Good morning. I’m delighted to be with you today, and I consider it a genuine privilege to speak to you as a group of people committed to performance excellence. Your commitment speaks highly for who you are as members of the human family, and I can only hope that what I say this morning will help your efforts in some small way.

I’m going to speak about our Baldrige experiences and our learnings. And, as I do that, I will also speak about organizational transformation, because, in my mind, the two are inextricably linked. (short pause) As I begin, I’d like to tell you a story about some other learnings.

A language instructor was explaining to her class that in French, nouns, unlike their English counterparts, are grammatically designated as masculine or feminine. For example, "House," in French, is feminine, whereas "Pencil," in French, is masculine.

One puzzled student asked, "What gender is computer?" The teacher didn’t know, and the word wasn’t in her French dictionary. So for fun she split the class into two groups appropriately enough, by gender, and asked them to decide whether "computer" should be a masculine or feminine noun. Both groups were required to give three reasons for their recommendation.

The men’s group decided that computers should definitely be of the feminine gender because:

1. No one but their creator understands their internal logic;
2. The native language they use to communicate with other computers is incomprehensible to everyone, and
3. Even the smallest mistakes are stored in long-term memory for possible later retrieval.
The women’s group, however, concluded that computers should be masculine because:

1. They have a lot of data, but they are still clueless;

2. They are supposed to help you solve problems, but half the time they ARE the problem; and

3. As soon as you commit to one, you realize that if you’d waited a little longer, you could have gotten a better model. (pause)

Well, I hope my comments today will help you solve problems. I hope you won’t feel clueless after I’m done speaking. And, I also hope you won’t wish that you’d had a better model. (pause)

As I share some of our Baldrige learnings with you, I also want to talk about a topic I consider among the most important in health care today. And that is: “calling forth the leadership that resides in all of us as a way to achieve organizational transformation.” In other words, creating an organization of leaders. But before I get to the main points of my remarks, I want to issue a warning. Creating an organization of leaders will take every bit of energy you can possibly muster. And your commitment must be for the long haul. It must be unflaflagging, unwavering, and unabashed. (pause)

This morning I’m going to address three areas that are essential for organizational transformation. The best way I can think of to describe the first area is... “the awakening,” with apologies to the novelist Kate Chopin. The awakening is that moment of truth, when you get a slightly sick feeling in your stomach because you realize that things in your organization aren’t as good as they could be. I’ll talk briefly about my own “awakening” and how it influenced our subsequent efforts to improve our organization. (short pause) But it’s one thing to know your organization is not as good as it could be. It’s another thing to make it better. So the second area I’ll address is how we arrived at Baldrige as a way to improve, and how it has influenced our organization and made us better. And third, I will look at the non-scientific piece of organizational transformation. Some people call it leadership; others call it “heart.” I believe they are the same. (pause)

So let me begin by talking about our awakening at SSM Health Care. To set the stage, I have to go back a few years... actually, all the way back to 1872.

SSM Health Care was begun that year -- 133 years ago -- by five Catholic nuns who came to St. Louis from Germany. Devoted exclusively to health care, our sisters have responded over the years to the needs of various communities, so facilities were opened, renovated, and even closed as the needs demanded. Up until 18 years ago, we were a group of some 20+ hospitals and nursing homes that existed pretty much independently. In 1986, we came together as a formal health care system, and I’ve been the CEO since that year. (short pause) (I was very young then!)
As you can imagine, it has been no small challenge to get everyone in our large, complex, and geographically diverse organization to work together to provide exceptional care for our patients.

From the outset, as the system CEO, I was eager to use some of the current management philosophies to engage our employees and physicians. So each year at our annual leadership conference in Marco Island, Florida, we introduced a promising new philosophy, with great hoopla and enthusiasm. Each one, we were certain, would be the one to transform our organization.

Well, at the end of our very successful 1989 conference – where the focus had been “servant leadership” -- I sat at the pool with another senior executive. Both of us had a vague feeling of unease. (short pause) It seemed that no matter how much we communicated our system’s mission and values, some things were just not happening. Despite our enthusiasm for these management philosophies, there was something missing. Looking back, that was our “awakening.”

