



Healthcare CEO Forum

7:30 am Tuesday, October 1, 2019

Meeting at
Scottsdale Place
5635 N. Scottsdale Road
Suite 170
Scottsdale, AZ 85250

Overview

- Introductions/Housekeeping
 - Introductions/Update
 - Forum, personal goals
- 2019 Schedule
 - Tue, October 1, 2019
 - Review Schedule through end of year
 - Discuss summer progress on goals
 - “Range”, by David Epstein—assigned homework
 - Generalists vs specialists in a modern economy
 - Wicked vs Kind environments
 - See notes below
 - Next meetings, 2019
 - Tuesday, November 5
 - Tuesday, December 3

"Range" Discussion Notes

- **KEY THEMES IN "RANGE" by David Epstein**
- **Roger vs Tiger**—compares alternative approaches to success: one, emphasizing quantity of deliberate practice (10,000 hrs concept), starting as early as possible (Tiger, Gates, Mozart) vs another, trying diverse activities, sampling and settling later for a "quality match" of interests (Roger Federer, Duke Ellington, van Gogh).
- **Advantages of breadth and delayed specialization**—can be life changing at every stage: 1) development of children in math, music, sports; 2) college grads finding their way; 3) midcareer professionals looking for change; and 4) retirees seeking new vocation.
- **Learning environments**—Kind vs Wicked domains affect skills needed and best approach to development:
 - **kind domains** are those like golf, chess, music, surgery, production line where patterns repeat, feedback is accurate and rapid, repetition leads to improvement;
 - **wicked domains** are those where rules are not clear, ambiguity prominent, feedback delayed or inaccurate, reason more important; this is the more common domain in our modern world, where specialization and 10,000 hrs not always as helpful.
- **Flynn and Luria**—identify rising importance of abstract thinking vs concrete experience as world modernizes; cognitive flexibility required to address self-directed problem solving and non-repetitive challenges; correlation between conceptual thinking and GPA = 0; people are prepared for challenges they've solved before but generally less prepared for the often ambiguous challenges of a changing, wicked world.

"Range" Notes

- **Figlie del coro**—Venician "daughters of the choir" mastered every instrument, all styles of music at Ospedale della Pieta; largely orphans and cast offs became celebrities throughout Europe; studied music only 1 hr per day! Musical experimentation was rampant. Sampling not incidental but integral to good performance. People and patrons came from all over Europe for their concerts.
- **Cecchini, Ellington, Smith, Brubeck, Django**—examples of late starts in kind domains.
- **Concept vs procedure in math**—common for teachers and parents to turn conceptual problems into procedural, pneumatic tasks, using hints to coax answers; struggling to generate answers on your own, even a wrong one, enhances subsequent learning; jobs of tomorrow require employees to solve unexpected problems working in groups rather than the assembly line jobs of yesterday.
- **Interleaving improves inductive reasoning**—mixing problems rather than blocking together common ones is more beneficial, even though perceived as harder; emphasizes thinking over memorization.
- **Kepler used analogies to develop gravitational theory**—such outside the box thinking comes more easily, has greater impact in wicked domains; need to battle inside the box thinking, focusing on the internal characteristics of the challenge. BCG developed tools to facilitate analogs for problems using different disciplines, concepts and strategic themes.
- **Van Gogh wandered extensively before dying at 34**—struggled with drawing, became a bookstore clerk, parson, art student, experimental artist; illustrates the importance of "match quality" in defining careers; switching can improve performance as match quality improves; West Point grads generally find good success in non-military careers, after Army identifies and educates them;

“Range Notes”

- **Trouble with too much grit**—keeps us grinding out a successful path even when match quality is low; lack of grit is also a factor in switching: “we fail when we don’t have the guts to quit”; reflects the sunk cost fallacy: I’ve spent time and money in pursuit of this career so don’t want to leave it, suggests I wasted my time;
- **Hesselbein of Girl Scouts**—never applied for a job but kept failing upward due to her approach: “I did not intend to become a leader I just learned by doing what was needed at the time”; keys were “inclusion”, “resourcefulness”, “shared leadership”, many of which were unique to her organization.
- **Harvard Mind, Brain, Education program**—Todd Rose and Ogi Ogas built program studying career paths; most participants “wandered” through their careers, so became “Dark Horse Project”; all use short term planning, not LT career path; those most fulfilled followed a path of discovery first then chose a quality path (Phil Knight/Nike, Charles Darwin); need to be a “flirt with your possible selves”;
- **Alph Bingham at Eli Lilly**—how do I build an organization that uses broad talent to solve problems? InnoCentive uses outside knowledge and insight to solve problems—open it up! Trick is to frame the problem in a manner that attracts outside interest (Napoleon’s food was preserved by Appert using champagne bottles heated to kill microbes); Exxon/Valdez cleanup solved by Davis using stir machine;
- **Lateral thinking with withered tech**—Yokoi’s approach to experiment with proven tools applied to new purposes, rather than more risky cutting edge tools; led to Nintendo Game Boy tools, now Wii; demonstrated the integrator (lateral) vs expert approach to innovation;

