

Practice Management

Open-Book Management: Using Transparency and Gamification to Engage and Empower Frontline Staff

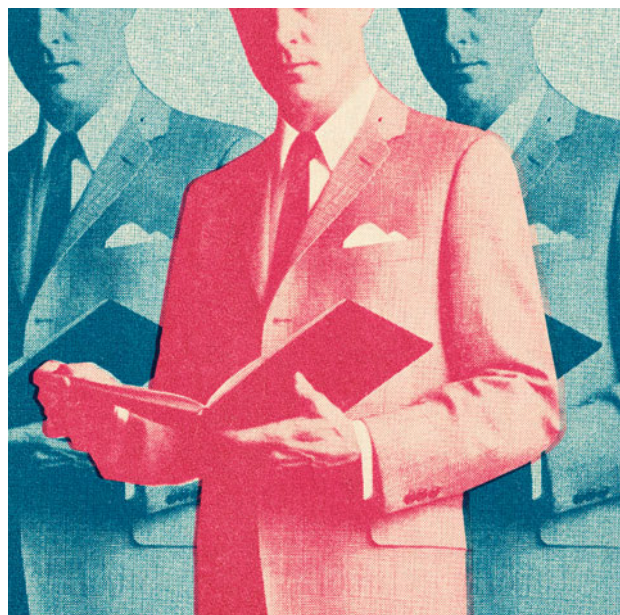
Urgent message: Urgent care operators can cultivate a sense of ownership using the techniques of open-book management, which entails teaching frontline staff members how a business makes money and turning the process of increasing profits into a game.

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Introduction

Urgent care requires dedicated, engaged, and focused frontline staff members to deliver the types of patient experiences that spur repeat visits and positive word of mouth. Yet a Gallup poll conducted in 2014 showed that a paltry 32% of U.S. workers are truly engaged in their jobs.¹ That means that more than two-thirds of America's workforce is simply going through the motions—which engagement experts have clearly demonstrated has a damaging effect on a company's bottom line.

This widespread disengagement was found to be especially prevalent among groups such as general laborers and customer-facing, or frontline, staff members, because they often perform the most physically and emotionally taxing duties while receiving the lowest pay. For an urgent care operator, likely dealing with slim margins already, a disengaged staff can have serious



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1. Gallup. Majority of U.S. employees not engaged despite gains in 2014 [Internet]. Washington DC: Gallup, Inc.; © 2015 January 28 [accessed 2016 January 31]. Available from: <http://www.gallup.com/poll/181289/majority-employees-not-engaged-despite-gains-2014.aspx>

Table 1. Financial Consequences of Employee Engagement

Engagement Level	Return on Salary
Fully engaged	120%
Engaged	100%
Somewhat engaged	80%
Disengaged	60%

Data from Human Capital Institute, reported in Schweyer A. The economics of engagement [Internet]. McLean, VA: Incentive Research Foundation [published 2010 January 5; cited 2016 January 31]. Available from: <http://theirf.org/research/the-economics-of-engagement/206/>.

financial implications. General employee engagement levels, as they relate to their respective returns on salary, are illustrated by data from Human Capital Institute, a global talent management agency, in **Table 1**.

The hard truth of this staggering finding is clear: Essentially, the difference in value between a fully engaged employee and a disengaged employee is roughly *double* in terms of motivation, productivity, efficiency, accountability, and overall performance. It is why organizations readily spend millions on engagement experts; they know the numbers, and they know how dramatically an engaged-employee culture could potentially lift their companies.

But despite their sometimes massive price tags, not all employee engagement strategies originate from corporate boardrooms or focus groups. In fact, one of the most successful engagement philosophies was born at a struggling engine-remanufacturing plant in Springfield, Missouri.

Introducing the Great Game of Business

In 1983, a plant manager named Jack Stack raised \$100,000 with the help of his partners, and then borrowed \$9 million more, to purchase Springfield ReManufacturing Corp. (SRC). At the time, SRC was a struggling division of International Harvester with slim prospects of survival. Although the plant was engulfed in financial problems, internal labor strife, and low morale, Stack and his partners knew that if they could somehow tap into the employees’ collective knowledge, they had a chance to turn things around, save jobs, and make the plant flourish.

But they had seen that the traditional top-down, hierarchical management style was not going to work, so they came up with something novel: Open the books, teach employees how the business makes money, and turn the process of increasing profits into a game of sorts. Although it took them some time to refine and

Sidebar 1. MiniGames Are Used to Make Incremental Progress Toward Organizational Goals

In the Great Game of Business, MiniGames are a mechanism for attaining short-term improvement in an organization. Improvements may be focused on correcting a weakness or pursuing an opportunity. MiniGames typically focus on the most important thing that a team can do now in support of the organization’s long-term goal.

