

Cultural Transformation Through Talent





System Overview



System Overview

- 22,000 employees
- Henry Ford Medical Group
 - 1,000 physicians and researchers
 - Clinical Excellence, Research & Education
- Henry Ford Hospital
 - 903 – Bed Flagship
- Health Alliance Plan
 - 525,000 members/subscribers
 - HMO, PPO, CDHP products



System Overview

- 5 Acute-Care Community Hospitals
- 2 Behavioral Health Facilities
- 200+ Care Delivery Locations
- Extensive Community Care Operations
- Including 2 Nursing Homes, DME, Home Care, Dialysis, Hospice, Retail Pharmacy and Eye Care Centers



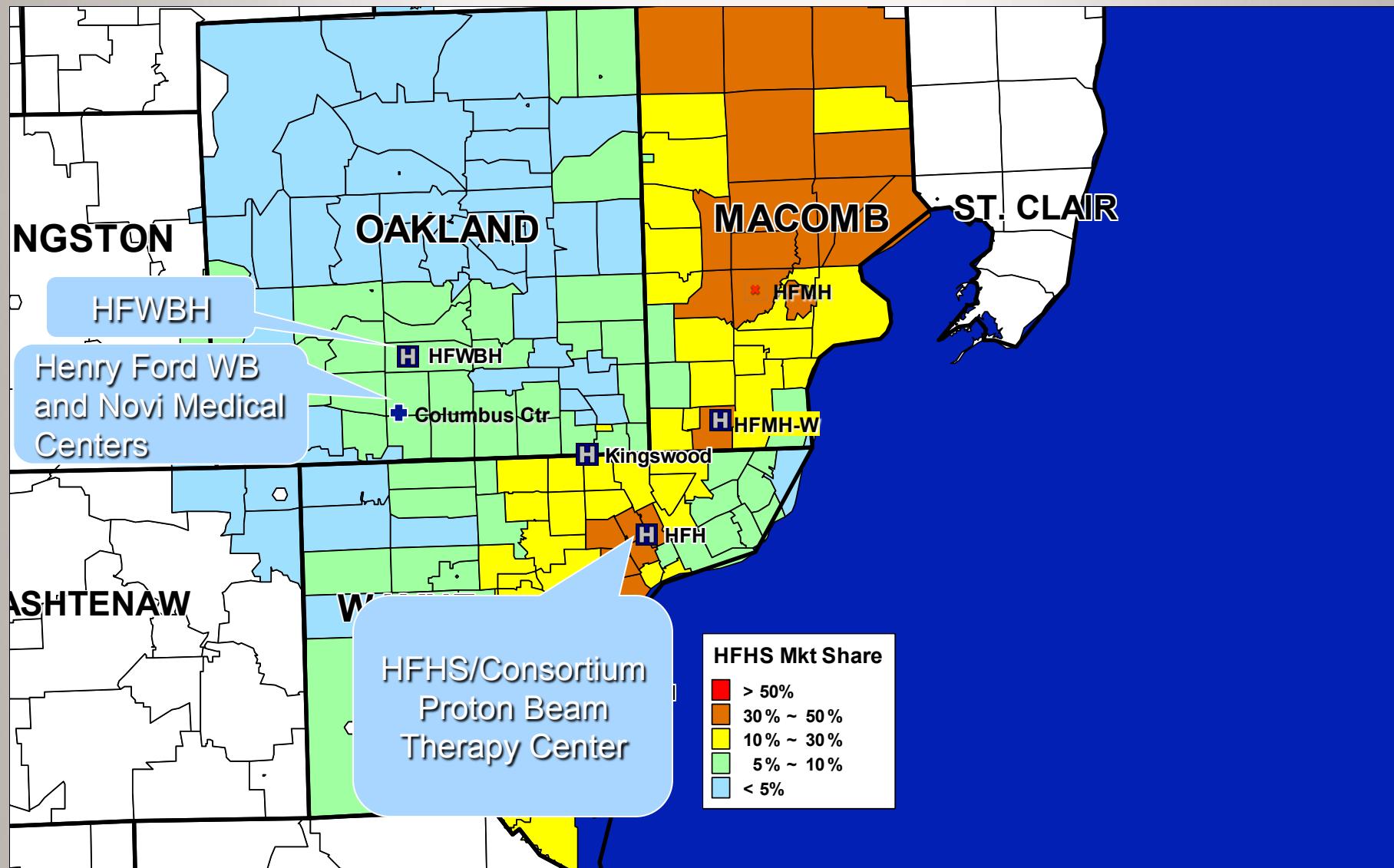
Henry Ford Medical Group is our differentiator