What we realized was this: Despite our serious commitment to various management strategies over the years, we did not see a constant striving for improvement. We did not see managers mobilizing employees to work on projects that were important. And we did not see processes in place that made the best use of people’s talents. In short, we recognized that we were not nearly as good as we could or should be.

What I know now that I didn’t realize at the time is this: there were two things we were doing wrong. First – and this will be obvious to you -- we were prone to the management “flavor-of-the-month” syndrome. And second, it was always “we” – the senior executives – who were sending down the truth from the mountaintop to “them” – the employees.

As these thoughts surfaced in our conversation by the pool, we searched for an answer. We knew we had to find some way to tap the potential of all of our employees, something that would help us improve the complex processes that are inherent to health care. And we knew that whatever we did had to be for the long haul. (short pause)

In that conversation, we learned that each of us had been hearing about the success of continuous quality improvement mostly in other industries; some beginnings in health care. Back in 1989, the concept seemed to show promise as a way to improve everything we did. (short pause)

To make a long story short, we did some homework and got to know more about CQI. The more we learned, the more we determined that it fit with our values, and we implemented CQI system-wide in 1990. (short pause) I’m not going to bore you with what it was like to make CQI the culture for 23,000 employees and 5,000 physicians in seven regions, four states, and 20+ entities. I’ll leave it to you to imagine that scenario. Thankfully, at the time, I had no idea what the extent of our commitment would be. Back then, as an extremely impatient person, I was proud of the fact that I was willing to wait
5 years, (short pause) which was the time I thought it would take to improve everything and actually be transformed. (short pause) Little did I realize then that CQI is for life. (pause)

So how did we get from CQI to Baldrige? (short pause) Very briefly, by the mid-’90s, we had reached a plateau with CQI. We just weren’t seeing much progress around the system. As we looked for ways to move us forward, we became aware that companies in other industries that were using the Baldrige criteria were significantly outperforming their competitors. Although health care, at that time, was not eligible for the Baldrige Award, we encouraged our facilities to apply for state quality awards, because those criteria were patterned after Baldrige. Since we’d focused on the awards process as a way to improve, we were surprised and delighted when we actually began winning state quality awards. And in 1999, when health care finally became eligible for the Baldrige Award, we submitted our application and became the first health care organization to receive a site visit. (short pause)

So let me describe what Baldrige has done for us at SSM Health Care. Baldrige has given us a framework, a focus, and discipline. For example, to apply for Baldrige, you have to be able to describe your organization in 50 pages, including results. And if you think 50 pages is a lot, wait til you start trying to do it. The word “discipline” will have a whole new meaning for you.

In all honesty, Baldrige has helped us look at our organization in a very different way than we did in the past. Although our CQI culture was firmly established, our approach to improvement was scattered, so it didn’t have the overall impact that it could have had. Baldrige has provided a new lens through which we see our organization. It has offered us a way to systematically evaluate our entire organization, and understand the link between the hundreds of processes that make up the health care experience.

As I think back to when we first looked at the Baldrige criteria, I am struck by how much we did not understand then. We didn’t even know what the language meant!

So in 1997, two years before we could formally apply, we established system wide teams to do a self-assessment around each of the seven Baldrige categories. We did this to familiarize ourselves with the terminology, as well as to identify major gaps between the criteria and our reality.

For instance, early on, we identified two fundamental gaps under the leadership category. They were . . . the lack of a system wide leadership philosophy including expectations, and, even more important, the lack of a common mission statement used throughout the system.

The leadership philosophy and expectations was a critical piece, because if people don’t know what’s expected of them, we have no way to hold them accountable for their actions -- or lack of action. Fortunately, that was fairly easily addressed. We identified a system best practice in Madison, Wisconsin, where our St. Marys Hospital
Medical Center had recently developed such a document. We asked if we could modify it to fit the whole system, which we did. (pause)

The fact that we did not have a common mission statement was a more complex issue. (short pause) And I want to spend a bit of time talking about it.