“Range Notes”

- **3M research into patents**—Ouderirk looked at generalists vs specialists research output and found little difference; but overall patents declined after 1985, flat after 2007; hypothesized that organizations don’t need specialists as much due to availability of information, communication tools; as ambiguity and uncertainty increase, breadth becomes more important; individuals are capable of more creative integration of diverse experiences than teams are;
 - in **kind environments**, where goal is to re-create prior performance with little deviation, **teams of specialists** work superbly (surgery, pilots);
 - in **uncertain environments**, where goal is to explore range of solutions to a system problem, **individuals with breadth** and integrative skills are better;
- **Serial innovator skills from Abbie Griffin**—“high tolerance for ambiguity”, “systems thinkers”, “technical knowledge form peripheral domains”, “re-purposing what is already available”, “connect disparate info in new ways”, “synthesize info from many different sources”, “they flit among ideas”, “broad range of interests, read more, many interests”;
- **Ehrlich vs Simon, starvation vs economics**—predictions have great peril; both experts were terribly wrong, became more dug in over time; experts are not good prognosticators, even inversely so: often more wrong than right;
- **Hedgehog vs foxes view**—hedgehogs are deep but narrow (know one big thing), good at predicting the past; foxes draw from an eclectic array of facts, accept ambiguity and contradiction (know many little things); foxes better at prediction, solutions to abstract problems vs repetitive tasks.

“Range” Notes

- **Active open-mindedness**—best problem solvers actively curious about their ideas, test them against others; no aversion to contrary views or facts; hedgehogs become more defensive; science curiosity key not knowledge; foxes know how to think; they see complexity in what others see as cause/effect; know that most challenges are probabilistic not deterministic, with unknowns, luck and randomness; experience alone does not improve performance, but foxy habits can be taught and improve results;
- **Too much comfort with traditional tools**—Carter Racing case study used NASA’s Challenger accident data, too much emphasis on quantitative vs qualitative factors; importance of asking for data not evident; in wicked situations without data or experience, need to use reason; effective problem solving cultures balance standard practice with forces that pushed in opposite direction; previously NASA balanced tech process with informal “Monday Notes” communication tools to identify unmeasured problems; Stanford’s Geveden pulled Gravity Probe B based on informal meetings; some tools over-rated anyway: stents by cardiologists, meniscus trimming surgery;
- **Smithies’ Sat am experiments**—encouraged students to “think laterally”, “broaden their experience”, “forge own path in search of match quality”, take your skills to a new problem”, or “take problem and try completely new skills”; advises to become a “deliberate amateur who adores a particular endeavor”; Casadevall at Hopkins Bloomberg School of Public Health laments the “decline in scientific research, due to over-specializing before they learn how to think, unable to produce good work themselves, un-equipped to spot bad work by colleagues”; grant process reinforces specializing; he’s fighting uphill battle to “ensure innovation ecosystem preserves range and inefficiency”;
- **Expand your range—“Don’t feel behind!”**—Epstein emphasizes not following the graduation speech about pursuing your long term career goals: approach personal voyage like Michelangelo approached a block of marble, willing to learn and adjust as you go; even abandon previous goal and change directions entirely; prior work is never wasted unless grit overcomes search for match quality.

Innovation

Traditional emphasis:

- Episodic innovation
- Resources to exploitation of core business
- Staff innovates “on the side”
- Failures avoided
- Exhaustive planning
- Build from existing services-products

New strategic emphasis:

- Systematic innovation
- Resources support mix of core business, new platforms, options
- Staff dedicated to innovation
- Intelligent failures encouraged
- Trial and error
- Build from customers’ needs, innovate to solve needs

Organization

Traditional emphasis:

- Downsizing, restructuring
- Exploit core business
- Build it yourself, Ownership is key
- Investment intensive, NPV
- Stable OR dynamic
- Narrowly defined jobs and roles

New strategic emphasis:

- Continuous morphing, changing
- Support all phases of strategy: Core, New Platforms, Options
- Rent it, leverage external assets key
- Real options mindset, parsimony
- Stable WITH dynamism (agility)
- Fluid use of talent (athletes)

Execution

Traditional emphasis:

- Narrow, closed process
- Precise but slow
- Emphasize planning
- Confirmation bias
- Talent fixing problems
- Hire for experience
- Pay for tenure

New strategic emphasis:

- Open, candid process
- Fast and roughly right
- Emphasize rapid execution
- Disconfirmation bias
- Talent focused on opportunities
- Hire for fit, learnability
- Pay for performance, accountability

Forum Approach

- - Become a stronger leader...with others you respect
 - Learn new leadership skills, tools...validate existing ones
 - Reinforce commitment to work/life balance
- - Presentation/Discussion format
 - MITs
 - Occasional speakers
 - Handouts, books, homework
 - Blueberry muffins