- One of the nation's largest group practices, with 1,000 physicians and researchers
- 25 medical centers offering 40 specialties
- national leader in e-Prescribing, e-visits
- Henry Ford Hospital: Leap Frog Top Hospitals 2 years in row

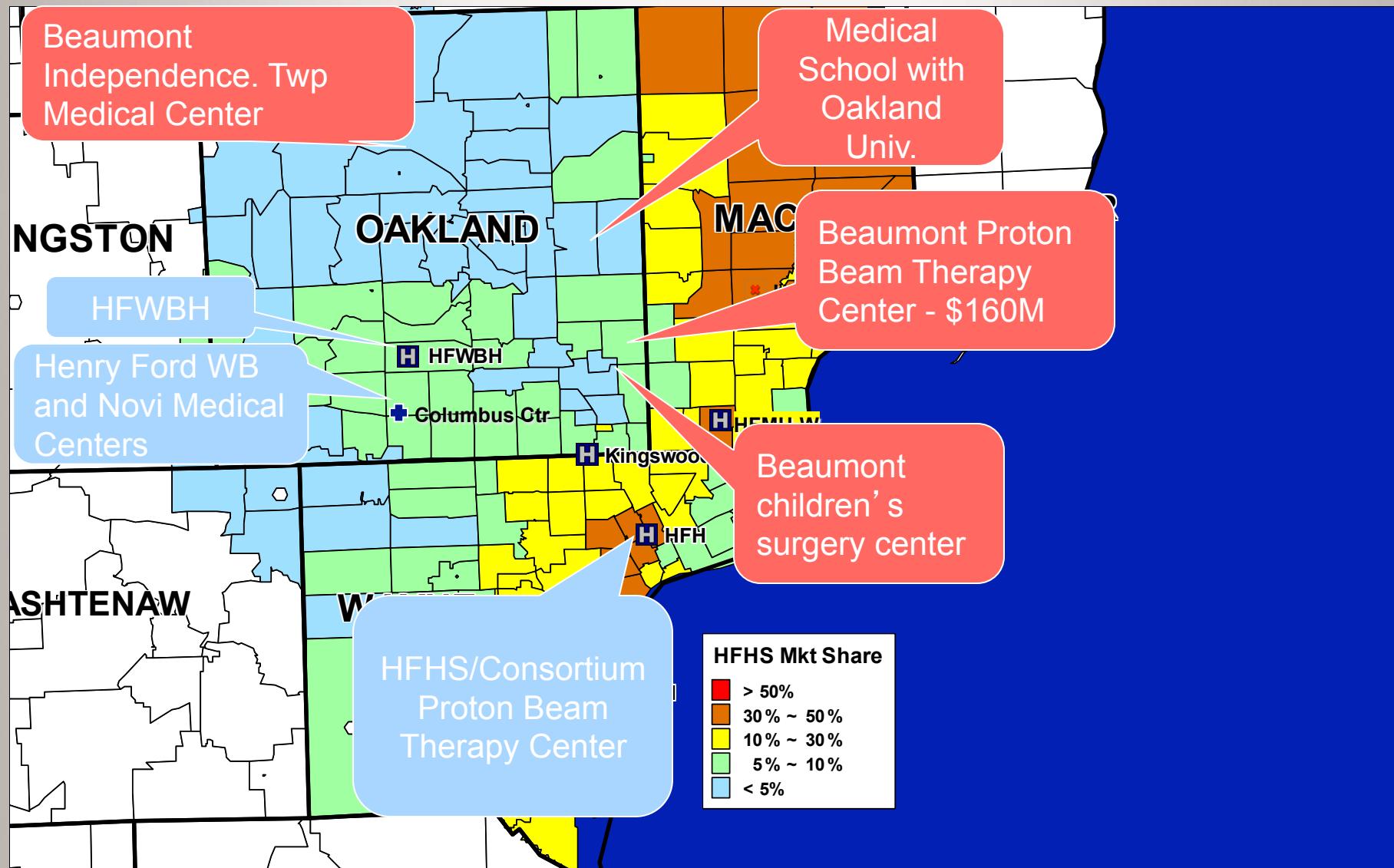
Henry Ford West Bloomfield Hospital



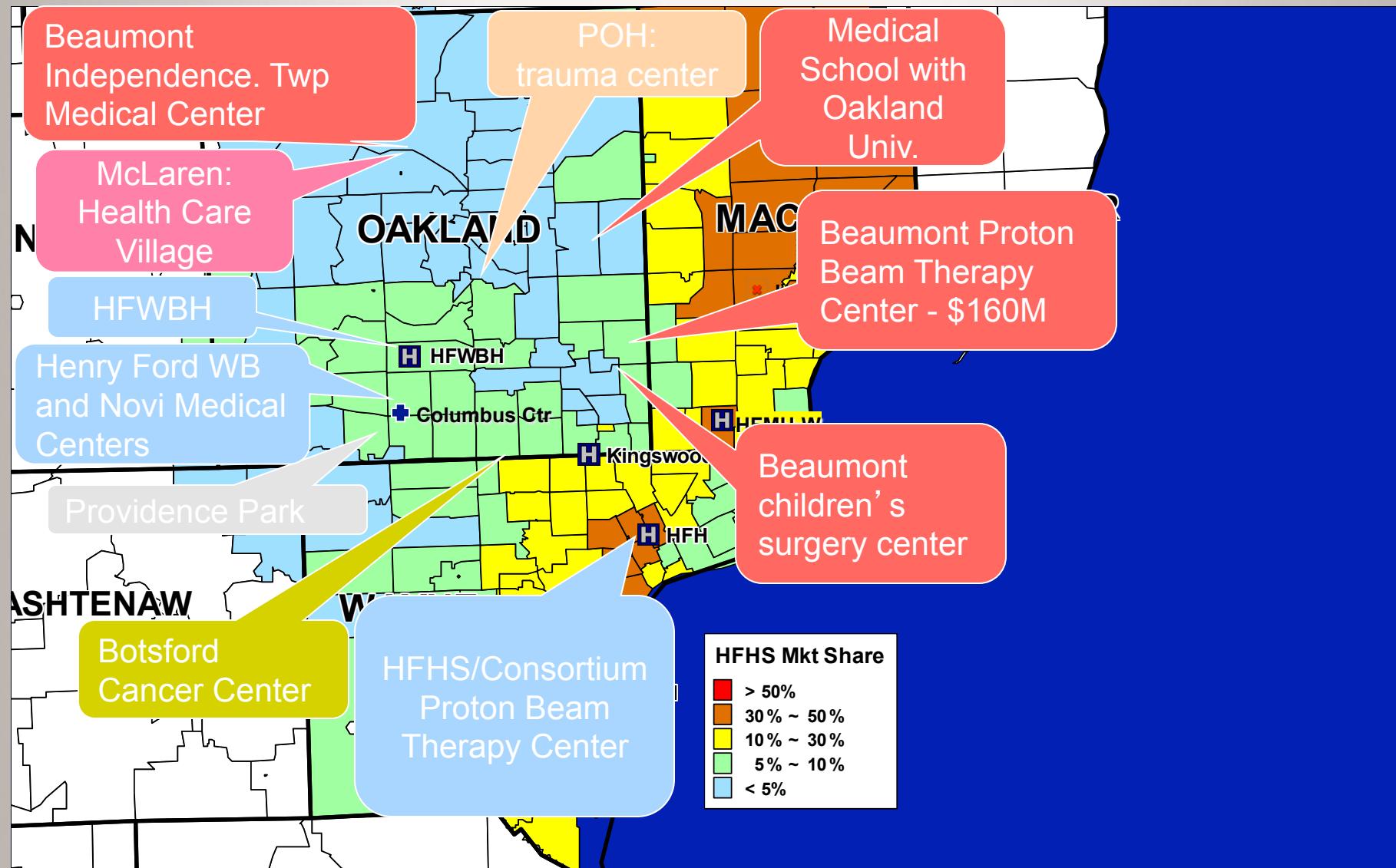
A Competitive and Crowded Market



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A Competitive and Crowded Market