For any organization, the mission is the lifeblood. . . the fundamental reason why we do what we do. Early in our system life, we had directed each entity to have its own mission statement and attendant values. We chose that path because, with health care facilities in seven regions, we have always valued local autonomy. However, our entities did their assignment so well that in 1998, we collected 21 single spaced pages of mission and value statements from all of our facilities. In addition to that, our system mission statement was 85 words long -- I emphasize “long” -- AND it had been written by a committee at the corporate level.

In 1998, we began a year-long process to rearticulate our mission and values. The process involved nearly 3,000 employees at every level of the organization from every one of our entities.

And today our mission statement is 13 words, short by design, and the best thing about it is that it was discovered from within our organization. As part of this effort, we also identified five one-word values -- not new values, but ones that had been part of us for more than 125 years.

Now I know it wouldn’t have taken long for our communications department to come up with a catchy mission statement and four or five great values that everybody in the system could relate to. But we realized that a mission statement must come from a process that involves as many people in the organization as possible. And a mission statement takes time to develop.

So in other words, in addition to being short, a mission statement must be of the people, by the people, and for the people, with all due respect to our nation’s founders. If a solid mix of employees has not helped create the mission statement, it will not truly belong to them, and the potential to transform your organization will be hindered. Here’s our mission statement:

“Through our exceptional health care services, we reveal the healing presence of God.” (pause)

It’s short, it’s simple, and yet profound. (pause)

Because the mission and values came from our employees, they embrace them as their own. Let me tell you a story to illustrate this.

Some time ago, one of our hospital presidents received a letter from the parents of a baby who was stillborn. I’d like to quote from that letter: “When the burdens thrust upon you are so heavy you feel the agony will surely cause you to die. . . That’s when you really appreciate the warmth, kindness and empathy given by such wonderful
people. If there was anything left undone during our stay in your hospital, God must have kept it a secret, because if it had been revealed, the nurses on the fourth floor would have done it." (Pause)

You see, even though I am technically the “boss,” the mission of SSM Health Care no more belongs to me than it does to the head of dietary or the lab technician, or the nurse, or the housekeeper. Sure I happen to be the CEO. But the agonized parents who wrote the letter I just read to you couldn’t care less about me. During their time in our hospital, reality was reduced to one small room and the nurses who cared for them with such compassion. The care they received was what mattered to those parents, despite the tragic outcome. Through their “exceptional health care services,” our nurses were able to extend the SSM Health Care mission to the grieving parents. Through the care and compassion of those nurses, the healing presence of God was revealed. (pause)

This story about the letter was one of many told by our employees during our mission rollout. At every one of our hospitals and other facilities, we held sessions in which employees were invited to share stories to illustrate our mission and values. The telling of these stories moved many people to tears, and employees from cafeteria workers to engineers to nurses and physicians came away with a deeper understanding that the work they do has great meaning. (short pause) And lest you think that mission is something “soft,” let me assure you, if it’s done right, it may be the most difficult thing you’ve ever done. However, if it is done right, your mission statement will touch the very souls of your employees and the people they serve. (pause)

For us at SSM Health Care, the mission and values must also be an internal guidepost to our own behavior. Because if we don’t treat one another well, how can we ever expect that our patients will feel that they’ve experienced the healing presence of God? (Pause)

This wonderful experience of rearticulating our mission and values might never have happened had we not used the Baldrige framework to improve our organization. And it all happened even before we applied! (pause)

Then there was the application process, which I’ve already described as a remarkable exercise in discipline. We applied for the Baldrige for four consecutive years, beginning in 1999. The application itself is a great learning experience, and the site visits and the written feedback are invaluable. We now have more than 200 pages of feedback from our applications and site visits, and we’ve made countless improvements as a result. (pause)

