

ST. LUKE'S HOSPITAL

CASE STUDY

Sg2 and St. Luke's collaborated to identify short-term wins and key milestones.

Key Challenges to Enterprise Growth and Transformation

- ▶ Acquiring a second hospital in its market in May 2018 did not yield the expected results, primarily due to the COVID-19 pandemic.
- ▶ The organization was working to achieve many goals and initiatives, but turnovers in leadership resulted in the lack of a long-term strategic plan, robust market data, an organized approach to planning or a plan for integrating the newly acquired hospital into the organization.
- ▶ Intense competition within its market called for a focus on growth and talent acquisition, as other health systems were also vying for the same resources.
- ▶ With multiple CEO turnovers, it was critical that this plan establish trust and confidence among physicians, staff and the board.



System Profile

St Luke's Hospital is a distinguished nonprofit health system located in the greater St. Louis area. It is composed of two hospitals with a total of 636 beds, two ambulatory surgery centers, eight urgent care facilities, nearly 200 employed physicians, a medical staff of over 1,000 physicians representing 60 specialties, and nearly 5,000 dedicated employees. St. Luke's is renowned for its Heart and Vascular Institute, cancer center, and women's services. However, post-pandemic, leaders faced challenges with organizational direction without a formalized strategic plan. They sought a trusted partner that could provide expertise and insights in the local market, as well as a forecast of the health care landscape. St. Luke's sought a partner that would engage with the organization; refine its vision; and develop a comprehensive, tactical five-year strategic plan to facilitate growth, transformation and financial strength while respecting its desire to remain independent and maintain its unique culture.

THE SOLUTION

St. Luke's leadership understood that to achieve growth and transformation, the organization needed more than a one-day off-site strategic planning session. It needed a thoughtful, customized and transparent approach based on solid market data and robust analytics—not a one-size-fits-all solution. Its leaders sought a partner that would genuinely listen to and understand all key stakeholders, grasp the unique aspects of their organization, and bring the depth and breadth of expertise necessary to build consensus and make informed decisions for St. Luke's future. Sg2 and Vizient were chosen as St. Luke's trusted partners for these reasons.

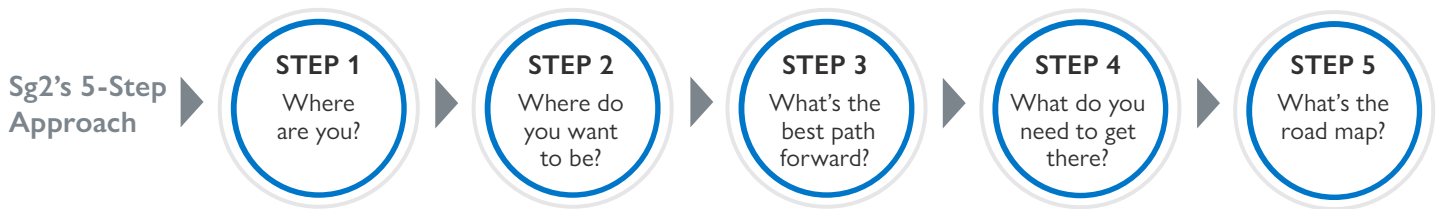


IN THEIR WORDS

“We didn't want a ‘prescription’ approach. The Sg2 team was patient, listened and took the time to understand who we are as an organization. There was transparency all along the way. The process ensured everyone was aligned.”

—Andy Bagnall, President and Chief Executive Officer, St. Luke's Hospital

THE Sg2 APPROACH



1 Current state assessment: The Sg2 team dedicated six weeks to gathering data and input from across the organization. Personal interviews with 22 key staff members and over 900 staff survey responses were taken into consideration to understand organizational dynamics pertaining to physician alignment, workforce, consumerism and other factors. Regional and local trends and forecasts were analyzed and shared with the steering committee.

2 Defining future vision: Sg2 collaborated closely with the steering committee to establish the components of a successful future state and build consensus around a new vision. This involved identifying barriers to success and formulating strategies to overcome them.

