

Emerging Network Organization and Work Systems

Case Examples from Health Care and Technology



Organization Design Forum

Austin, Texas

May 2011

Stu Winby



Context

Concepts and Propositions

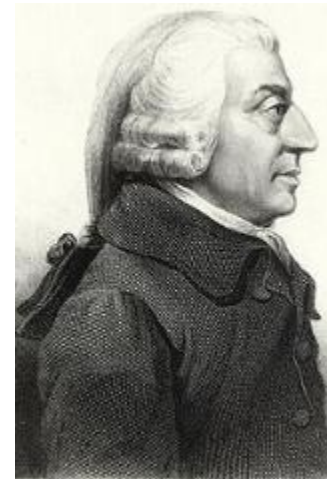
Craft Work

Local, Familiar, Socially Embedded, Social Ties



Craft to Industrial Work

The second Organizational shift



Adam Smith

The Nature of the Firm

By R. H. COASE

Economic theory has suffered in the past from a failure to state clearly its assumptions. Economists in building up a theory have often omitted to examine the foundations on which it was erected. This examination is, however, essential not only to prevent the misunderstanding and needless controversy which arise from a lack of knowledge of the assumptions on which a theory is based, but also because of the extreme judgment in choosing. For instance, it is suggested in economics may be by the "plain man." in economic theory individual firm and more necessary not of "firm" should be firm in the "real world." Mrs. Robinson has asked of a set of assumptions tractable? and: Do. Though, as Mrs. Robinson will be manageable and well be branches of both manageable and the following paper that a definition of a firm may be obtained which is not only realistic in that it corresponds to what is meant by a firm in the real world, but is tractable by two of the most powerful instruments of economic analysis developed by Marshall, the idea of the margin and that of

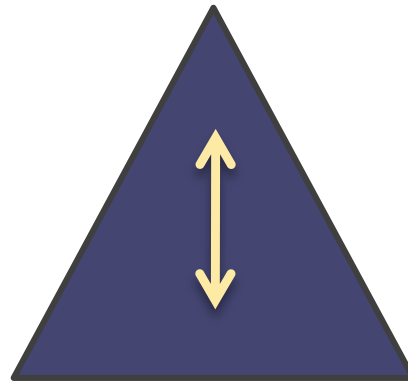
“The main reason why it is profitable to establish a firm is ...the cost of using a price mechanism (transaction costs)...”

—Ronald Coase, *The Nature of The Firm*, 1937



Organization

Evolution of Organizational Design



Vertical Integrated Systems

Organization

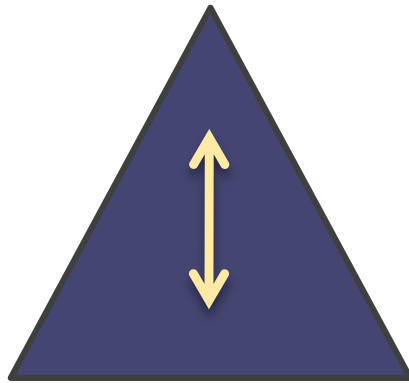
Information Processing View

“A basic proposition is that the greater the uncertainty of the task, the greater the amount of information that has to be processed between decision makers during the execution of the task”

Bearbejdet gengivelse af Jay R. Galbraith: '*Organization Design - An Information Processing View*', *Interfaces* 1974

Organization

Organization design establishes its design methodology



Vertical



lateral

Today's Modern Organization

Vehicles, horizontals, four to six dimensions, heavy matrixes

- Scale
- Aggregation
- Anonymity
- Efficiency



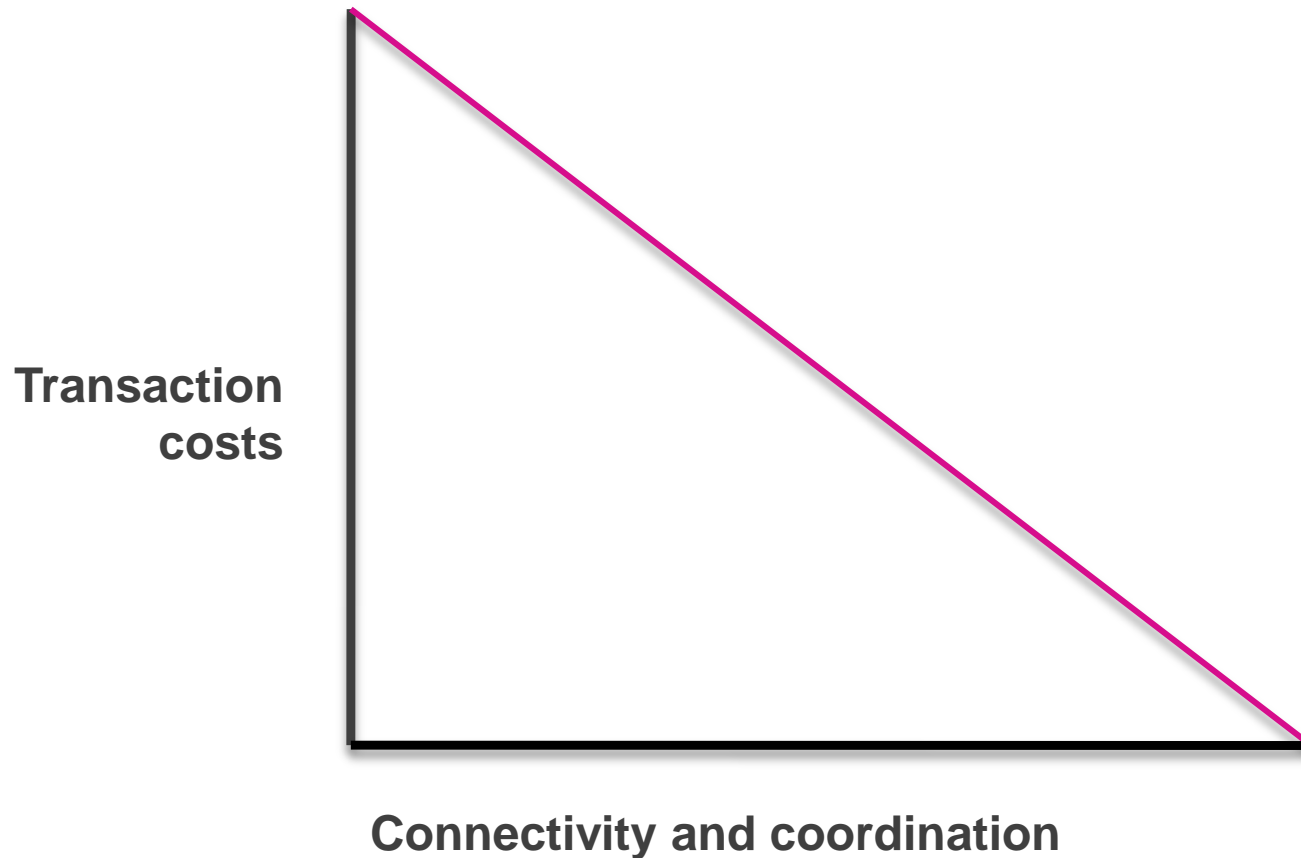
Complexity

Rapidly increasing and run away complexity



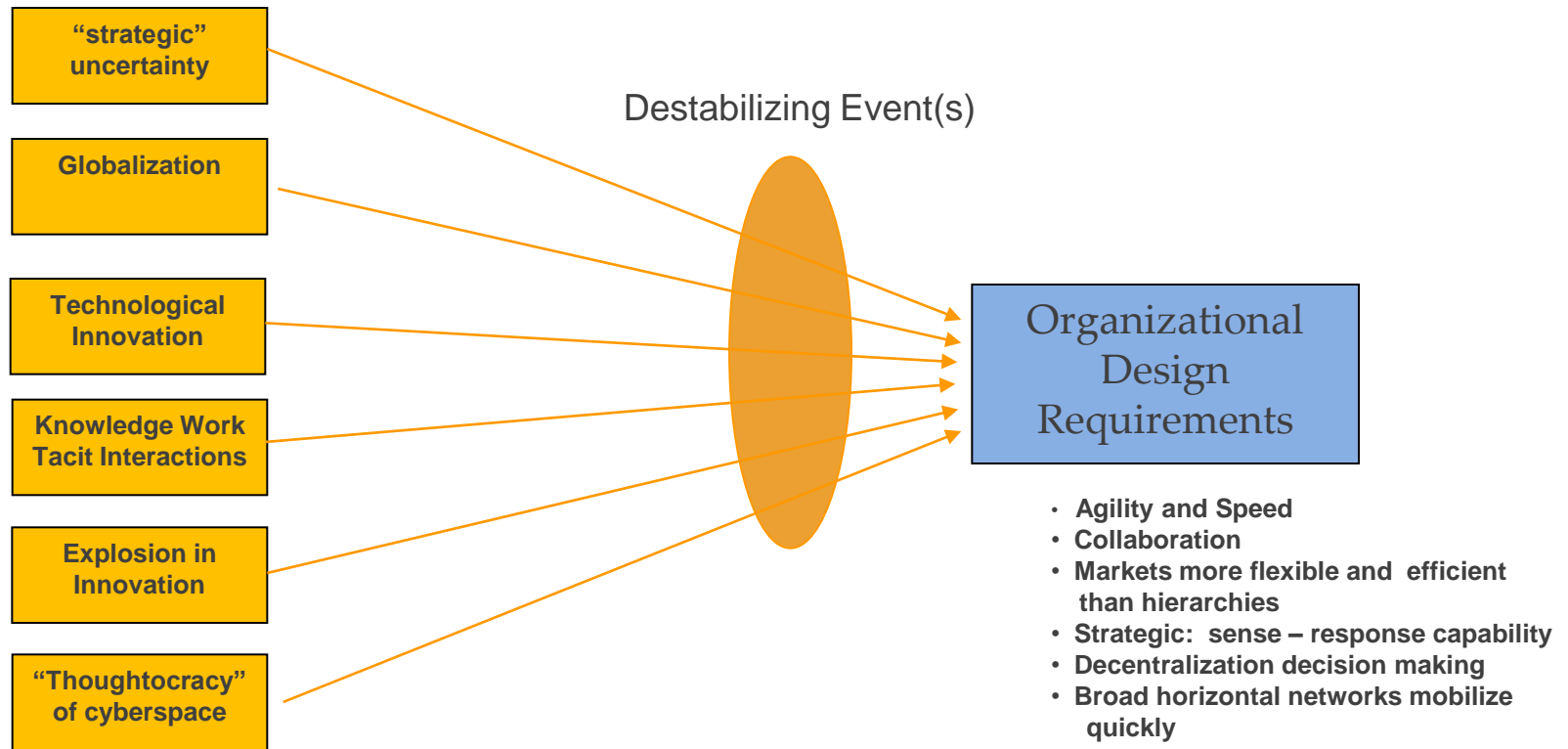
Information technology has.....

