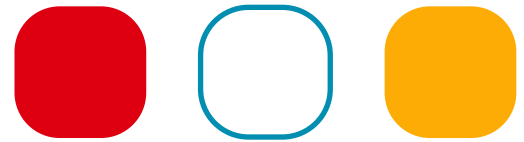


Injecting Innovation & Creativity

in Today's Healthcare Environments



Memorial Health System is currently in the middle of an expansion with the building of a new heart and vascular center (The Leighton Heart & Vascular Center). We spoke to President & CEO Philip Newbold about the project and what he sees as the most critical issues facing healthcare today.



Phil Newbold, President & CEO, Memorial Health System, South Bend, MI

In addition to his role at Memorial, which he has held since 1987, Phil Newbold is an author of two books (*Health Care Sales: New Strategies for Improving Quality, Client Relations, and Revenue* and *Acquiring and Enhancing Physician's Practices*), the founder and former editor of *The Hospital Entrepreneurs' Newsletter* and has served on several national boards of healthcare organizations such as The Health Forum (past Board Chairman) and VHA, Inc. Phil is a fellow in the American College of Healthcare Executives and a diplomat in the American Academy of Medical Administrators. The recipient of numerous awards for healthcare marketing and strategic initiatives, he is currently serving on the VHA Health Foundation Board of Directors.

An interview with
Philip Newbold



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What do you see as the most critical issue facing healthcare today?

There are so many challenges facing healthcare today. Of course, everyone is mired in cutting costs, increasing productivity and dealing with labor shortages, but that's only half the story. The other half is the challenge of increasing our creativity, becoming more innovative and developing an entire new set of experiences for our patients, the public and the community we serve. You can't do one without the other – both are extremely necessary. I see the greatest challenge in trying to get the healthcare field interested and comfortable with innovation, creativity and other concepts that are already rooted in other industries in America.

In your opinion, why is innovation so critical to the future of healthcare?

I believe by injecting innovation and creativity into the healthcare field we can begin to attack the three major plagues that are affecting our industry today.

The first is toxic creeping sameness – we all look alike, we all sound alike. Everybody claims to be in the top ten of this – best of that, promising

the best staff and equipment. So, we're in danger of becoming a commodity and the best way out of this trap is to differentiate yourself, by providing extraordinary experiences, and creating spaces that wow and dazzle people. Innovation is the best vehicle for getting us out of this particular plague.

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The second is something called flesh-eaten margins. We're getting eaten to death by all the entrepreneurs and niche players that are taking all the high paying services out of healthcare, such as freestanding surgery centers. This takes the profitable services away from hospitals. All the discretionary spending and higher paying services are taken away by niche players. The best way out of that situation is to partner

with organizations that are good in retail and good in developing services that are more retail-like, so you can capture not only basic clinical services but also a lot of discretionary spending.

The third is the war for talent. We're not doing well in this area either. We find that our organizations are not exciting places and there are shortages at every turn. The best way out of this dilemma is to create the kind of culture that's creative and innovative and gives people a chance to practice their skills at the highest level, and be engaged in problem solving with their own ideas. That's the best way to recruit and retain the best talent possible. Innovation and creativity are so important because they really address these issues better than any other strategy we could implement.

What are you doing to create a more innovative and creative environment at Memorial?

In the process of designing a new heart and vascular center, Memorial Health System wanted to create the most fabulous patient and family experience ever in the heart and vascular area. That's how we will differentiate ourselves.



So, when you get even close to Memorial you'll see differences – differences in the ways we handle the environment, and the various needs of the different groups of people in the hospital: our patients, their families and our staff.

To accomplish this goal, we went out and studied innovative companies all over America as a way to educate us on what we might do in the area of innovation, creativity and entrepreneurship. That's when we came across IDEO and Steelcase as organizations that had a different skill set than our own, who understood the process of innovation and have a deep history of introducing new products and services. IDEO helped us completely redesign the patient experience around a \$40 million heart and vascular center that's under construction now. We looked at all areas of the hospital, includ-

ing patient care rooms, nursing stations, waiting and gathering spaces, and wayfinding. The design is intended to create an experience that's like none other.

IDEO observed patients and families, doctors and nurses for several days to observe and learn more about the hospital

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experience. This helped them develop design principals for the various spaces. One major change that came out of this observation was the metaphor we use for designing spaces for families. Traditionally these areas are modeled after hotels, but

IDEO suggested a better metaphor for what people were experiencing was that of “camping”. Often family members might spend several days at the hospital with their loved ones – they're actually camping out at the hospital. They're not prepared for this experience; they're scrounging for food, a blanket, a pillow, forging for information. They need advice, and counsel and information. So what we decided to do was design a ‘backpack’ for those campers that would help during their time at Memorial. The backpack would have in it all kinds of educational materials, how to get information, internet access, some food and how to access more, a pillow and a blanket. It helps them navigate through the entire experience in a very private and interesting way. That's one example of an insight and how we approached the issue in a different way.

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