Beaumont
Independence. Twp
Medical Center

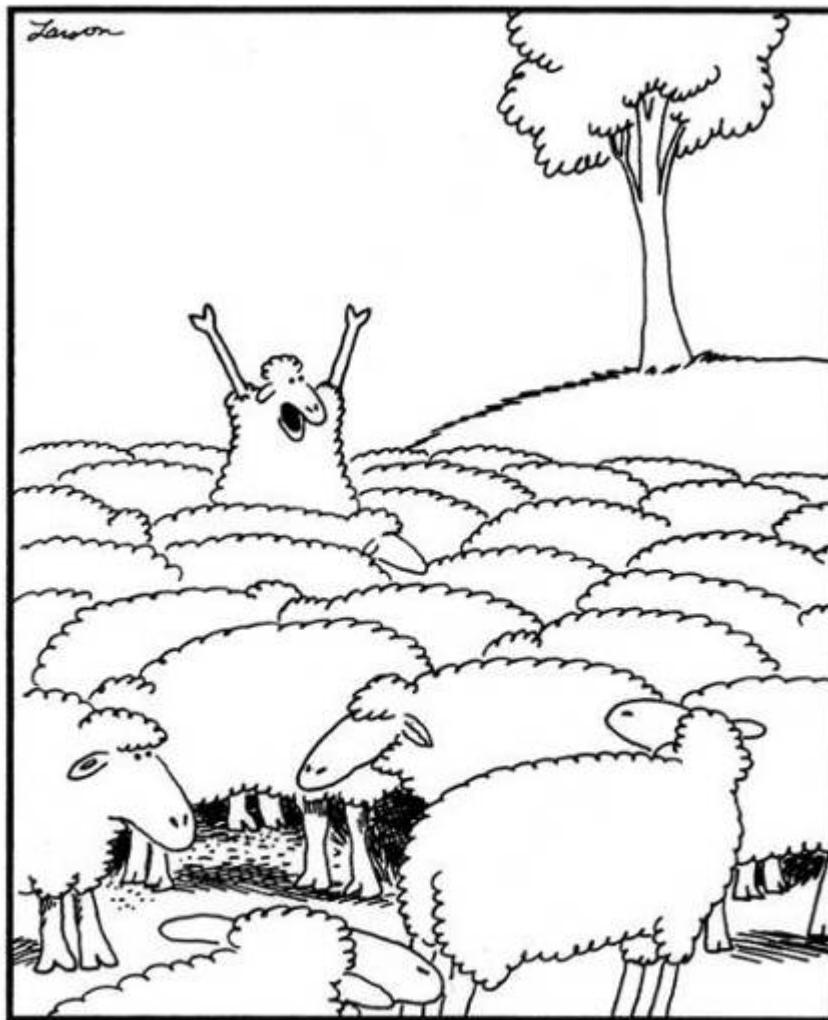
POH:
trauma center

Medical
School with
Oakland

With all of these projects, our delivery of health services to Oakland County residents will have to be extraordinary.

Are We Prepared?

