

EPISODE 9

Harnessing a Disruptive Mindset in Healthcare with Charlene Li

See the show notes at:

THEHEALTHCARELEADERSHIP EXPERIENCE.COM

Lisa Miller (00:06):

Hi, Charlene. Welcome to the Healthcare Leadership Experience. I'm so excited to have you today.

Charlene Li (00:11):

Thank you so much for having me. Looking forward to it.

Lisa Miller (00:13):

That's great. So I know you from a few different previous experiences, but can you just tell our listeners a little bit about you, and just what you've done and what you're doing? Your background's so interesting, I think everyone would enjoy that.

Charlene Li (00:31):

Sure. I'm a long-time analyst, and I started it after a small little stint in newspaper publishing. And it started as an internet media and marketing analyst at Forrester back in 1999, right at the very beginning of the dot-com boom. And so, rode that entire wave, did all this analysis on internet advertising and social media, and wrote my first book back in 2008 called *Groundswell*. And soon after that, left to form a disruptive analyst firm called Altimeter. And in 2015, sold that to Prophet, a brand and strategy consulting firm. And so I've been there ever since. Have been writing more books, so six in total, and my latest is called *The Disruption Mindset*.

Lisa Miller (01:16):

Great. Thank you. And that's what we really want to talk about today. Healthcare and hospitals are going through so much disruption, and I've got a couple of questions for you. And as I was saying earlier, I was listening to a few of your videos on your site, and I'd like to tell our listeners to go onto your site, but I'll tell them where later. You speak about disruptive leadership and it's a mindset. And I love your quote. You said, "You've got to give up control to be in command." Can you just talk a little bit about disruptive leadership?

Charlene Li (01:51):

Sure. Yeah. And this whole idea of being in command or being in control, a lot of leaders, especially with the rise of collaborative technologies and more people getting power because of social media, really question like, "Well, what does it mean to be a leader? I can't control people anymore. They're getting more and more power. And how do I make them do things?" And I'm like, "Well, this is a fallacy that you ever were in control in the first place." You don't control people, you command them. And the authority and the credibility of your command comes through the relationship that you build with them.

Charlene Li (02:25):

So if there isn't credibility, if there isn't trust, then you can't get people to do anything. You don't really control them. And so if you set that aside, how do you develop and deepen these relationships, especially with all of these new tools? How do you extend your leadership into these areas? And when it comes to disruption, you have to do that at scale and do it really quickly, and it requires a very different mindset to be able to do that.

Lisa Miller (02:52):

So I'm going to jump to a question I had later, but it leads me into — you talk about the differences between disruption and innovation, and I love how you do that analysis. And I think that was a good segue. We talk a lot about innovation, can you talk about how you compare and contrast?

Charlene Li (03:10):

Sure. Innovation is something that we think we all should do, but we like innovation to be packaged up into a nice tidy bundle with a bow, and you hand it to someone like, "Okay, let's go be innovative. But it's going to be straightforward, it's going to

come in on time and on budget, and we're not going to be feeling any stress." And I think that's a false promise. Any sort of innovation that's worthwhile is going to feel disruptive because it's going to cause you to move from your status quo into a new space.

Charlene Li (03:40):

And any time you're going through that transition, it's going to be hard. You're learning to do new things, establish new relationships. And so what happens when you're in an innovation frame of mind, you move forward and you're like, "Oh, this is great. This is easy." And then, when you come to the first obstacle like, "Whoa, wait that wasn't in the cards here. Let's go back to safety. Let's go back to our comfort zone," and you don't push forward.

Charlene Li (04:04):

Versus if you know you're going to be disrupted, you're going to be disruptive. You're prepared for that tough journey ahead and you're ready for that obstacle. You've planned for it. You've made all the priorities and investments to be able to work around that obstacle, and you forge forward. That's the key difference.

Lisa Miller (04:23):

I really think that that's something that I would imagine that hospital leaders or healthcare leaders would really be thinking about now. You talk about it that it's honest, it's painful, but it's about growth and change, but you're right. Innovation's tidy, but disruption doesn't sound so tidy.

Charlene Li (04:44):

No. And whenever we talk about disruption, people go, "Well, that's such a negative word. Can we just avoid disruption, and not have to do that? Because it feels really uncomfortable." I go, "That's the entire point. The point here is that we be honest with ourselves and with each other, that this is going to be hard, but it's worth it. It's worth it for the patients. We want patient outcomes to improve. We're not going to get there by taking the easy, slow, comfortable path. We don't have time. We don't have the luxury of being comfortable. These are highly disruptive, turbulent times and we're going to have to rise up to that occasion and be prepared to take on these really audacious goals that are going to be really, really hard. But let's be honest about it."