Teams identify a present problem or opportunity upon which they can effect change. When teams pick their own targets, as opposed to being assigned targets, they are more likely to hit them. The problem or opportunity must be measurable by an operational or financial number. Examples in urgent care include patient satisfaction scores, staff overtime hours, patient wait/throughput times, and center profitability. Teams set a common goal to attain the desired number during a certain time period (i.e., to go from X to Y by doing Z), typically between 6 weeks and 3 months. Often, MiniGames are run on a quarterly basis. Teamwork requires that the goal be one that can be met together. Picking individual winners means everyone else is a loser, which undermines teamwork.

To engage team members, a theme for the game is chosen that is promotable and memorable. Business training is incorporated to aid team members’ understanding of the organizational impact. Teams design a scoreboard for tracking their progress that is simple and easy to understand, and they schedule regular huddles to review their standing.

Prizes are offered for meeting the goal, as are opportunities to celebrate. Prizes should motivate performance and create a memorable winning experience. Cash is thus typically a poor choice, but prizes with a trophy value, like movie tickets, gift cards, lunches, team outings, and time-saving services, are often more meaningful to recipients. Wins are communicated throughout the organization to inspire engagement in future MiniGames.

Adapted from Stack J. *The Great Game of Business: The Only Sensible Way to Run a Company*. New York, NY: Crown Business Publishing, 2013.

tweak the game, it turned out to be wildly successful. In a few short years, SRC’s revenue doubled, earnings quadrupled, and the debt-to-equity ratio shrank from an unwieldy 89 to 1 to a respectable 5 to 1. Morale and engagement levels skyrocketed, and turnover, absenteeism, and the number of product defects plummeted. All of this was made possible by their creation of an open-book management style they dubbed the Great Game of Business (GGOB).

Keys to the Game

Today, GGOB principles have been adopted by thousands of organizations, from Fortune 500 giants to freshly minted start-ups. Although space does not per-

mit an in-depth description of the GGOB here, the key concepts of the game can be summarized thusly:

- **Provide full transparency:** A GGOB company must open the books and show the company's financial standing to its employees, regardless of whether the numbers are up or down. Leadership does not worry about competitors learning their financial numbers, because GGOB leaders understand that the competition cannot easily replicate their superior employee culture, collective know-how, and best practices.
- **Teach how the numbers translate:** The line items on the income statement do not matter much if employees do not understand them or grasp how their daily work influences these numbers. A GGOB company first teaches financial literacy to its employees, and then it shows employees exactly how their individual work or department moves the numbers up or down.
- **Keep score:** Once the numbers and their relation to employee output is understood, then goals to

improve the numbers are implemented (**Sidebar 1**). This is done with scorecards, dashboards, and weekly huddles that help track and forecast the critical numbers (**Sidebar 2**), often in real time.

- **Make it a game:** One of the keys to Stack's original concept was his understanding that people love games, so he applied the elements of a game—rules, teams, scores, results—to the daily operations of SRC. Of course, the games had various prizes that SRC's employees valued, keeping them competitive, engaged, and motivated to push their teams and departments to victory.
- **Give employees a stake in the game:** This might be the most important factor in making the GGOB work. Through the disbursement of awards, recognition, gifts, and generous financial incentives like quarterly cash bonuses if their work games resulted in the company's hitting its revenue targets, a dramatic shift took place. SRC's employees were no longer just paid workers; they became de facto part owners in the company. This transformation from employee to part owner



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Sidebar 2. Open-Book Management Begins with Defining a Critical Number

In the Great Game of Business, a **critical number** or **wildly important goal** is the one thing that

- At any given time is going to have the greatest impact on the business
- The business must achieve in order to succeed or survive
- Clearly defines winning

Critical numbers must be measurable in order for teams to show progress. They are determined by performing a 360-degree appraisal of the business that addresses the following perspectives and data sources:

- **Financial perspective:** Historical financial statements, financial goals, industry financial benchmarks, and financial trends
- **Marketplace perspective:** Customer surveys, sales and marketing plans, competitive information, market growth, and customer and marketing intelligence
- **Management perspective:** Management interviews, management surveys, and strategic planning meetings
- **Employee perspective:** Employee interviews, employee surveys, and operational planning meetings

Market-based sales plans and supporting budgets are used to create pro forma financial statements for identifying the critical number. Once the critical number is identified, weekly huddles are held to share information from scoreboards that show the status of the critical number. When the critical number improves, wins occur and team members celebrate and are rewarded financially.