Reduced coordination and transaction costs



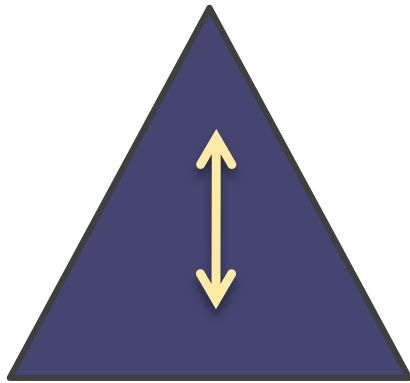
Forces Driving Organizational Design

Complexity and rapid change

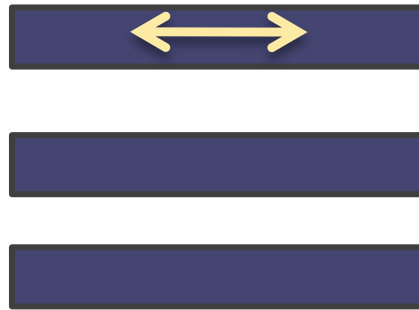


Organization

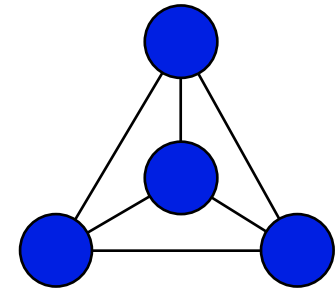
Third Organizational shift where networks more effective processors of information



Vertical



lateral



Network

Work Transformation Phases

Evolution of work system models

Small Guild based Production – *Craft Production System*

Small Batch Production – *Flexible Specialization System / STS*

Optimized “lean” Production – *Toyoda Production System*



Net Work Production - *Adaptive Work System*

Social Production – *Web-based knowledge tools for production*

Adaptive Model

Overview



© Bernd Heesen
www.profheseen.de

Adaptability:

It is not the strongest of the species that survives, nor the most intelligent; it is the one that is most adaptable to change. (Charles Darwin)

Adaptive Work System Model

Networks are communities, groups of individual processors

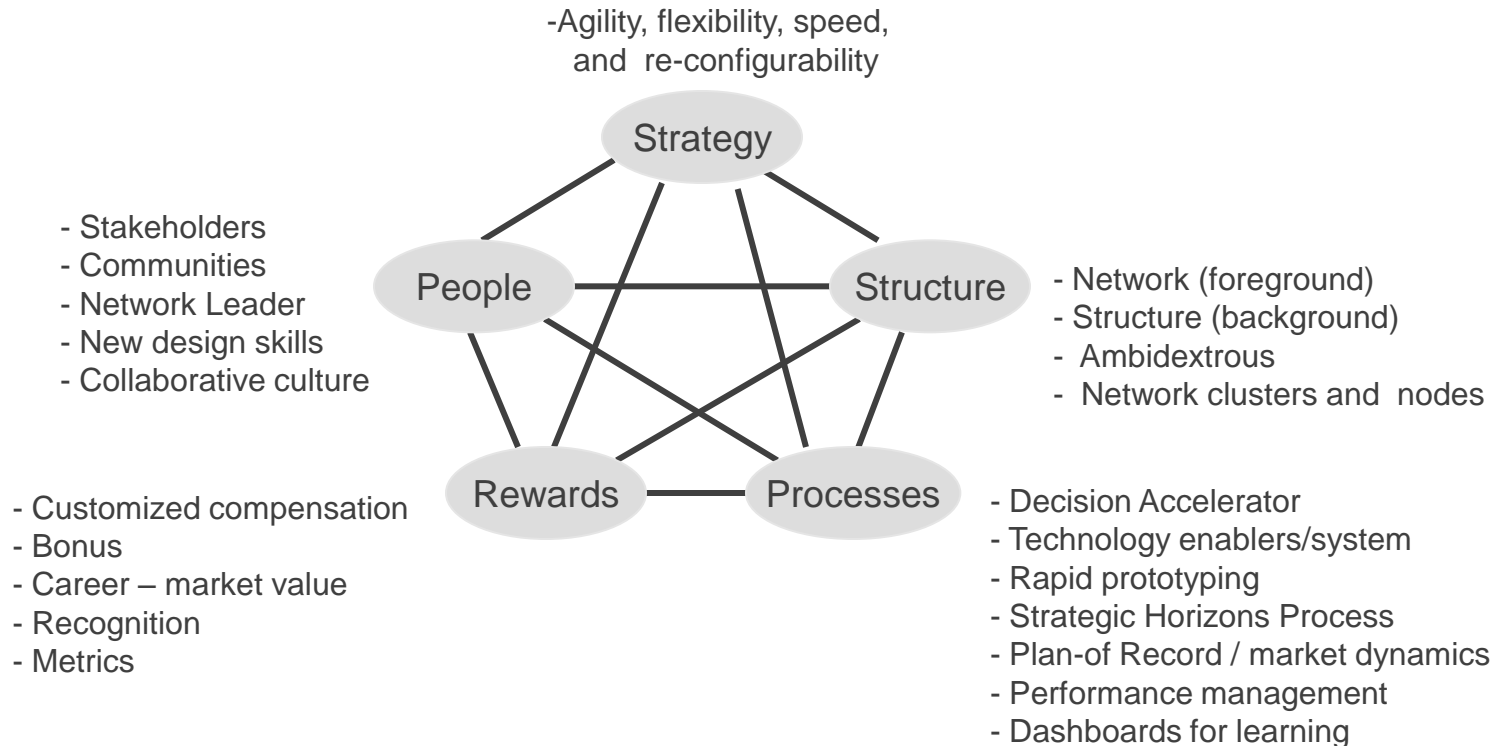
The Adaptive Work System is a type of organizational network that is configured to operate as a high performing work system at multiple levels of global - enterprise or unit levels of design. Performance characteristics such as agility, speed, flexibility, and re-configurability are typically delivered by the adaptive work system.

The adaptive model incorporates into its design the principles of innovation, network sciences, and socio-technical systems theory and practice into a new model of work organization.