The value of using Baldrige as a business model cannot be overstated. Baldrige offers a structured way to look at an organization. It asks very basic questions, but coming up with the answers is hard. . . And I guarantee that once you’ve gone through a Baldrige application and received feedback, you’ll see your organization in a totally new light. (pause)
So what did we learn? Among many other things, Baldrige told us that our messages were not consistently deployed throughout our vast organization. (short pause) We learned that our human resource goals were not integrated into our strategic plan. (short pause) Baldrige told us that we were better at tracking our finances and operations than we were at tracking the health care outcomes of our patients! (short pause) We learned that we did not have a consistent complaint management process. (short pause) And, believe it or not, Baldrige told us this about our wonderful mission statement: “You say you want to deliver exceptional health care services. Yet you haven’t defined ‘exceptional’ services, and you certainly can’t measure them until you define them.” Besides that, they told us that we had been comparing ourselves to the average, rather than the best, when setting our performance goals. In effect, they reminded us that our mission statement doesn’t say, “Through our average health care services we reveal the healing presence of God!” (short pause)

The feedback always causes you to go [hit head] “I can’t believe we didn’t see that.” But the reality is that those of us in any organization are too close to it, so, to see it, that then is the value of having an external review. (pause)

As you may have guessed, we’ve spent considerable time making improvements based on our Baldrige feedback. We’ve figured out how to deploy a consistent message throughout our organization. Our HR goals are now part of our strategic plan. We have developed a complaint management process that is used systemwide. And we now benchmark against the highest performing companies, whether or not they’re in health care. Best of all, we’ve figured out how to translate our mission imperative – that is, “exceptional health care services” – into specific and measurable goals. We’ve set these goals based on 25th percentile data from the Maryland Hospital Association and other best practices. (pause)

We are determined to continue to improve every day in every way. However, the reality is we may never fully achieve our mission. . . because, after all, that would be perfection, and I think we will only experience that in heaven. (short pause)

At SSM, our commitment to improve is driven by our belief that we have an obligation -- a sacred trust, if you will -- to deliver health care better than it’s ever been done before. Baldrige has given us a mantra. Define, measure, monitor, improve. . . Define, measure monitor, improve. . . By constantly focusing on process improvements, we hope to some day achieve stellar results in everything we do. (pause)

Now I want to talk very briefly about the site visits. If you are fortunate enough to receive a Baldrige site visit, understand that the examiners’ role is to verify and clarify the information in your application. At SSM Health Care, our three site visits were very positive experiences. Prior to these visits, when our employees asked me what to say to the examiners, I told them to be proud of the work they do and to tell their stories and enjoy themselves. I encouraged them to speak from the heart. . . And I explained to our employees that they didn’t need to be nervous because I was nervous enough for all 23,000 of us!
Apparently our employees were an impressive testimony to our mission, because after our 2001 site visit, the examiners told us that if they had been able to re-score our application, they would have increased our scores in six of seven categories. They said that for one reason and one reason alone: our employees! And, of course, you know what happened in 2002. (pause)

So what I can say without hesitation is that our commitment to CQI and Baldrige has made us very different organization than we were in 1990 -- even in 1995. Our improvement efforts are more consistent throughout the system. Whereas before, some of our hospitals were stars, today every one of our organizations can take great pride in their improvements. In addition, learnings from CQI teams at one hospital are shared with teams at other hospitals, because we have established a system-wide culture of sharing and replicating.

In fact, we not only encourage teams to share their successes, we ask them to share their failures, since we often gain great wisdom from our failures. I'm proud to say that “stealing” ideas from one another is commonplace at SSM Health Care. So we can point with pride not only at individual hospital improvements, but at regional and system-wide successes, as well. (pause) There are no short cuts. But years of a consistent approach to quality improvement have paid off for us, and I believe that, in our very large health care organization, we are all on the same page of quality improvement. (pause)

To summarize my first two points: Our “awakening” – the recognition that we were not as good as we could be -- occurred in 1989. What we did about it was CQI, which eventually led us to Baldrige. And as an organization, we are at a new place – a far better place today, than we were then. (pause)

Now I’d like to move to my third area of focus, that intangible piece that I call “heart.” I want to give you an example of what I mean. It’s from the book My Grandfather’s Blessings by Rachel Naomi Remen, a physician.