Adapted from Stack J. *The Great Game of Business: The Only Sensible Way to Run a Company*. New York, NY: Crown Business Publishing, 2013.

unleashed unprecedented levels of accountability, innovation, performance, creativity, and unity. Employees understood that their daily work mattered and that they were a vital part of the company.

Of course, none of these principles would work if the prevailing culture did not support them. Hence, Stack, his partners, and SRC management made it a priority to tear down bureaucratic walls, boost morale at every opportunity, and have some fun. This included initiatives like encouraging shopworkers to paint their machines, hosting company fishing tournaments, and handing out turkeys at Thanksgiving. And it worked. SRC employees were so engaged that they began to take the reins unprompted, developing budgets and seeking out ways to reduce expenses.

What Can Urgent Care Learn?

As GGOB principles became more widespread, they

were proven to be applicable to companies of virtually any size, across a multitude of industries. How might an urgent care operator, wrestling with many of the same employee engagement issues that plague the majority of American businesses, implement certain GGOB principles in their own operation? Of course, a medical clinic is not the same as an engine plant, so naturally there will be differences in scope and implementation. There are indeed principles, however, that will translate:

Build Financial Literacy

Urgent care staff, from physicians to front-desk specialists, should have a basic understanding of the income statement—in particular, the operating income. Operating income is critically important because it most accurately reflects how management drives revenue and controls expenses. The next step is to tie operating income line items to key performance indicators (KPIs), which helps to bring the numbers into a context that staff members understand. These KPIs should be in line with both urgent care industry benchmarks and the clinic's size and scope of services, and they can include but are not limited to the following:

- **Days to bill and days in accounts receivables:** It is an urgent care truism that billing and collections are the lifeblood of any clinic, because you cannot meet payroll and other expenses with accounts receivable. Accounts receivable must eventually be converted to cash.
- **Evaluation and management code distribution:** Inconsistent coding will cause revenue fluctuations. Evaluation and management coding reflects the complexity of patient visits and directly translates to the compensation you receive. Although upcoding brings with it its own problems, undercoding due to incomplete or inaccurate documentation lowers reimbursements, which is essentially leaving dollars on the table.
- **First-pass resolution rates:** Above-average first-pass resolution levels indicate that claims have been documented, coded, and billed correctly. This is a clear indication of the cleanliness (i.e., completeness) of claims, which of course reduces resubmissions and delayed reimbursements.

These are but a few of the dozens of KPIs and metrics that urgent care management teams should track to gauge the health of their operation and identify trouble spots. But again, GGOB principles dictate educating staff on the financials so that they can see where their daily

work impacts the pertinent KPIs, which in turn show up on the income statement.

Play the Game

When your staff knows and understands the numbers, then you can play games to improve them. Teams, rules, work groups, strategic decision-making, cross-training, fun prizes, scorecards, and dashboards are all key elements of the GGOB, and you can use them to foster a clinic-wide ethos of teamwork and accountability. When people go from being told what to do to being decision-makers, their level of ownership of the end result increases, and the company benefits all around.

Reward Success

Although a typical urgent care clinic is limited by the doctrine of corporate practice of medicine and anti-kickback statutes in what it is legally allowed to do as far as employee equity participation, there are still ways to reward staff members so that they feel they have a true stake in the game. Some common rewards include

- Paid time off
- Catered lunches
- Team outings off-site (athletic event, theater performance, or other group activity)
- Gift cards (restaurants, big-box retailers)
- Vouchers or certificates for services (manicures, massages)
- Commemorative plaques, trophies, awards, and certificates

A key point to remember with a reward system is that prizes should be given out regularly. GGOB businesses compensate winners of their business games as often as feasible, never going longer than quarterly disbursement. This frequency keeps everyone motivated and vested because the prize is never far enough in the future that they lose focus.

Conclusion

The GGOB began with one primary goal: to create a simple, straightforward, and replicable approach for harnessing the collective knowledge, experience, and common sense of employees, and then unleash it to improve the company. When the process is done correctly, the gains in efficiency, teamwork, profitability, and culture can literally transform a company.

Experts who have studied the GGOB suspect that beyond the rewards and bonuses, what really engages employees is being asked to participate in the big decisions on how to improve an aspect of business operations. This sense of empowerment and respect transforms the way employees see themselves and effectively unlocks levels of creativity, innovation, and problem-solving that would have otherwise remained dormant. After all, the person who performs the job every day understands it best. ■



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