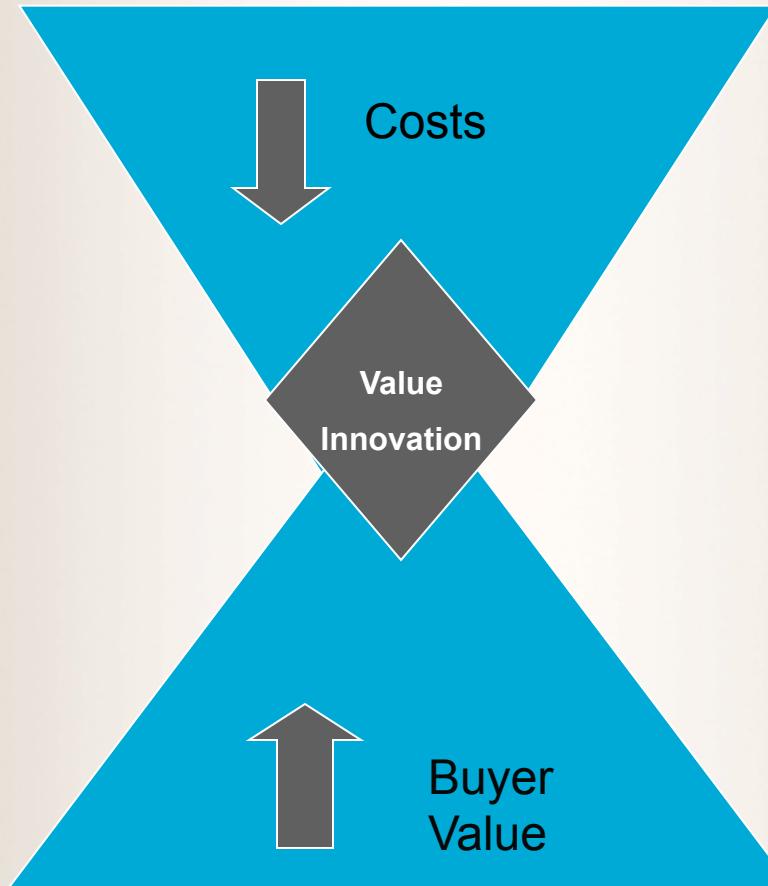
Lawson



"Wait! Wait! Listen to me! ...
We don't *have* to be just sheep!"

Value Innovation: The Cornerstone of Blue Ocean Strategy

Cost savings are made by eliminating and reducing the factors an industry competes on. Buyer value is lifted by raising and creating elements the industry has never offered. Over time, costs are reduced further as scale economies kick in due to the high sales volumes that superior value generates.



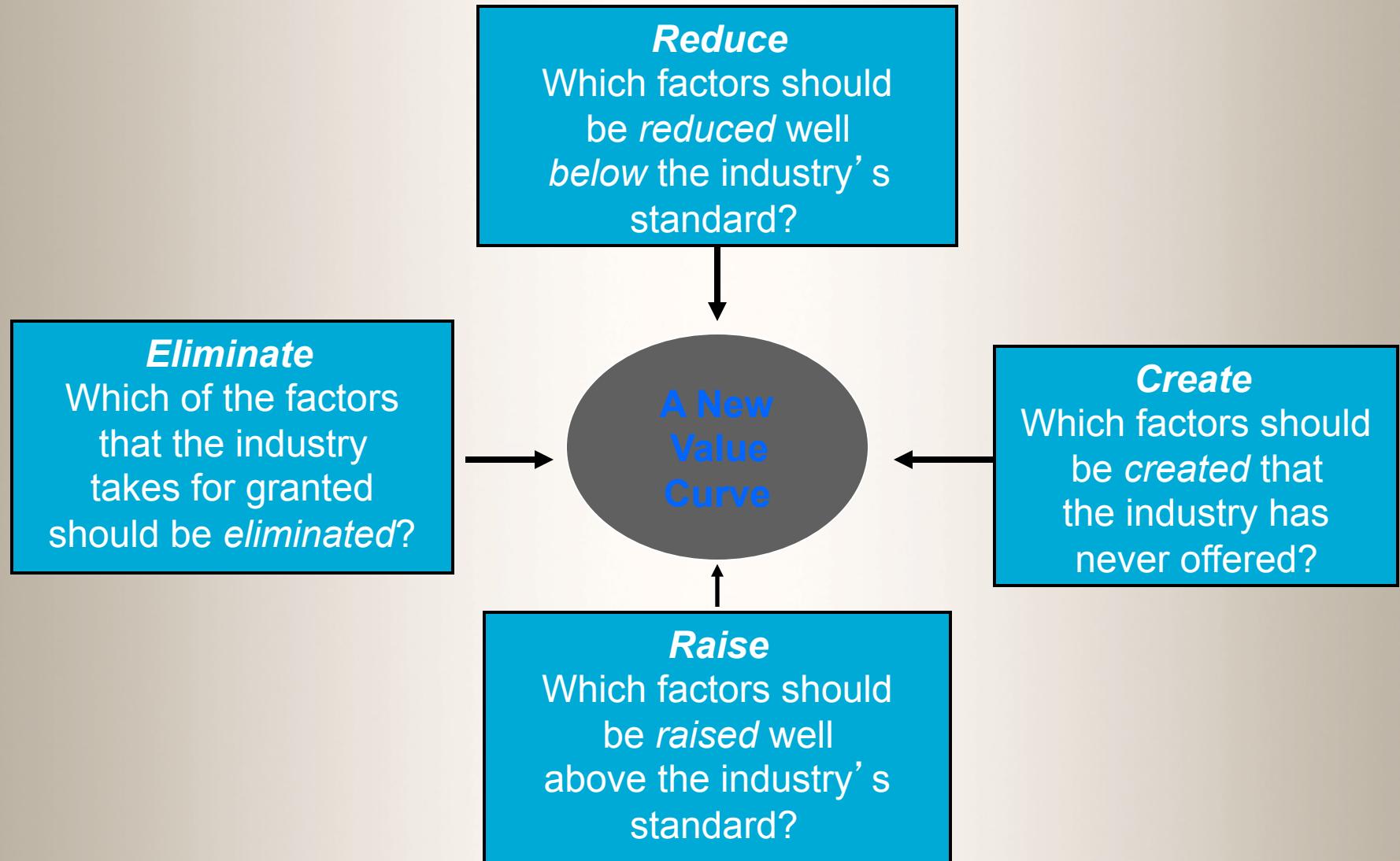
The Simultaneous Pursuit of Differentiation and Low Cost