Dr. Remen says this: “The ways and means by which people serve may vary from time to time and from culture to culture, but the nature of service has not changed since our beginnings. No matter what means we use, service is always a work of the heart. There are times when the power of science is so seductive that we may come to feel that all that is required to serve others is to get our science right, our diagnosis, our treatment. But science can never serve unless it is first translated by people into a work of the heart.” End quote.

Dr. Remen tells the story of Molly, one of her former patients, who was hospitalized with fractures of both elbows. Molly had been in an automobile accident as she was driving to the airport in a city 2,000 miles away from her home. When she awoke in the hospital, her arms were encased in rigid casts that went from her shoulders to her wrists.
Molly has multiple food allergies and other very special dietary needs and can become dangerously ill if she inadvertently eats the wrong things. So it was critical that her food needs were addressed while she was in the hospital. Soon after she was settled into her bed, a dietitian took more than an hour to carefully document her unusual food needs. “The questions she asked were so thoughtful,” Molly told Dr. Remen. “She really knew her stuff. In all these years no one has ever asked me some of those questions or understood so quickly and completely how things were with me. I was really impressed.”

Within a few hours, special food was ordered for Molly. Three times a day, this food was served to her by employees who brought it to her bedside on a tray and put it before her on her bed table. Then they left.

“‘The first time this happened,” she told Dr. Remen, “I just sat there, looking at the food, unable to feed myself. I was certain that someone would come to help me, but no one did. After a while, the woman in the next bed noticed that I could not eat. Trailing her own IV lines, she had gotten out of bed and fed me my dinner.’

“The same thing had happened at every meal. In the four days that Molly was in the hospital without the use of her arms, no one on the staff ever helped her to eat. Day after day, the right food would be brought in, and the patient in the next bed would feed it to her.” (pause)

I hate to think that something like that could happen at SSM Health Care . . . or at any hospital, for that matter. We want the hospital experience to be a positive one, in which the patient is safe, receives the highest quality care, and experiences caring and compassion from everyone with whom they come in contact. See, part of our goal is to help our employees receive the scientific knowledge they need to provide the best care . . . but an equally essential part of the equation is about heart. And that brings us to leadership . . . in the broadest sense of the word.

When I ask you who are the leaders in your organization, do you think immediately of the CEO and others in executive administration? (pause) Clearly they are, but I happen to believe that the leadership that builds an excellent organization is not the CEO making one pivotal decision. Rather, it’s the minute-by-minute, day-by-day actions of every employee wanting to learn more, wanting to teach more, wanting to improve everything they do.

My idea of a leader is this: A leader is someone who takes the initiative to do a job in a more efficient way or a better way. A leader is someone who sees an unfair situation and speaks up without hesitation to correct it. A leader is someone who extends herself or himself to others with compassion and thinks of ways to be helpful. A leader is someone who is confident of her or his abilities and freely expresses that confidence, not in arrogance . . . but in humility.

Real leadership is not about authority, control, or giving orders. It’s not about titles and executive benefits. The leadership I’m talking about does not necessarily
concern corporate strategic planning or executive decision making. Clearly both are vital to organizations, and I don’t deny that there are individuals who must be accountable for the overall success of the enterprise.

What I see as real leadership is being responsible for what happens in our area of work--whatever that area happens to be. It’s about being accountable and holding others to account. It’s about owning our work and performing our jobs with integrity, as an expression of ourselves, our creativity, and our commitment.

Whether leadership is inherited...or a developed trait, people who are real leaders demonstrate the ability to step out, show their colors, and spread the word.

When a company succeeds or fails, the first place people look is to the CEO. What plans and decisions did she or he approve? What hirings or layoffs took place? What reorganizations occurred? What businesses were acquired or divested? What investments were made?

But underneath that obvious accountability is another accountability that is more critical to an organization’s success. It is the accountability for creating a climate in which leaders at all levels can emerge and thrive. . . A climate in which people are not afraid to take risks, even if those risks end in failure.

If I’ve learned anything from our quality journey, it is to give up the illusion that because I am the CEO I am the leader and everyone else is a follower. . . Or that a chosen few people with executive titles are the leaders, ready and able to imbue the entire organization with their infinite wisdom. While some of us provide executive leadership for the system or for facilities within the system, we say that there is no one at SSM Health Care who is not a leader.