Lisa Miller (05:33):

Yeah. You talk about, of course, we think about it too with innovation, but it's finding growth opportunities, anticipating the needs of our patients, and if we're not going to do it, our competitors are going to do it. Can you just talk a little bit about maybe culture and being a disruptive leader, and what that means?

Charlene Li (05:55):

Oh, this is one of my favorite topics because it's one thing to have a strategy that says, "I want to get to a new disruptive future." So that's the journey you want to go on. Your culture determines how quickly you go on that journey. It is the engine that puts you down that road along that journey. And so, if you have a culture that's really well-tuned to disruption. In other words, it takes on these obstacles, it takes on uncertainty and duress, and knows how to deal with that. It's built into your beliefs and your behaviors of how to deal with all of these changes all the time.

Charlene Li (06:31):

And it becomes the norm rather than the exception. So some organizations are just really built for disruption, and that's what started me on this whole journey. Why is it that some organizations just do this day in, day out? They seem to be so capable of handling so much challenge and so much change — whereas others, you put just a little bit of change into their system and it feels like it's going to collapse at any minute. It's very fragile.

Lisa Miller (06:59):

So would you give listeners some advice? I know you can't give all the advice in a few minutes, but maybe how they can start changing their mindset about what they need to do, or examining disruption, and how to you utilize that thing for themselves?

Charlene Li (07:16):

Yes. Yeah. One of the things that people often associate disruption with is a technology. So they say, "Oh, we need to put in this technology so we can be more disruptive," and that's thinking about disruption backwards. It's actually thinking about growth and the relationships you have with your customers and clients, and in this case, with hospitals, with your patients. How is that relationship going to

change? How are you going to deliver better healthcare and better health outcomes? Because of all the different possibilities.

Charlene Li (07:44):

Just think about over the past eight months how many things have changed. The fact that we've had to pivot to telehealth, the fact that we are thinking about doing so much more through digital platforms to prepare people so they spend less time in the healthcare environment so we can maximize that capacity, all the things that we've done. And we would've thought it would take 5 or 10 years to make those changes happen, and they happened in like 5 or 10 days. So we're capable of doing so much more than we give ourselves credit for.

Charlene Li (08:16):

So in order to fix that change, my number one thing, the secret I have found of disruptive organizations is they focus on that future patient experience. They think about what that future could look like. And instead of thinking really far out into the future, just begin looking at small little changes that you can make. So you don't get to do the large changes until you get comfortable doing the small changes. But don't wait to do it over 2 months, think about how you could do it over 2 weeks, or maybe even over 2 days.

Charlene Li (08:55):

When you set yourself impossible deadlines, you tend to beat them. Or get close to them, at least. And I think just setting that change and saying, "Look, this is worth making this change. I know it's going to be really hard, but let's try it."

Lisa Miller (09:10):

That's really great, Charlene. Thank you. You think about it, we did pivot to telehealth so quickly, and everyone thought it was years out, like you said. My mom, for instance, she had a couple of issues during COVID, but they managed to keep her healthy and well at 84, not coming into the hospital, whereas before, that would have been a lot of visits.

Charlene Li (09:36):

Yeah. And think about what had to change here. First the hospital and the healthcare system had to change, but your mom had to change too as well. And we

don't give enough credit on both sides. An 84-year-old patient was able to use whatever is the technology that she had available to be able to have healthcare delivered to her. That's incredible.

Lisa Miller (10:00):

Right.

Charlene Li (10:01):

And we're able to do this. We don't give ourselves enough credit. We don't give our patients enough credit that they can do this.

Lisa Miller (10:08):

That's a great point because I think we think there's an issue like, "Oh, they just aren't going to get it." That's a great nuance, and who would have thought my mom at 84 would be able to really get on a phone and communicate, understand? And not that she can't understand, but just use a technology that's unfamiliar to her. So that's a great point. And I wonder how many things we're not thinking about what our patients are capable of. It's a great point.

Lisa Miller (10:34):

In your book, *The Disruptive Mindset: Why Some Organizations Transform While Others Fail*, it's a great book. And we've been talking a little bit about some of the topics. Can you talk about, in one of the chapters, you speak about developing disruptive leaders, and how maybe, again, our listeners can think about even developing that? They think, "Okay, well I don't have anybody here that's disruptive."

Charlene Li (11:03):

Right. The way to think about disruption, it's not an on or off, it's a scale from one being you don't like anything to change, you like things to be exactly the same every day, very few people fall into that — to a 10, meaning you don't just think about disruption, you're able to make it happen at huge loads of scale. Again, not too many people are at 10. Most people are somewhere in between, and I look at it this way. You can give yourself a number along that gradient, but you think about your organization, and even if you're a 2 in your organization, and you're a 3 — you are killing it. You are incredibly disruptive to that 2.