Red Ocean Versus Blue Ocean Strategy

Red Ocean Strategy	Blue Ocean Strategy
Compete in existing market space.	Create uncontested market space
Beat the competition.	Make the competition irrelevant.
Exploit existing demand.	Create and capture new demand.
Make the value-cost trade-off.	Break the value-cost trade-off.
Align the whole system of a firm's activities with its strategic choice of differentiation <i>or</i> low cost.	Align the whole system of a firm's activities in pursuit of differentiation <i>and</i> low cost.

The Four Actions Framework



Eliminate-Reduce-Raise-CREATE Grid: The Case of Cirque du Soleil

Eliminate	Raise
Star performers Animal shows Aisle concession sales Multiple show arenas	Unique venue
Reduce	Create
Fun and humor Thrill and danger	Theme Refined environment Multiple productions Artistic music and dance

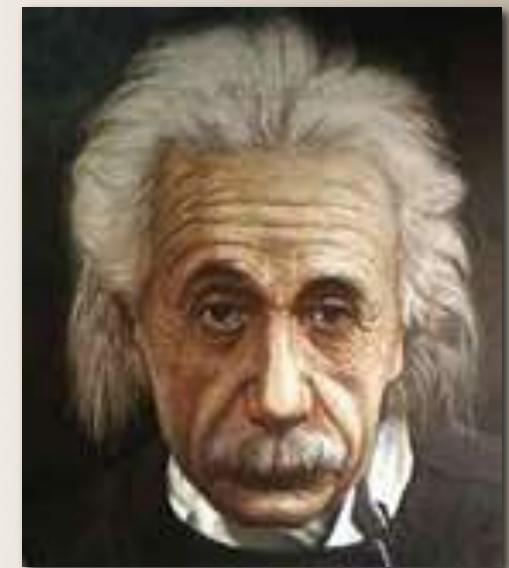
*“If you don’t like change,
you are going to like
irrelevance even less”*

