

CASE STUDY: MCCHRYSTAL GROUP SERVICES

Driving Alignment within a Shared Services Organization

Global Healthcare Company



The Operations division of a Fortune 10 healthcare company was better able to handle a changing regulatory and competitor landscape thanks to a new operating model.

Why this industry/problem set is relevant in the world today:

Economic and political pressures on the healthcare industry present challenges to established companies whose traditional operating models are no longer driving desired performance. With shifting consumer expectations and increasing competition from younger, more agile companies, well-established companies need to evaluate which processes and systems are still fit-for-purpose and which need to be radically transformed.



We'd engineered our business for scale, but we didn't have our teams talking to one another. Once McChrystal Group got these groups connected, suddenly...all of these insights started to come out."

Chief Operating Officer

Challenges

McChrystal Group partnered with a global healthcare company which had recently embarked on a multi-year initiative to improve its value of care for consumers. To support in the implementation of this initiative, the company requested that McChrystal Group evaluate the Operations division – spanning 50,000 employees across five countries – to determine how it was contributing to the goals of the overall company.

Using our proprietary diagnostic tool, we gathered data from 2,382 employees and identified the following challenges:

Ineffective prioritization:

Though the company's long-term strategy was well-understood, teams within the Operations division were unfamiliar with how their work fit within that strategy. This resulted in a lack of prioritization and little effective execution on the organization's strategic plan.

- *Only 35% of leaders thought that teams shared the same perspective on how to succeed in the healthcare industry.*
- *Only 50% of mid-level managers agreed that leadership made priorities clear.*

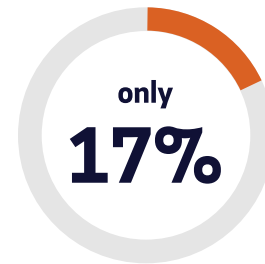


Mid-level managers agreed that leadership made priorities clear.

Inconsistent hierarchical and lateral information sharing:

Teams did not have the context needed from their leaders to make decisions. This created a reactionary work culture where no-one made decisions until forced by circumstances. In addition, employees were unfamiliar with the work of other teams outside of their direct reporting structures, limiting collaboration.

- *Only 17% of senior leaders believed that the division collaborated in a way that contributed to success*

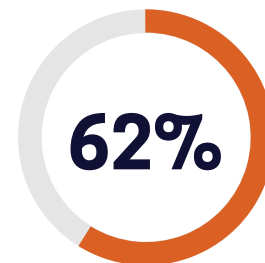


Senior leaders believed that the division collaborated in a way that contributed to success.

Ambiguous decision-making authority for Operations leaders:

Decision rights were unclear to employees outside of the executive leadership team, creating a passive and risk-averse culture.

- *62% of senior officers thought that teams lacked clearly-defined decision responsibilities*



Senior officers thought that teams lacked clearly-defined decision responsibilities.

Solutions

Having identified these opportunities, McChrystal Group was hired to implement the following solutions:

Align The Team

Through a facilitated program, McChrystal Group and the Division's leadership drafted a universal Operations Strategy Framework. This framework was specifically designed to be both measurable and directly connected to team-level goals.

To ensure that the framework remained relevant, McChrystal Group co-designed and implemented a quarterly Business and Strategy Review cadence. Having a regular process in place to review the strategy allowed for plans to be adjusted when they were no longer contributing to the achievement of strategic goals.

Communicate At Scale

McChrystal Group conducted workshops with all the Operations teams to identify specific areas of ambiguity and tension. Using the data gained through these workshops, we were then able to design a cross-functional communications forum that would solve for the challenges shared by workshop participants. The purpose of this forum was to improve collaboration between business units. McChrystal Group also trained company employees in how to improve their presentation skills to ensure a more effective forum.

Empower Decision Making

McChrystal Group worked with senior leaders to formalize their "decision space". Specific decision authorities were distributed among different officers and teams, while knowledge of this decision ownership was communicated across the larger organization.

Embed Behavior Change

Senior leaders were provided with individual feedback and coaching to create a culture of transparency, empowerment, and cross-functional collaboration.

Impact

Identification of top line revenue:

Thanks to the strategic realignment provided by McChrystal Group, an additional **\$65 million** in value was identified for the enterprise.

Cost avoidance and cost savings:

The communication forum allowed the Operations division to:

- i.** Anticipate redundant processing efforts, thus salvaging **\$40 million** in value from a third-party vendor.
- ii.** Identify **\$20 million** in efficiency savings.
- iii.** Discover an automation coordination gap totaling **\$83 million**.

Improved change management awareness among Operations leadership:

Self-reported change management awareness among mid-level managers increased from **56% to 70%**.