Employees lead when they know their voice is heard. They lead when they know that they are respected members of the team, regardless of their title or salary. They lead when they know that they can have an idea and carry it out. . . That they can speak and be listened to with respect. They lead when they know that everything doesn’t have to be spelled out in a formal plan before it can happen. . .

Leaders are ordinary people who do extraordinary things when the need arises. . . Three and a half years ago -- on September 11th, 2001 -- no one told the heroes of United Airlines flight 93 what to do. They rose to the occasion and called on the leadership and courage within themselves. And their action changed history!

(pause)

I’d like to tell you another story about some of the leaders in my organization, and I hope you’ll agree that it illustrates what I mean by heart. (short pause) Cardinal Glennon Children’s Hospital is one of our St. Louis hospitals, and it’s a very special place. Part of what we do involves community education, and we recently produced a video about Footprints, a Glennon program that helps families whose children are likely to die before they reach the age of 18.
Footprints helps these children live their lives to the fullest, during the brief time they have. During the taping of the video, several caregivers recounted the same story. a story that had touched them deeply almost 25 years ago – in 1981. It’s a story that we have promised to keep alive.

A baby was born that year with multiple severe birth defects, and it was obvious he would never go home from Glennon. But his mother had one wish before he died. Even though he was hooked up to IVs and other equipment, she wanted him to be taken outside to feel the breeze on his face.

It was a challenging task, given the baby’s condition, but the Glennon staff felt it was important to honor the mother’s request. So on a cool, fall day, the mother held her baby in her arms, and, accompanied by our caregivers, went outside to a courtyard. As they stood together, the baby’s doctor -- who was an intern at the time -- picked a flower, and placed it in the baby’s hand. (pause)

Well, the baby died shortly after that, but our doctors and nurses were grateful that the mother had felt some semblance of peace because they’d been able to grant her simple wish. (pause)

One of our nurses who was present that day decided to let the mother know that her son’s story was being told to the video crew by many of our employees. Even though she knew the mother had moved several times, the nurse wrote to her, hoping against hope that the letter would reach its intended destination.

Several weeks after she sent the letter, our nurse received a phone call from the mother. She’d received the letter and had read it tearfully, because so few of the people in her life now even knew about her baby. The two women talked -- somewhat emotionally -- for 20 minutes, and then the mother had one more request. “Please use my son’s name whenever you tell his story,” she said, “as a remembrance of his life.”

So I will tell you his name: (pause) Andrew Kilmer. . . As a remembrance of his life. (long pause)

How different it would have been had our staff convinced the mother not to go outside because of Andrew’s condition; (short pause) how different if our nurse had not written the letter that touched off such deep emotions for both women. (pause) To me, that is a story about leadership. . . about extending oneself to others with compassion. . . and that really is “heart.” (pause)

Earlier in my remarks I suggested that creating an organization of leaders will take every bit of energy you can possibly muster. And I said that your commitment must be for the long haul. (short pause) However, it is your calling forth of leaders that will ultimately transform your organization. Baldrige has helped us to recognize this essential truth, and we will be forever grateful for our Baldrige experiences. (pause)

I'd like to close with a further thought from Rachel Naomi Remen, the physician who told the story about the woman with the two fractured elbows.
“There is a parable about the difference between heaven and hell. In hell, people are seated at a table overflowing with delicious food. But they have splints on their elbows and so they cannot reach their mouths with their spoons. They sit through eternity experiencing a terrible hunger in the midst of abundance. (short pause) In heaven, people are also seated at a table overflowing with delicious food. They, too, have splints on their elbows and cannot reach their mouths. But in heaven, people use their spoons to feed one another. (pause) Perhaps hell is always of our own making. In the end, the difference between heaven and hell may only be that in hell, people have forgotten how to bless one another.” (long pause)

So, before I leave you, I want to offer you my personal blessing: May you be blessed with enough challenges to keep life interesting, but not daunting, may you know the infinite goodness that resides within you, may you enjoy peace and happiness, and may you never forget how to bless one another. Thank you.