Star Model

Adaptive Work System – Organizational Design View

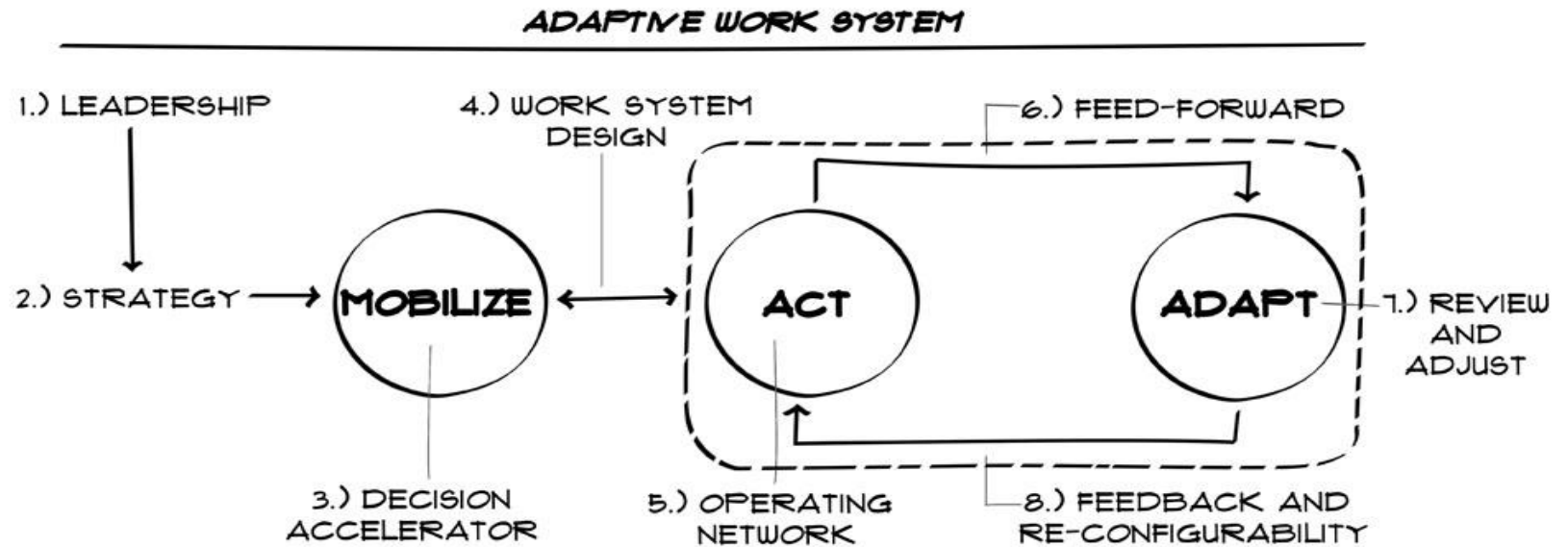
The Agility and Speed Star Model



© Jay R. Galbraith

Functional Framework

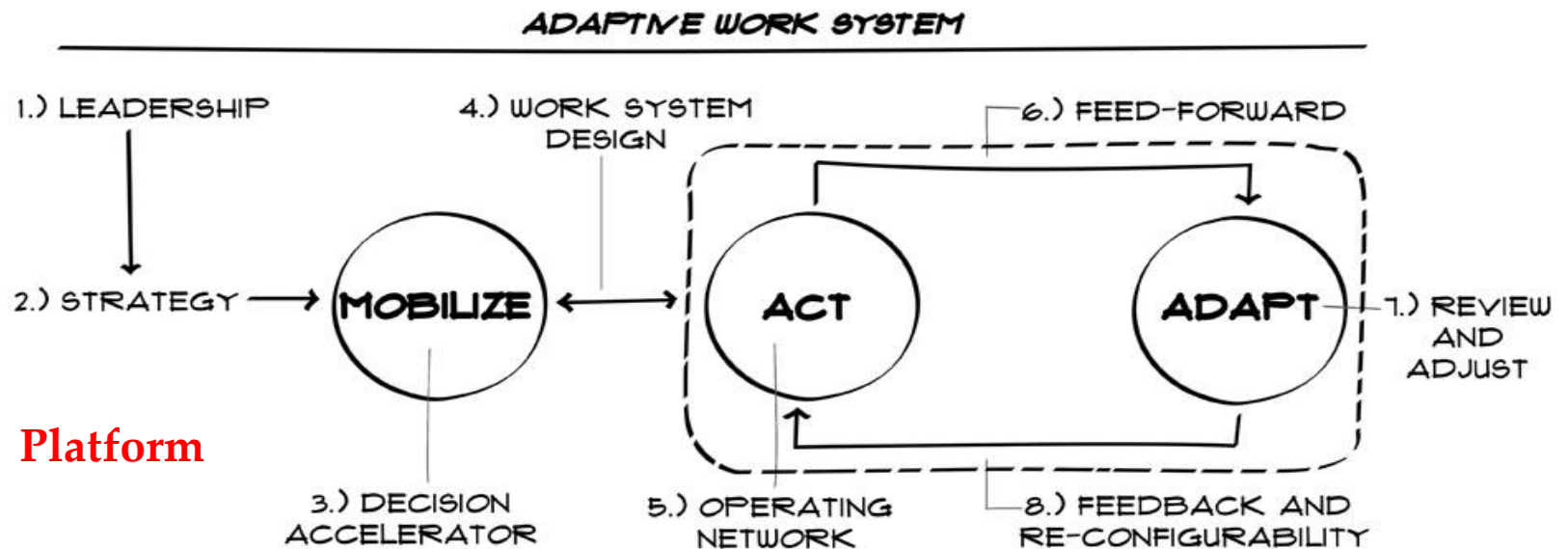
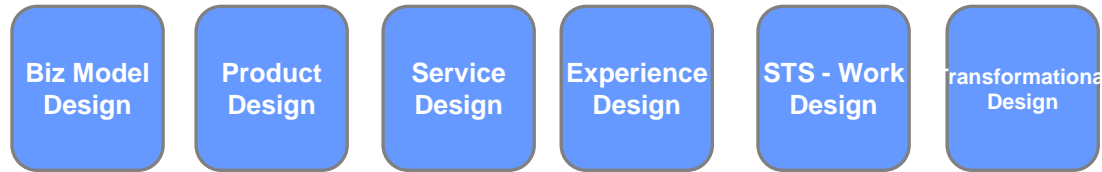
Adaptive Work System – Functional View



Functional View

Adaptive Work System – Platform and Applications

Applications
(work-system Design)