General Eric Shinseki



***“Doing more of what you are
already doing and expecting
a different result is a sign of
insanity.”***

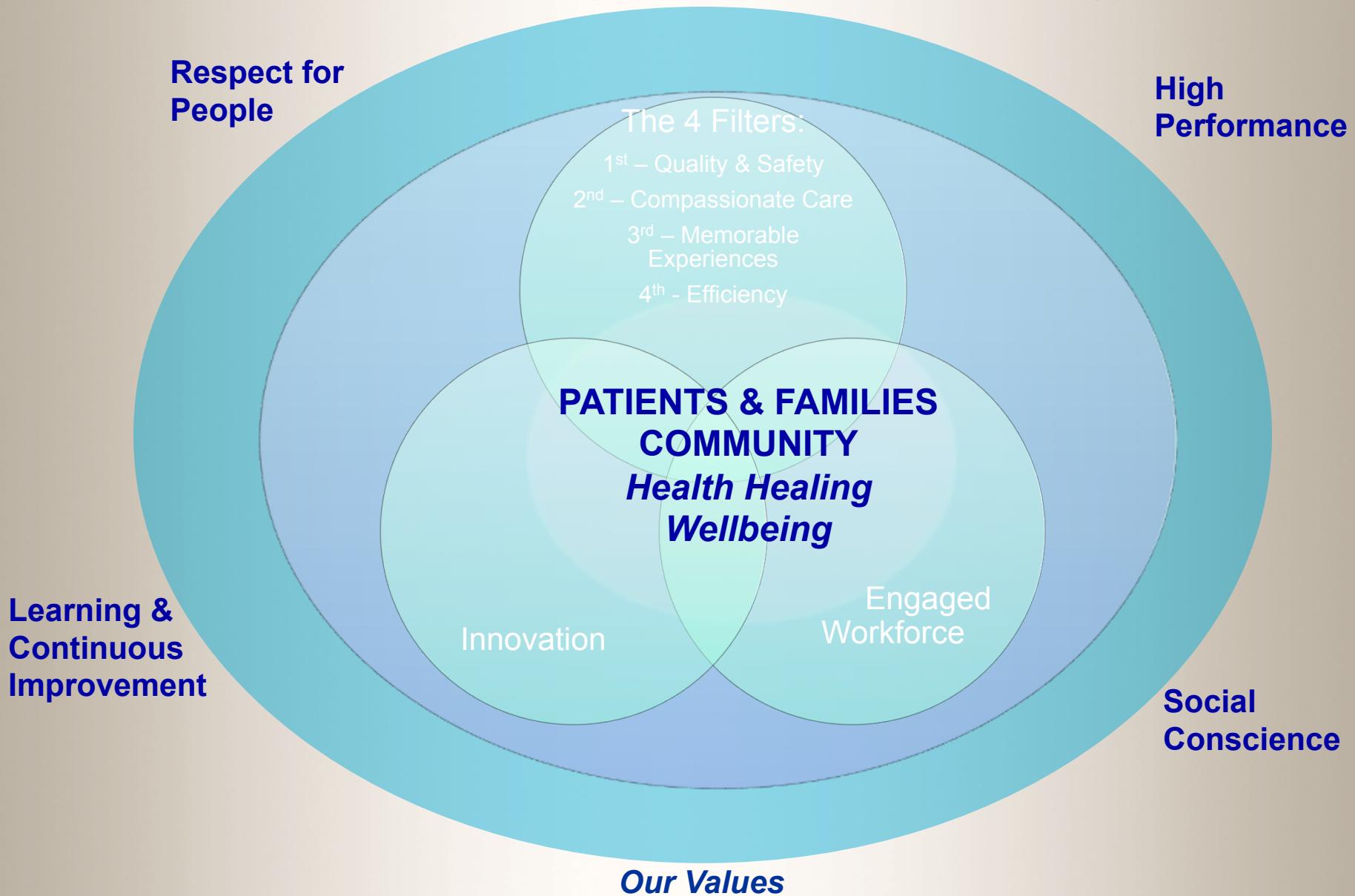
Albert Einstein



Taking Health & Healing Beyond the Boundaries of Imagination



Community Center for Well-Being



“Taking health and healing beyond the boundaries of imagination”