3 Environmental scenario planning: The Sg2 team devised seven tailored scenarios, examining their impact on national, regional and local factors encompassing favorable, unfavorable and ambiguous market conditions. Working sessions with the steering committee and board were conducted to assess the organizational and environmental responses to each scenario.

4 Finalizing strategic imperatives: St. Luke's future vision was finalized, and strategic imperatives were defined and prioritized to ensure success across environmental scenarios. The Sg2 team and St. Luke's collaborated to identify short-term wins and key milestones to be achieved in the following three to four months.

5 Creating tactical road map and communication plan: The Sg2 team collaborated with Vizient's Reliability and Management Systems experts to incorporate and align their strategic imperatives, allowing St. Luke's to be successful in strategy deployment and execution.

ST. LUKE'S RESULTING STRATEGIC ROAD MAP CONSISTED OF:

Detailed tactics

Established timelines and accountability for each initiative

Key performance indicators

Additionally, Sg2 recommended the following elements to be included in St. Luke's communication plan:

- Communications targeted at department-level leadership
- Marketing plan to unify the two locations under a new brand and logo
- Comprehensive presentation to the board outlining the new vision and strategy
- Reporting and scorecards to track progress and outcomes
- Update of the organization's governance and bylaws
- Public relations strategy to inform the community about the new vision and strategy
- A concise one-page summary outlining the go-forward vision and strategy

IN THEIR WORDS

"Sg2 has the depth and breadth of talent that will assist an organization with whatever issue it has. The team always worked to find an answer to whatever question we had and were flexible within the framework that worked for our organization."

—Andy Bagnall, President and Chief Executive Officer, St. Luke's Hospital

THE RESULTS

Development of St. Luke's new Enterprise Strategic Plan accomplished the following:

- ▶ Achieved consensus on the organization's future direction
- ▶ Identified growth markets and services poised for success
- ▶ Developed success metrics for each strategic pillar
- ▶ Enhanced integration throughout its System of CARE
- ▶ Leveraged market analytics to optimize use of current assets
- ▶ Encouraged organizational cohesion in pursuit of growth and community impact while upholding a reputation for exceptional quality and personalized care
- ▶ Achieved unanimous buy-in from the board and the donor committee, spurring discussion on financial support for the strategy

Implementation of the Enterprise Strategic Plan included the following:

- ▶ An ongoing marketing campaign was launched to increase awareness of the Strategic Plan and its purpose to key internal and external stakeholders.
 - An overarching **One St. Luke's** brand and icon was created to represent the plan and make it memorable. Marketing tactics included a CEO video message, icon screensavers on computers and phones, and use of digital monitors to promote each pillar of the plan. Elevator wraps, an employee newsletter story, periodic highlight blurbs and an intranet landing page with the core principles of the plan were also deployed. A unique aspect was the use of a foam One St. Luke's finger, which was a huge hit and featured on social media. These activities elicited a surge of excitement among the staff.
 - As a result, word quickly spread throughout the market about St. Luke's visionary approach, and prominent leaders and medical groups in the community approached St. Luke's expressing their desire to work together.
- ▶ One year later, an Enterprise Strategic Session was held, focusing on Phase 1 rollout areas in which St. Luke's:
 - Promoted cross-departmental information sharing, helped to break down organizational silos and encouraged accountability through public reporting of plans.
 - Distributed an online project management worksheet to implementation leaders and parties responsible for individual tactics.
 - Identified 274 tactics across culture, clinical capabilities, growth and operational excellence for completion in FY24; 134 of these tactics have been started.
 - Phase 2 tactical sessions and another Enterprise Strategic Session are planned.

KEY Sg2 ANALYTICS LEVERAGED IN THE ENGAGEMENT

 IoC Express	<i>Impact of Change® Forecast: National, Market, Organization</i>	 Ambulatory Market Strategist	<i>Ambulatory Market Strategist</i>
 State Data Analysis	<i>State Data Analysis</i>	 Insurance Coverage Estimates	<i>Insurance Coverage Forecast</i>

CARE = Clinical Alignment and Resource Effectiveness.

 For more information on Sg2 capabilities, contact us at info@sg2.com