Platform

Adaptive Model

Structure

Structure Ambidextrous Model

Ambidextrous Model

Enterprise Structure

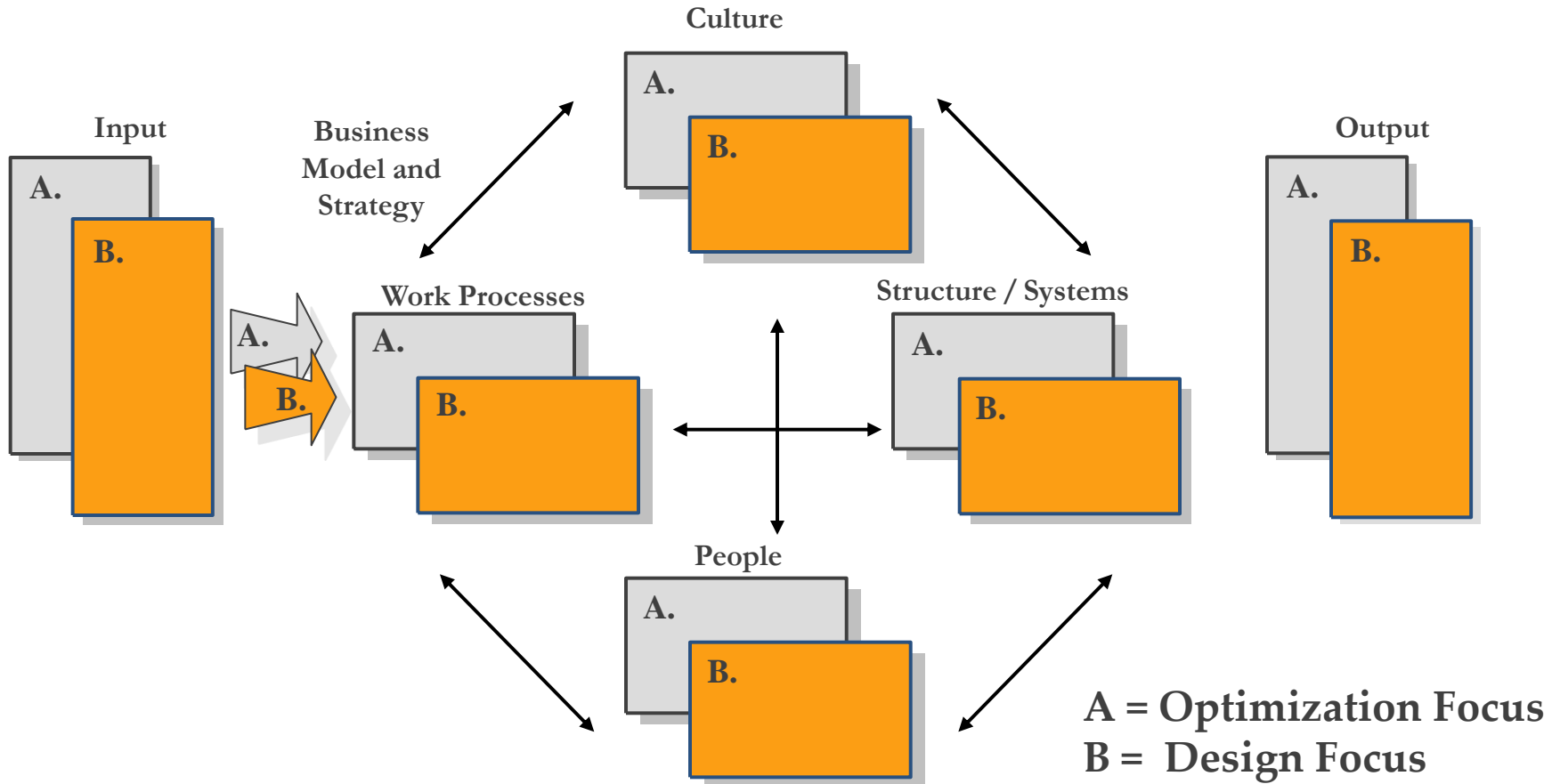
Adaptive Work System

Design Environment



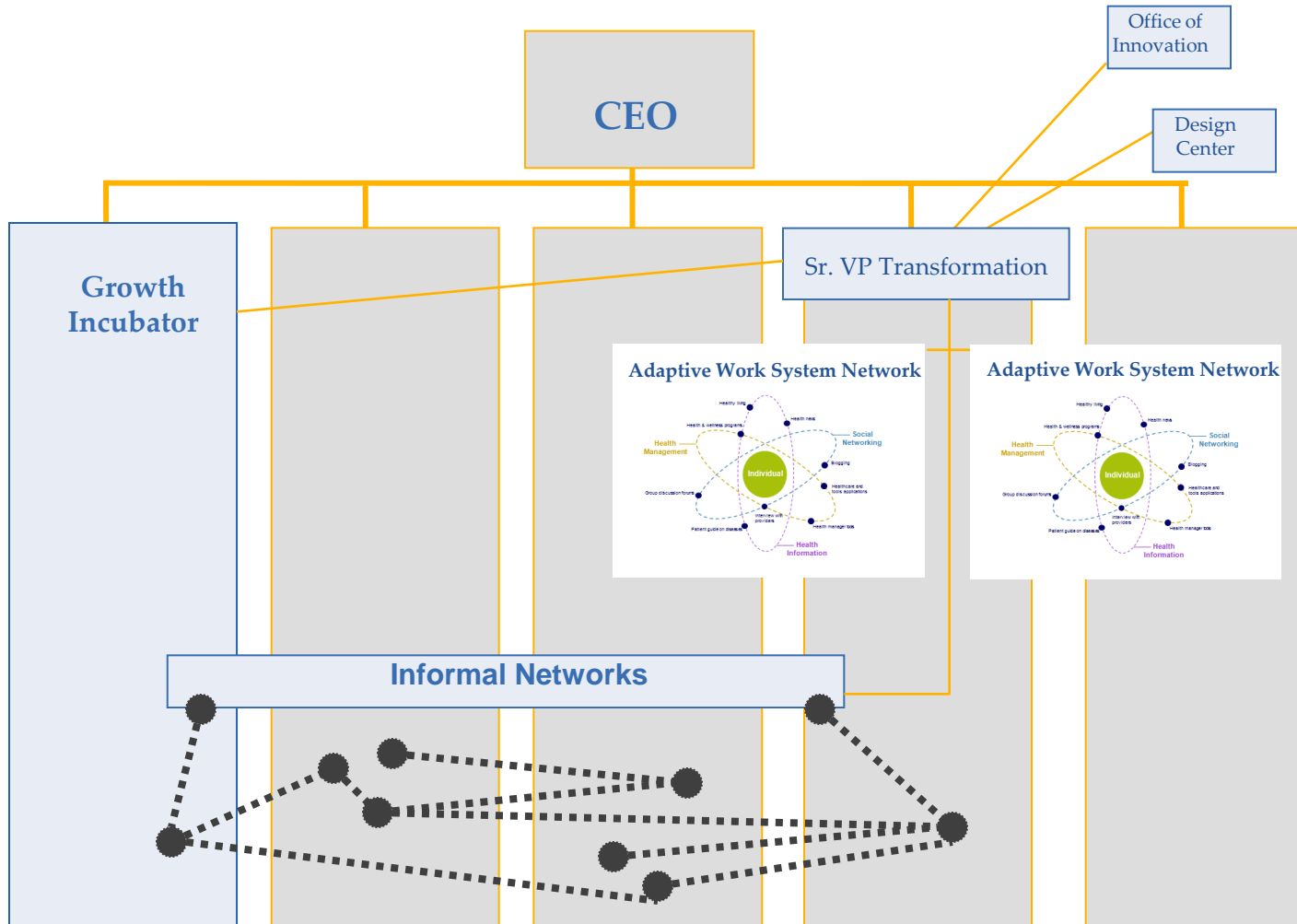
Structure

Networks are Ambidextrous Organizations



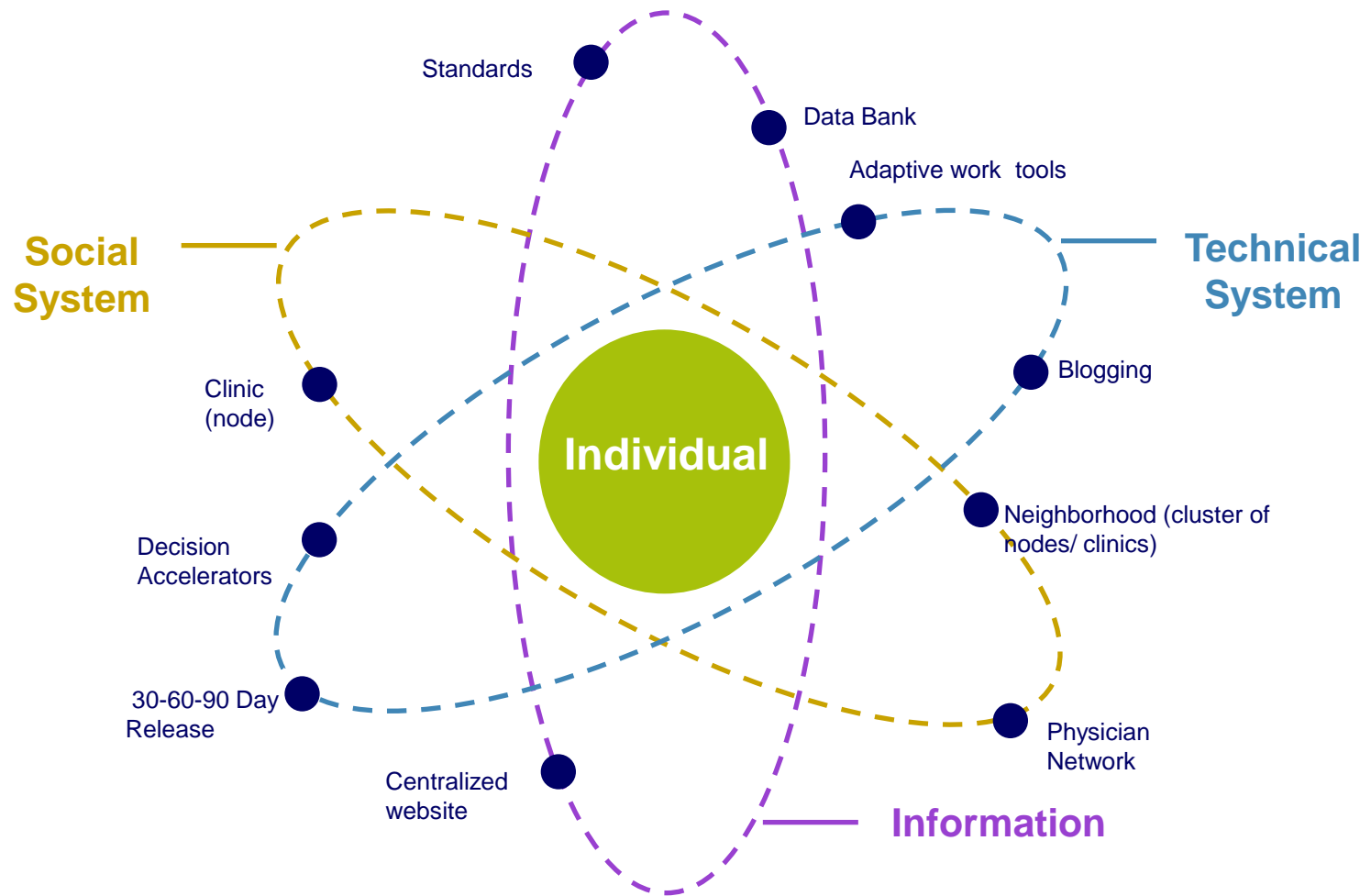
Network Organization

Ambidextrous design: design for both optimization and adaption



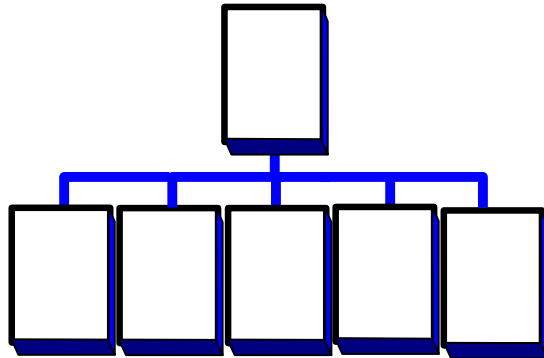
Structure

Adaptive Work System



Background - foreground

Regardless of Dominant Organization Structure



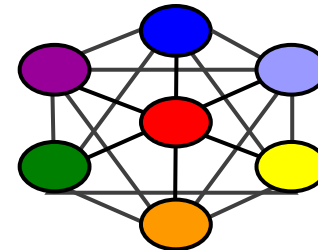
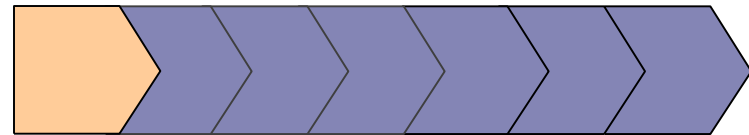
Functional
Product
Process