Charlene Li (11:45):

So you don't need to be crazy disruptive. In fact, I think if you were an 8 or 9 working in a 2, it wouldn't work out. You'd just be so disruptive, everybody would be looking at you like, "You're an alien. We don't understand you at all. What are you talking about?" So this is again talking about, what's the next level of disruption? And just pushing your organization a little bit out of its comfort zone is going to be really hard. I tell you, even the organizations at 8, 9, and 10s, they struggle with this. It feels just as hard for them to move to the next level as it is a two moving to a three.

Charlene Li (12:26):

I talk to people at the most disruptive tech companies. Think of the usual suspects. Microsoft, Google, Facebook, Amazon, and they talk about how hard it is. It's just hard moving to the next level — no matter what level you're at.

Lisa Miller (12:43):

Yeah, it's something to think about because I think like you said earlier, it's out of our comfort zone, and you talk a little bit about living outside of your comfort zone and we all have to do that, and I'm doing that in lots of different ways, but there's so much learning. And that's where the growth is, right? Outside of your comfort zone, doing things differently.

Charlene Li (13:05):

Right.

Lisa Miller (13:05):

And yeah, just getting your team more comfortable with that, and trusting them too, I would imagine that trust is important.

Charlene Li (13:11):

That's a huge part about being a disruptive leader. I talk about in the book about creating followership. It's an old concept. It's the flip side of leadership. Followership is the relationship you create with your followers. And it can be defined as more like they're sheep in the fact that you give them an order and they follow you without ever questioning. But really, a true effective follower is somebody who you see as a partner. And they may actually be better at something than you are, so you rely on

them. You're putting the power... you're giving them and telling them "You have the agency to be able to make these decisions."

Charlene Li (13:50):

"The accountability flows to you. You have that power. You came into the organization with that power. And that allows your disruptive leadership to scale through all these people." And this is the key thing about being a disruptive leader. You have to create a movement. And movements have taken a life of their own. And movements really become a movement when you're no longer at the front of it and other people are carrying it for you. And that's why I think disruptive leadership is such a different breed than the traditional leadership of somebody at the very front charging along the way. Disruptive leadership looks very, very different.

Lisa Miller (14:35):

You talk about big gulp moments, and you talked about it a little bit earlier, but just maybe you need some smaller gulp moments. I would think that it was in a hospital, there would have to be or could be different departments with those big gulp moments. Can you just talk a little bit about that? Because I found it really interesting how you talk about that being like a movement, but in that concept.

Charlene Li (15:03):

Yeah. I'll tell you a hospital that I worked with recently, they had this model, this belief of, "Do no harm," which is, of course, a beautiful universal belief when it comes to medicine and healthcare. "Do no harm." But that belief had morphed into not just, "Do no harm," "Never take any risks that could potentially create harm." And so nothing was changing. Nothing was taking on a risk. Anybody could at any point pull out, "Do no harm," to squash any sort of innovation because it was scary. It might not work. It wasn't going to be perfect.

Charlene Li (15:41):

And what I reinforced with them was, "Do no harm doesn't mean be perfect. Our patients don't expect us to be perfect. It's healthcare. If we were to be perfect, you would never ever treat anybody. You would never go in and make those calls that we have to make the calls for people, making our best judgment to guarantee the best outcomes." So when you take that philosophy, one of the hardest things I had to do was to back away from that, and that was a big gulp moment for them when they

sat around and said, "We're not going to use it as an excuse anymore. We're looking at this new initiative and we're extremely uncomfortable with it, but when we do the analysis, think about this, this is the right thing to do for our patients, and we're incredibly nervous about it."

Charlene Li (16:28):

So they literally held their hands, looked into each other's eyes, and went, "Are we ready to take the big gulp and make this decision? It may not work out, but we are doing the best that we can around this." And I think that so many hospitals made so many of those big gulp decisions this past spring, and they continue to, to this very day. We're constantly having to make those trade-offs. They're not perfect, but we make them. And so that's exactly that same mindset you want to take to any sort of disruptive leadership, "It's not going to be perfect, it's going to be messy, but we're doing this with the best of intentions and with great care. And with a lot of research and thought. And in the end, we're being asked to take that leadership moment, make the decision and make the call."

Lisa Miller (17:16):

Absolutely. So as we wrap up, I think earlier this year, you had a video that was really great. I encourage anyone to ... I'll provide the link later, but you talk about a manifesto. And can you talk a little bit about why a manifesto is so important, and even how a hospital, it might be that moving beyond a mission statement, and why a manifesto might be a really good idea for a hospital?

