline

Sample Tool

Assessment Case Study

Physicians did not understand why practice administrator wished to address succession planning.
- “Why are we doing this now?”
- Assessment forced practice to review leadership structure and define organization’s needs.
- During assessment, practice determined current administrator was “overloaded” and needed help.
- Decided to hire an “assistant” administrator to train into new leadership position.
Step 2: Define Successor Role (Outline Plan)

- Job Descriptions
- Organization Charts
- Delegation of Responsibilities

Sample Organization Charts

Sample Organization Charts

Board of Directors (Partners)
- Managing Partner
- Executive Director
- Operations Manager
- IT Manager
- Finance and Accounting Manager
- A/R Manager
- Research Manager
Sample Organization Charts

Successor Plan Case Study

2 MD / 2 OD Practice

Succession Plan Analysis
- Identified practice administrator wished to retire but her workload was imbalanced due to practice growth/regulatory compliance.
- Practice had continued plans of growth.

Analysis Conclusion
- Structure changed from Practice Administrator to Chief Operations Officer and an administrator at each location.

Job Descriptions
Step 3: Cultivate and Identify Internal Talent

Prepare the Team TODAY:
- Ongoing Leadership Assessment
- Delegate Projects and Responsibilities
- Training/Career Path
- Surveys
- 360° Reviews
- Communication is Key to Success
- Build Physician Confidence in Person

Leadership Development

Nurture
Identify
Enable

Large practice sought to replace current CEO who had led practice for 30 years.
Began external recruiting process with no internal candidates identified.
During process, two internal candidates were identified.
While neither were currently prepared to take the CEO helm, both candidates had great potential and could have been prepared to assume leadership.
Step 4: Recruit if Necessary

Consider the Investment

Start Early

Recruitment Process

- Assessment
- Preparation
- Recruitment
- Screening and Evaluation
- Phone Interviews
- On-site Interviews
- References and Final Review
- Selection
- Onboarding

Recruiting Tool Samples
### Step 5: Onboarding

**Oft-forgotten**

- Incredibly Important

- Exiting Administrator Must Let Go

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### Checklist Tool

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### Case Study

**Share the Legacy:**

- After trust has been established, be willing to share *everything*.
- Set up timeline to transfer duties and responsibilities.
- Keep records and share with current staff.
- Create opportunities to build physician trust.
Timeline
SUCCESSION PLANNING

<table>
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<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
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<tbody>
<tr>
<td>Delegate, train, improve processes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirement Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Onboarding, training, transition</td>
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Long-term organizational goals defined; current leadership needs and team members assessed; create plan.

Delegate, train, improve processes

Recruit

Demographics are increasing the demand.
Assessment and planning are critical to success.
It is never too soon to start.
Cultivate and invest in your future leaders today.

Thank you for attending!

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