Geography
Market
Channels

Keep in
Background

Bring to the Foreground

Design network for Value Delivery



Processes

Design Environment

Production Room

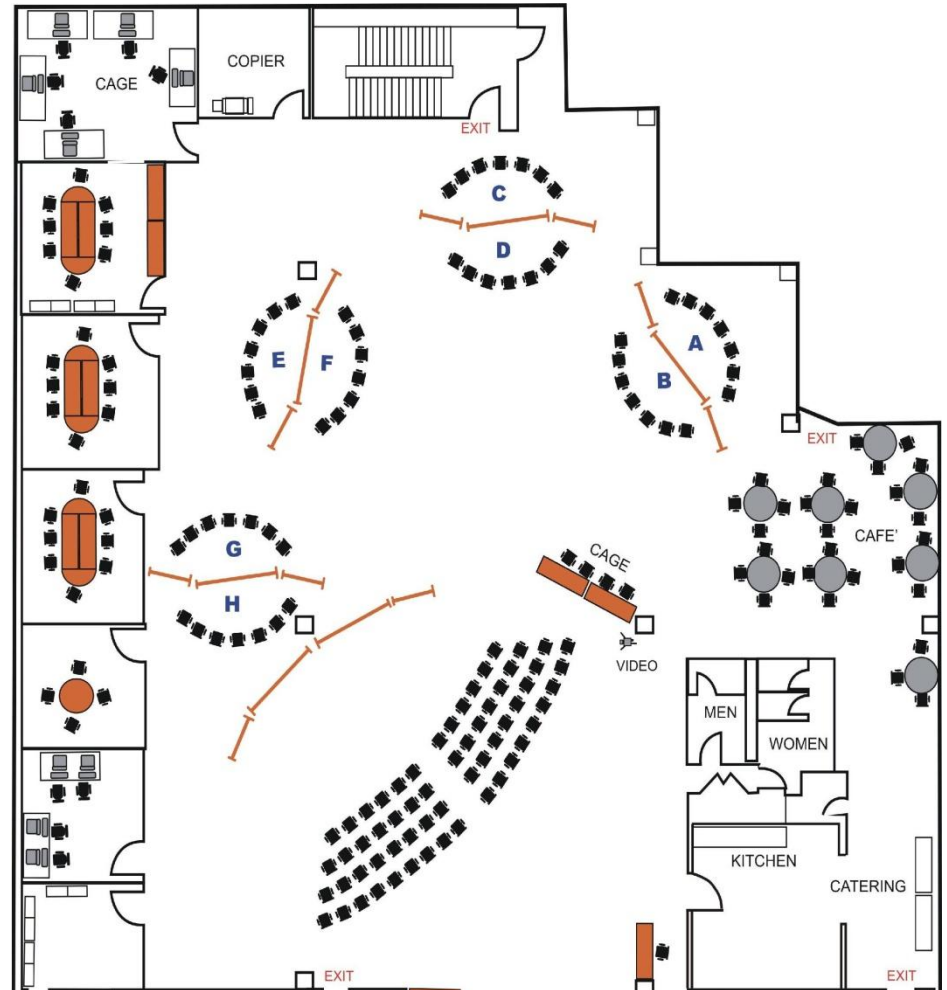
Ideation – Deep Dive

Virtual Design

Decision Accelerator

Knowledge Center, Wall, Towers

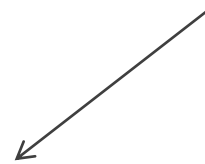
Green Room



Technology Enabled



Central control Panel



Inside the cage

Adaptive Model

Features and Functionality

Features and Functionality

Design architecture of the work system

Decision Accelerator

Team Units

Practices

Adaptive Planning

Re-configurability

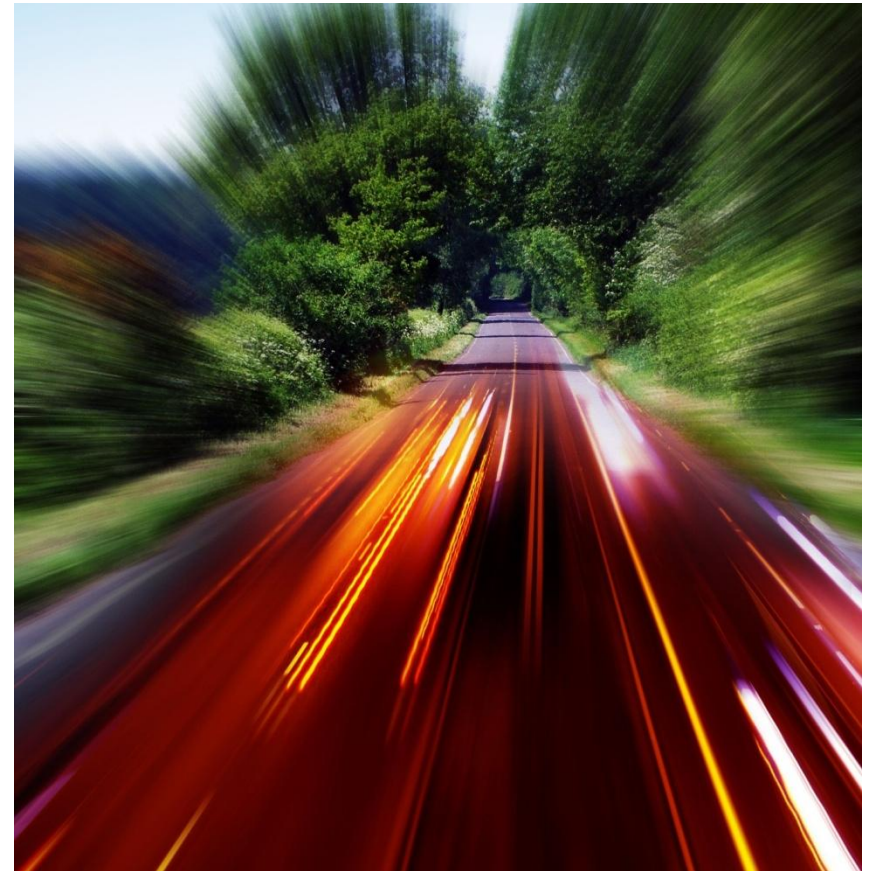
Teams - self organizing nodes

Feature and Functionality

Decision Accelerator

The Decision Accelerator is a powerful management tool/intervention which improves both execution performance and innovation capability. We define the DA as a creative, knowledge rich, technology enabled, highly collaborative environment where clients participate in work sessions to create solutions to complex business problems.

The DA is an organizational capability whose characteristics and benefits generally do not exist in traditional organizations and thus provides a source of advantage – reduced time to value (speed), maximizes productivity of resources (costs), accelerates stakeholder commitment (empowerment), significantly increases social capital (integration), and solves complex business problems with concrete solutions.



