



Five Steps to Identify and Capture a “Performance Premium” For Your Organization.

By Edward M. Hindin

Follow these 5 steps to identify and capture a "performance premium" for your organization.

Step 1: Create and focus and align your organization on the few critical actions that matter. Identify the top initiatives for the next twelve months.

Step 2: Determine how much of the potential return on your strategic investments your hospital or health system achieves. Compare the expected return of your strategic investment for 3 to 5 of your most recent strategic initiatives. Identify the “gap” for your organization and set an internal goal for your next initiative under development. Set a specific goal around improving your performance.

Step 3: Identify and quantify the contributors to performance loss for your organization as an important step to realizing an improved return on investment. Be objective in this evaluation.

Step 4: Attack the Gap: apply the rules. Clearly devise and communicate strategy and accountabilities – who is on the hook for what? Align leaders around top goals and initiatives and ensure collaboration occurs to achieve the stated results – everyone driving for a shared set of goals and not out for individual gain

Step 5: Measure and monitor performance. Each and every month review your progress and keep score publicly. Focus on the results that have or have not been achieved – not the process.

The collateral benefit of reducing the strategy-to-performance gap far exceeds the immediate additional financial yield. Closing the gap also produces cultural and behavioral changes that have a lasting impact on an organization's capabilities, strategies and competitiveness. Success produces new investment capital and a renewed commitment to continuous improvement.

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