Charlene Li (17:47):

Yeah. I love manifestos because they expand on that mission statement. A mission statement is a nice pithy sentence that captures everything. And so it's nice, but very few people can repeat it word for word, and what does it really mean? And manifesto really breaks it down to say, "This is the way the world is today, and we think it needs to change. This is the future we want to create." And the manifesto describes in detail, emotional detail, about why it's so important for this world to come and how we're going to do it.

Charlene Li (18:20):

So it's a manifesto. It's a statement of your beliefs, and your statement of how we're going to make those beliefs come to life. And it feels great because other people can

repeat the manifesto. Again, not word for word, but because they understand the meaning behind it. They understand the actions they personally have to take in order for that manifesto to become true.

Lisa Miller (18:45):

So as you know, I love your work, and I really appreciate you coming on and talking with me today. Is there anything that I missed, or something else that you'd like to share? You have so much depth and breadth, and is there anything else that you'd like to talk about, Charlene?

Charlene Li (19:01):

Yes. I would, again, encourage you to take those small little steps, but also do this very important thing, which is at the very beginning, figure out where your edge is. Figure out, what's the very edge of how far you could go? We all experienced that edge back in March. We were pushed to the very edges of our capabilities and we turned out okay. And that should be giving us confidence that we can go to that edge — but you don't know where that edge is unless you go look at it and look over that edge and you go, "Oh man, that is crazy. That's insane. That's too much," and then you take one step back from that edge.

Charlene Li (19:40):

And don't retreat from that. Stay at the very edge. Don't go back to your comfort zone. And know, this is the very edge of what your organization is capable of doing, but at the same time, you know you're on safe ground. You know you're there supporting each other. But stay at that edge, don't back away from it, no matter how scary it's going to be. But you know you're on safe ground.

Lisa Miller (20:05):

That's such great advice. Thank you, Charlene. It was great having you get on the show today. I'm going to let our listeners know how to get in touch with you, and how you could work with them in different ways just speaking and providing some coaching and consulting work, and we'll get everybody that information. Again, it's Charlene Li, CharleneLi.com, and thank you again. It was really...

Charlene Li (20:27):

Thank you so much. Thank you so much for having me.

THE HEALTHCARE LEADERSHIP EXPERIENCE *with* LISA MILLER

MEET LISA MILLER



It's important for hospitals to have a clearly defined cost savings strategy with purchased services as a component to that strategy. We provide our clients with a focused roadmap to achieve those savings through our expertise since 1999.

Lisa Miller launched VIE Healthcare Consulting in 1999 to provide leading-edge financial and operational consulting for hospitals, healthcare institutions, and all providers of patient care.

She has become a recognized leader in healthcare operational performance improvement, and with her team has generated more than \$720 million in financial improvements for VIE Healthcare's clients.

Lisa is a trusted advisor to hospital leaders on operational strategies within margin improvement, process improvements, technology/ telehealth, the patient experience, and growth opportunities.

Her innovative projects include VIE Healthcare's EXCITE! Program, a performance improvement workshop that captures employee ideas and translates them into profit improvement initiatives, and Patient Journey Mapping[®], an effective qualitative approach for visualizing patient experience to achieve clinical, operating, and financial improvements.

Lisa has developed patented technology for healthcare financial improvement within purchased services; in addition to a technology that increases patient satisfaction through front line insights.

Lisa received a BS degree in Business Administration from Eastern University in Pennsylvania and a Masters in Healthcare Administration from Seton Hall University in New Jersey.

She is a member of the National Honor Society for Healthcare Administration – Upsilon Phi Delta. Her book *The Entrepreneurial Hospital* is being published by Taylor Francis.

EPISODE
NINE:

HARNESSING A DISRUPTIVE MINDSET IN HEALTHCARE WITH CHARLENE LI
THEHEALTHCARELEADERSHIP EXPERIENCE.COM

MEET CHARLENE LI

For the past two decades, Charlene Li has been helping people see the future. She's the New York Times bestselling author of six books, including her newest release, *The Disruption Mindset: Why Some Businesses Transform While Others Fail*, and *Open Leadership* as well as co-author of the critically-acclaimed book, *Groundswell*.



Charlene is an entrepreneur who founded and ran Altimeter Group, a disruptive industry analyst firm that was acquired by Prophet in 2015. With over 20 years of experience in tech and business, she has been a respected advisor to Fortune 500 companies on digital transformation and leadership. Charlene also serves on the regional board for YPO, a global network of CEOs.

Charlene is a sought after public speaker and has appeared at events ranging from TED and the World Business Forum to SxSW. She has appeared on 60 Minutes and PBS NewsHour, and is frequently quoted by The Wall Street Journal, The New York Times, USA Today, and The Associated Press.

Charlene was named one of the Top 50 Leadership Innovators by Inc., and one of the most creative people in business by Fast Company. Charlene graduated magna cum laude from Harvard College and received her MBA from Harvard Business School. She lives in San Francisco.