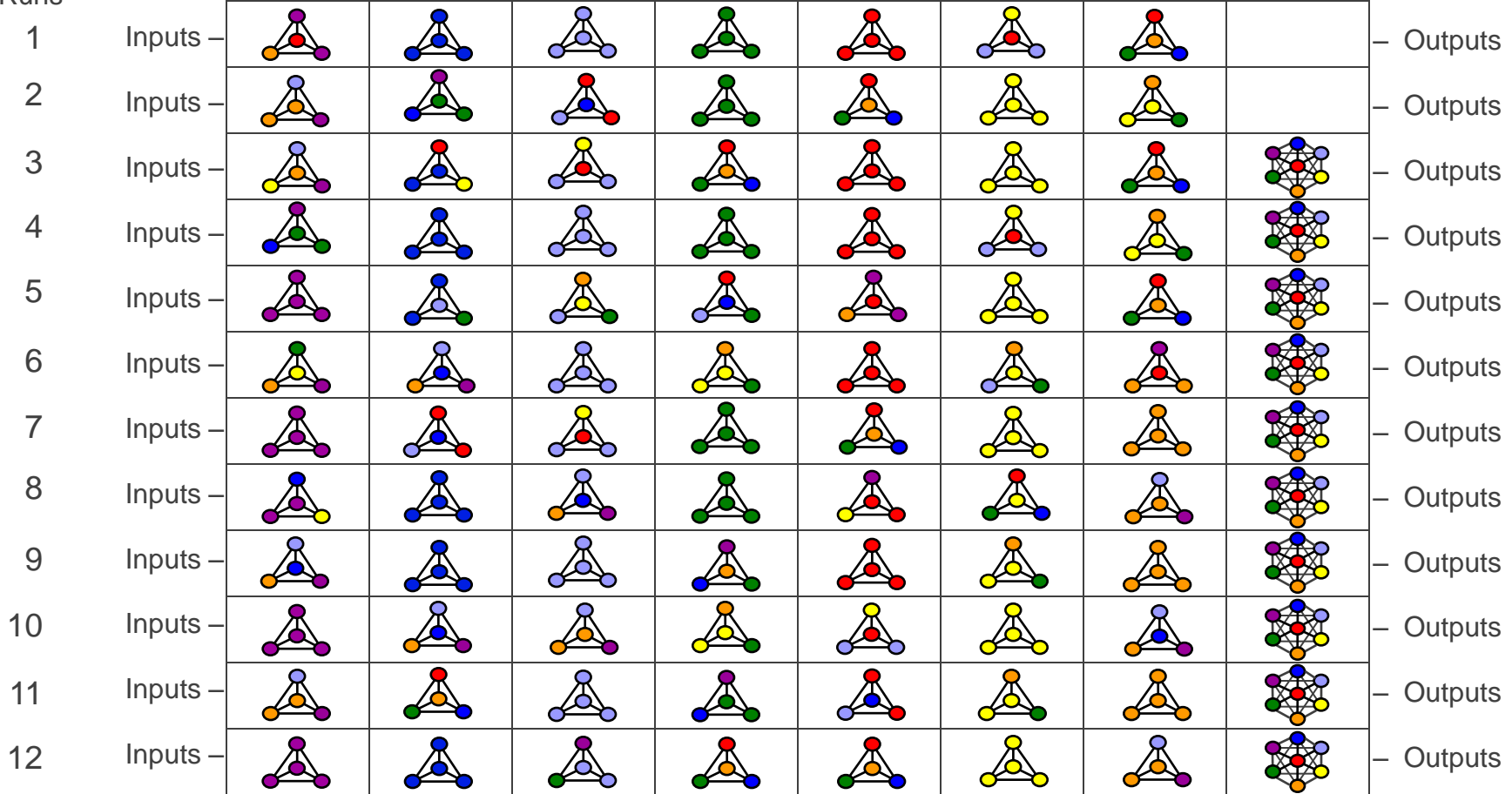
Decision Accelerator

Decision Accelerator - A Network in Action

Production
Runs

Nodes and Deliberations

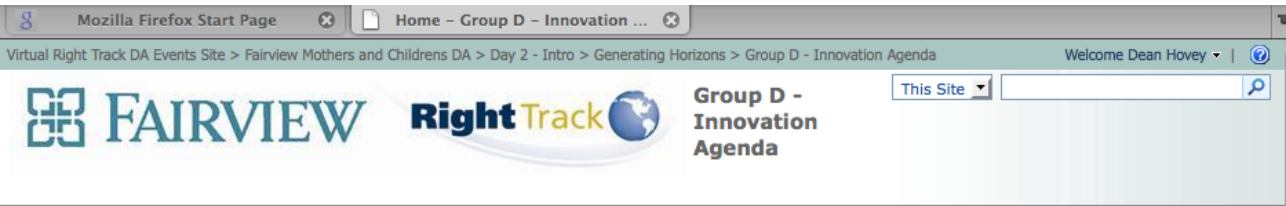
Integration
Team



Final
Deliverable

Decision Accelerator

Decision Accelerator – Information processing



View All Site Content

Home

Session Agenda

Generating Horizons

- Next Group
- Previous Group

Day 1 - Opening Comments

- Timeline
- Implications for the Future
- Exploring World Class
- Future Scope
- Model Building
- Day 1 - Closing Remarks

Day 2 - Intro

- Continuation of Model Building
- Generating Horizons
- Short Term Plans
- Closing Comments

Participant Directory

Discussions


- Team Discussion

Group D - Report Out


[Click here to view Group D assignment.](#)

In the first 24 months, we have to build the innovation team and get projects going in 18 months. We'd create a charter and a mission statement. We'd be staffing the center. We'd advertise the center through the system. We have to create accountability structure. If I were on the advisory board, I sit across from someone from Proctor and Gamble, a mom, scientists, etc. They have 350 projects catalogued. They can track detail from the projects and see correlations and send emails out from that system. At five years, we'd have ten projects completed and ten more going. We'd increase awareness. We'd establish a good tracking system. We would have figured out our batting average and regional recognition. Now a member of the advisory board needs to meet three times a year. And now we've gotten calls from Kimberly-Clark who wants to be part of this. And Mark and Andy are playing tug of war with whose idea this was. Now Intel wants to be part of this. In ten years, we want 50 projects done and 50 going. We'd have project submissions and other care networks to our center to accomplish innovation. Now there are top requests from all over. Engaging families and kids are involved in this process too.

Group D at Work



Report Out



[Play](#) | [Stop](#) | [Fullscreen](#) | [Reset](#)

(1,000) 10 YRS D8

GOAL: - 10% projects translate into real world application

ATRC { 50 projects done
50 ongoing

MILESTONES:

- external submissions / external fellows
- core competency of FHS
- CEO reports metrics annually
- nationwide consumer recognition
- 3/4 Billion ATRC Funding.

Features and Functionality

Teams: Definition

Work teams are the implementation arm of an adaptive work system. These cross functional self organizing teams are activated when DA outputs and design requirements are defined.

Owners are identified to structure, resource, and oversee the implementation phase.

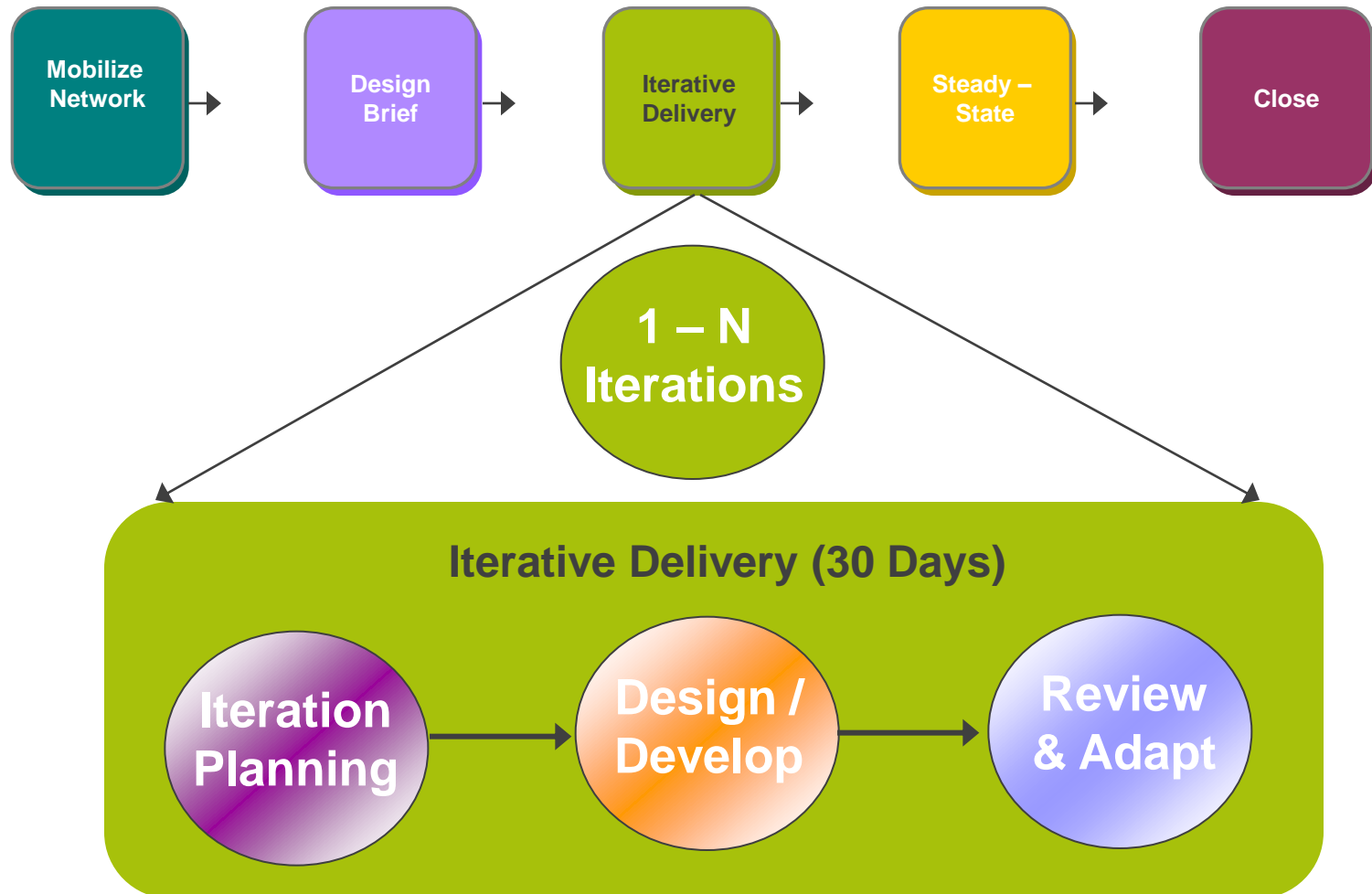
Work Teams operate within a highly dynamic project management framework which can absorb iterative inputs to rapidly produce successive approximations of required solutions. Teams and network is reconfigurable.

Work Teams are ideal for fast cycle time innovation of products, processes, services as well as strategic organizational transformation.

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Delivery Framework

Rapid iteration, re-configurability, and delivering value



Case Examples

With a subtitle box

Processes

Some of the DAs in Health Care

Access Quality Accelerator
Accounting & Finance DA
Activate Omaha Kids – Physical Activity Plank
Advocacy DA
AHC Ambulatory EMR DA
AHC Bellevue DA
AHC Branding DA
AHC Customer Service DA
AHC Finance Committee DA
AHC Leadership Steering Committee
AHC Revenue Enhancement DA
Alegent Physician Implementation Team
Aligning Alegent Health with the Future
Ambulatory Charette
Ambulatory EMR DA
Ambulatory Generation Patient Kickoff
Ambulatory Human Experience Synthesis
Ambulatory Ideation DA
American Red Cross DA
Aroma Therapy Course
Association of Healthcare Philanthropy
Back & Spine DA
Bed Board Diffusion Session QA
Behavioral Health DA
Behavioral Human Experience: Need Finding Workshop
Behavioral Service Line Retreat
Bemis Center for the Arts DA
Bergan Generation Patient Ambulatory DA
Bergan Mercy Magnet DA
Bergan Primary Care CA

Blue Cross Blue Shield DA
Board – Facility Planning DA
Boy Scout DA
Brand Strategy
Business Model & Facilities Planning Task Forces
Business Planning DA
Capacity Planning & Clinical/Operational Efficiency Task Forces
Cardiovascular DA
Cardiovascular Design Session
Cerebral Palsy Visioning DA
Child/Adolescent Task Force DA
Childhood Obesity DA
Clinic Med Staff Development Planning
Clinical Pastoral Education DA
Clinical/Operational Efficiency & Capacity Planning Task Force
Clinical/Operational Efficiency Task Force
College of St Mary DA
Community Benefit Trust DA
Community Forum: Diversity DA Update
Compensation Philosophy
Compensation DA
Connected Healthcare
Consumer Directed Healthcare DA
Core Nurse Staffing DA
Corporate Communications Engagement Survey
Corporate Cycling Challenge Distribution
Corporate Health Management DA
Council Bluffs Chamber DA
Critical RN Recruitment
Culturally & Linguistically Competent Care DA

Processes

Some of the DAs in Health Care

Diversity DA
eHealth Strategy Development
eICU DA
eICU Integration
eICU Kickoff
eICU Workflow Design DA
Evidence Based Order Set Designs
Executive Dashboard Planning Session
Facility Planning DA
Faith Community DA
Future of Cardiology
FY07 Operational Planning DA
FY08 Campus Planning Session
FY2007 Capital Budget DA
Generation Patient – Reg/Sched/IT DA
Generation Patient Update: Behavioral
Generation Patient Update: Oncology
Generation Patient Update: Women’s & Children’s
Health Science Expansion DA
Heart Failure DA
HESCO DA
Homeless (OACCH) DA
Hope Center for Kids Strategic Planning
Hope Recovery Center
HR Leadership Training
IDEO Service Center DA
IFH Strategic Planning DA
Imaging DA
IMC Generation Patient DA
IMC Magnet Gap Analysis

Information Technology DA
Innovation Learning Network
Inpt MedSurg Human Experience Need Finding Workshop
Institutional Review Board
Interdisciplinary Care Planning Style Guide DA
Iowa West Foundation DA
IT Deep Dive DA
Junior Achievement Mtg
Juvenile Mental Health DA
Labor Relations DA
Leadership Council – Engagement Impact Planning
Leadership Omaha Retreat
Long Term/Annual Incentive Plan DA
Lutheran Mission Leaders DA
M Technique Training
Market, Strategy & Operational Plan DA
Marketing FY08 Budget
Marketing Summit
Master Black Belt Qualification Training for Change Mgmt
MD Health Evolution
Medication Reconciliation Design Session
Mercy Higher Education
Midlands Data Center Value Management
MyCost Design
National Association of Catholic Chaplains DA
NeHII DA
Neuroscience DA
Newt Gingrich Visit
Nonprofit Executive Institute
Nursing Leadership Academy

Processes

Some of the DAs in Health Care

Nursing Total Rewards Workshop
O! Omaha Public Art Project
Older Adult DA
Omaha Business Group on Health DA
Omaha Children's Museum DA
Omaha Public Library DA
Omaha Steaks DA
Omaha Venture Group
OMMRS ACF Training
Oncology DA
Oncology Ideation
Oncology: Pont Forward Incubation session
One World DA
Open House & CDHC DA
Orthopedics DA
Patient Experience Project
Patient-Centered Care Workshop Pilot
Payroll/AP/Acctg/Reimb Employee Engagement
Physician Alignment DA
PICIS Design Session
Planned Giving Council of Nebraska
Plastic Surgery DA
Point Forward Workshop
Power to the Patient My Cost DA
Pricing Transparency Integration
Quality Accelerator
Quality Accelerator Access
Quality Accelerator Bed Board Validation Session
Quality Accelerator Design Session
Quality DA

Quality Design Session
Regional Network DA
Regional Network Planning DA
Regional Strategy DA
Retail DA
RightTrack Office DA
Sales Force Development
Salvation Army DA
Senior Services DA
Senior Services Planning Session
Service Center Design
Service Center Meeting
State of the Board
STD DA
Strategic Plan Review/Retreat
Sustainability DA
The People Equation DA
Total Joint Replacement DA with Premier
Uninsured DA
United Cerebral Palsy DA
Voice Care QA
Voice Care QA Design Session
Voice Care Session
Women's & Children DA
Women's & Children Design Team Kickoff
Women's & Children's Design Session
Women's & Children's Design Team
Women's & Children's Ethnography Study
Workforce Planning Brainstorm
Workforce Planning Team Training

Case

Service Design – Access Project



Description

As a result of a successful implementation of over 40 innovative medical home based clinics there was a decline in patient access. It was decided that a new patient centric access solution was needed to be invented to replace the existing systems and better align with the new clinic innovations.

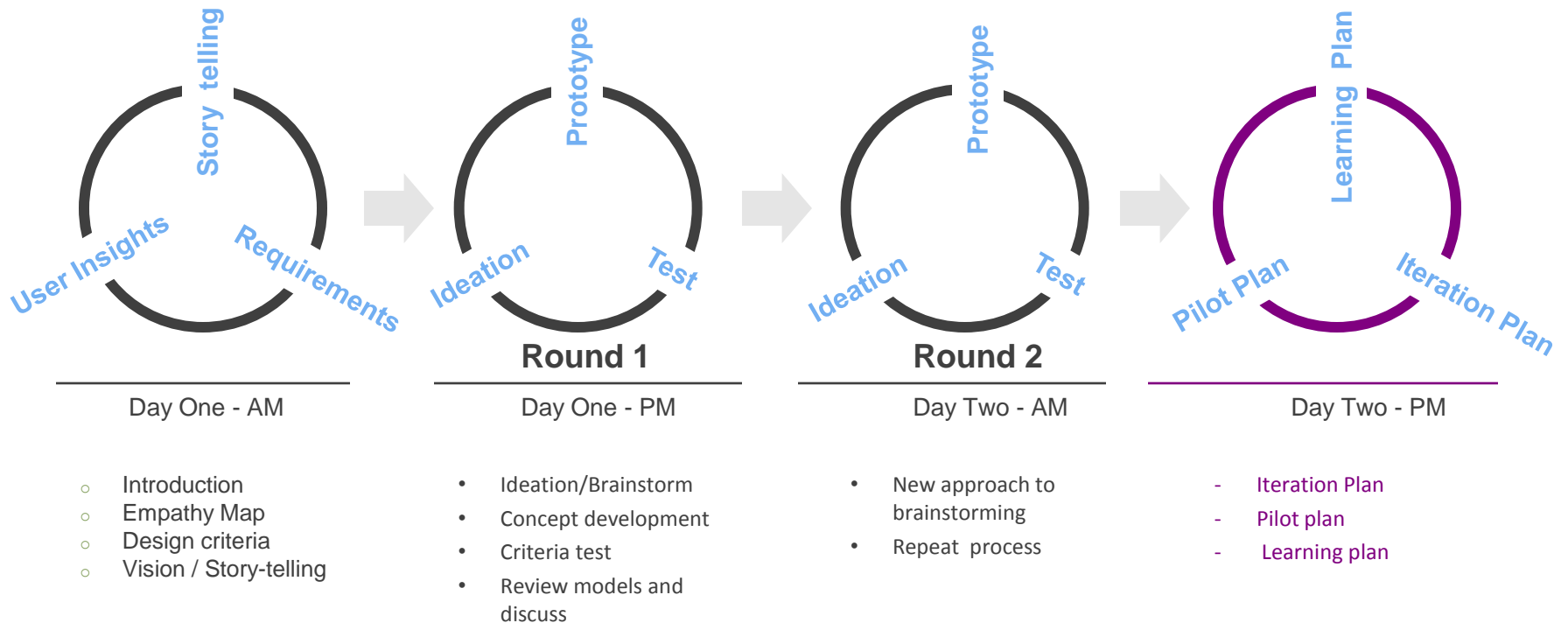
Methodology

27 individuals consisting of patients, physicians, executives, and care providers met for two days to invent a new access solution. Prior to the session ethnographic research was conducted on over 80 subjects. Four design teams were involved.

Results

Two new access systems were modeled consisting of numerous new features and functionality. These designs are now being piloted/ prototyped in four clinics.

Process Overview



Case

Cisco – socio-technical integration



Description

Services Board needed to re-invent its VSER and re-structures its services to Cisco. Wanted a way to rapidly and virtually complete these objectives. Existing work system is a 4th generation technology and a 2ed generation social system

Methodology

Objective was to redesign the social structure to optimize with the virtual based technical system, and produce high quality output in a short time frame.

Results

“ Best board meeting we every had by far”
“ Totally new way to work that gives us breakthrough productivity, superb quality, low cost , in half the time”



Case

Adaptive Design – FMG WIN Project



Description

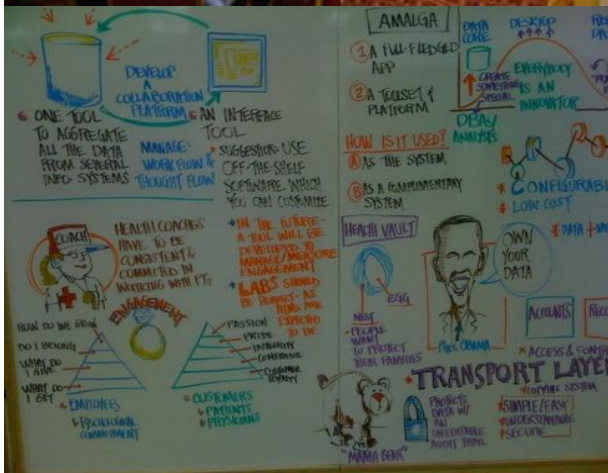
Health care reform (reduced costs, improved clinical outcomes, and better patient experience) required transformational change of the entire provider system. A key first step is to transform primary care into a “medical home” model. This required discontinuous change of the existing clinic system.

Methodology

Project started with care model Innovation for three clinics as lead prototypes. Used an STS and design methodology. 42 clinics then went through a transformational design process using the adaptive work system model. A work Innovation Network model for rapid diffusion was then employed.

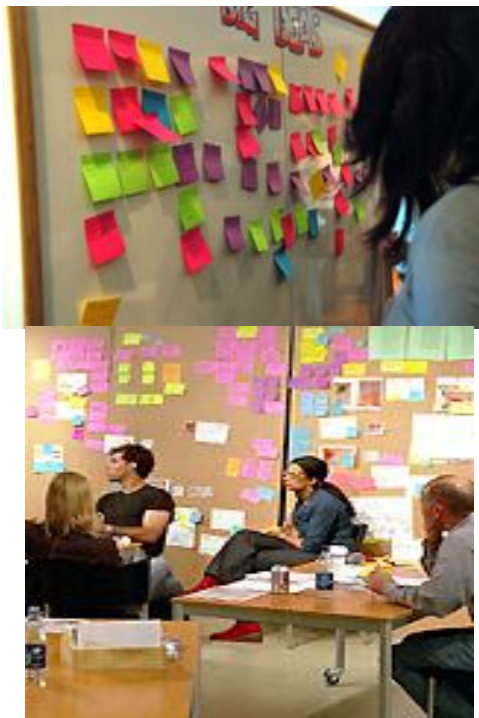
Results

42 clinics certified by the state as medical homes in 10 months. Competitors achieved on average less than 10 in the same amount of time.



Case

Business Model Design – Senior Management Team



Description

A health care provider needed to increase growth and revenues due to reduced hospital admissions. Growth needed to be non-traditional because of a mature market.

Methodology

A business model design application with the senior team over several design sessions to explore market adjacencies and white space opportunities.

Results

Two growth initiatives resulted: (1) “Project Stork” – Joint project with Target to increase growth through reducing risk of pregnant employees; and (2) Joint venture with Provider and Payer (Medica Insurance) to develop new insurance product for individual and family members (non-employer status). Both these initiatives have been extensions of this effort through the adaptive approach.

Case

Experience Design – Ovarian Cancer



Description

The increase of ovarian cancer was causing alarm in the Minnesota medical school and with state provider groups. Several providers decided to jointly explore new care treatment models and improve the patient experience.

Methodology

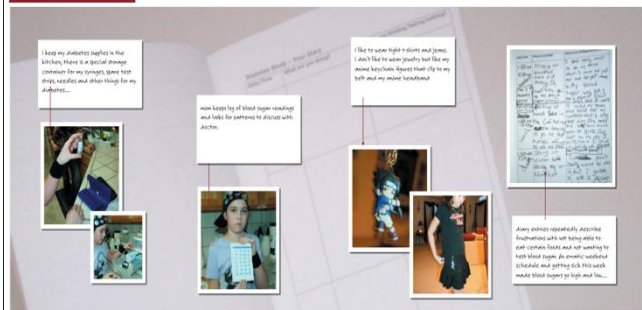
Twenty – four ovarian cancer patients and a like number of physicians and specialists got together for two two-day experience provider-patient co-creation design events. Following design sessions pilot adaptive units were put in place to track implementation progress.



Laura: Diary

"...I want to eat and forget about my blood sugar. It looks waaaaay too yummy..."

"...my blood sugar was 314 (high again) and I had 10 units..."



Results

Ovarian cancer touch points were redesigned and many implemented between participating providers.

Case

Adaptive Design – Governor Project



Description

Governor of Minnesota needed to reduce health care costs in state and challenged health care provider CEO to do so.

Methodology

Established a network of CEOs, Chief medical Officers, and CFOs and designed plan in DA session. Four adaptive teams met over a period of four weeks.

Results

A proposal was on the governors' desk in four weeks. Action was taken on a number of recommendations resulting in decreased state health care costs.

Case

Adaptive Design – Governor Project

Participating Organizations:

Allina
BlueCross BlueShield
Children's Hospital & Clinics of Minnesota
Fairview Health Services
First Plan of Minnesota
Gillette Children's
HCMC
HealthPartners
HealthEast
Managed Care Associates
Mayo Clinic
Medica
Minnesota Council of Health Plans
Minnesota Hospital Association
Minnesota Department of Health
Minnesota Department of Human Services
Metropolitan Health Plan
North Memorial
Office of Governor Tim Pawlenty
Park Nicollet
PreferredOne
UCare

On February 25, 2009, nearly 60 health care industry leaders gathered to collaborate on a challenge: how can hospitals, other providers, payers and the State of Minnesota come together to fundamentally redesign the way we deliver care and reduce per capita costs in the Medicaid and other state programs?

The challenge was posed by Governor Tim Pawlenty during a meeting with healthcare leaders in mid-February. Senator Berglin and DLF leadership have also asked for industry input. With the state's dire economic picture and the massive proposed cuts to health care as the backdrop, the conversation built on a mutual agreement that the delivery and payment system needs to be redesigned. Ultimately, the Governor asked hospital leaders to think with their payer colleagues to "put something on the table."

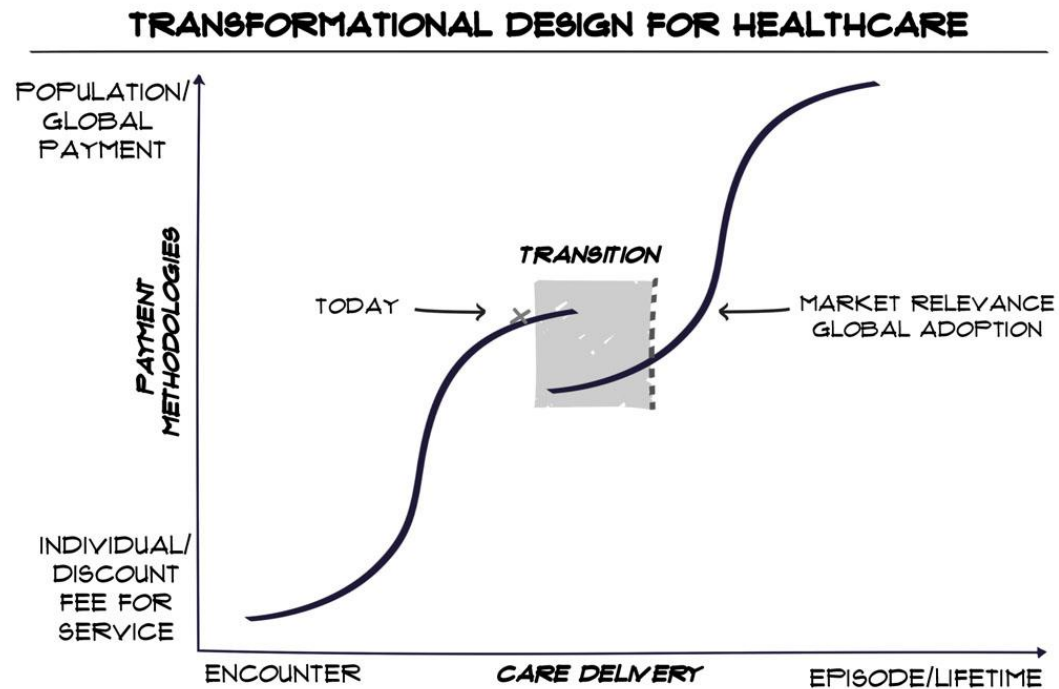
The February 25 meeting aimed to do that. Leaders participated in a four-hour meeting that was centered on the following outcomes:

- ◆ Manage the health of a defined population (subset of Medicaid population)
- ◆ Improve clinical outcomes
- ◆ Create an exceptional experience for enrollees
- ◆ Reduce per capita costs

The group that assembled represented all the major providers and payers, serving predominantly the greater Twin Cities area.

Cases

Transformational Design



“We shall not cease from exploration
And the end of all our exploring
Will be to arrive where we started
And to know the place for the first time.”

T.S. Elliot
Little Gidding

Thank You