Commitments

The 4 Filters

Our Framework for Decision Making

1. Quality and Safety
2. Compassionate Care
3. Memorable Experiences
4. Efficiency

The Nation's First Culinary Institute for Healthcare





Henry Ford
HEALTH SYSTEM



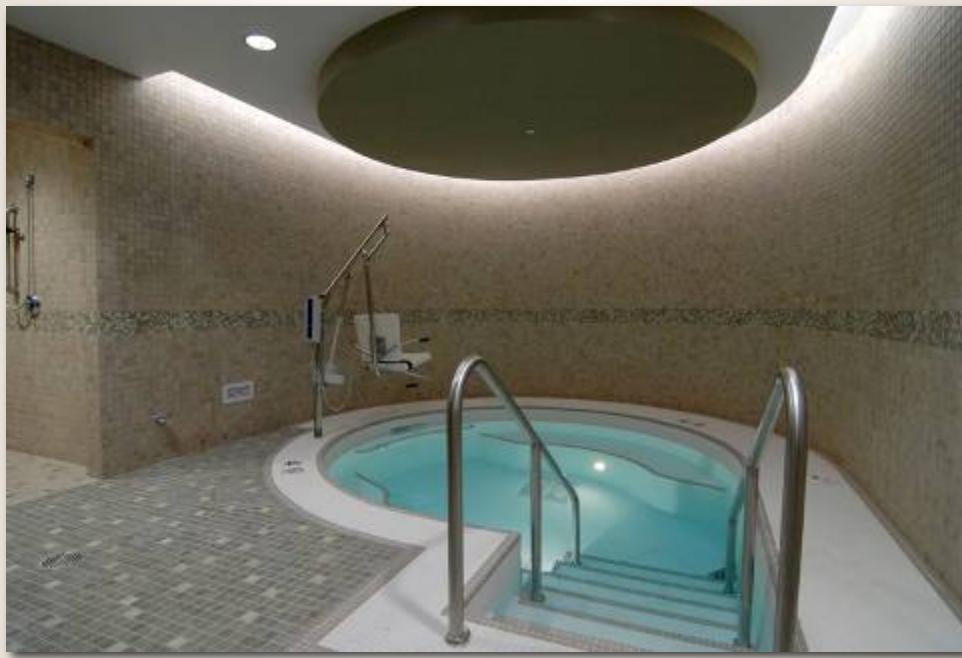


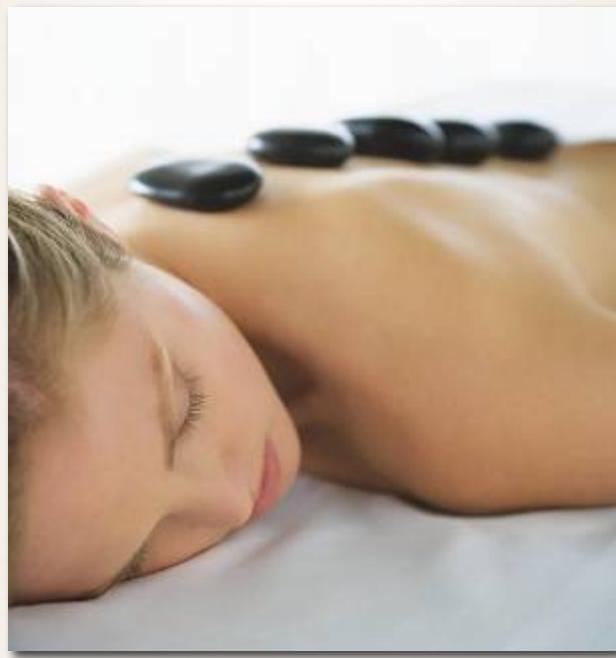




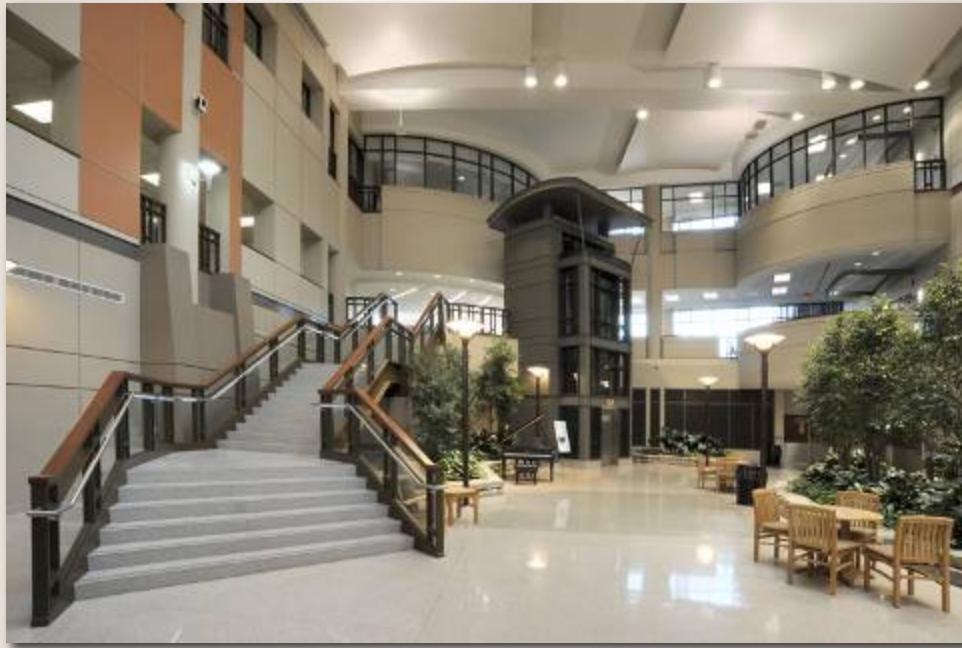




















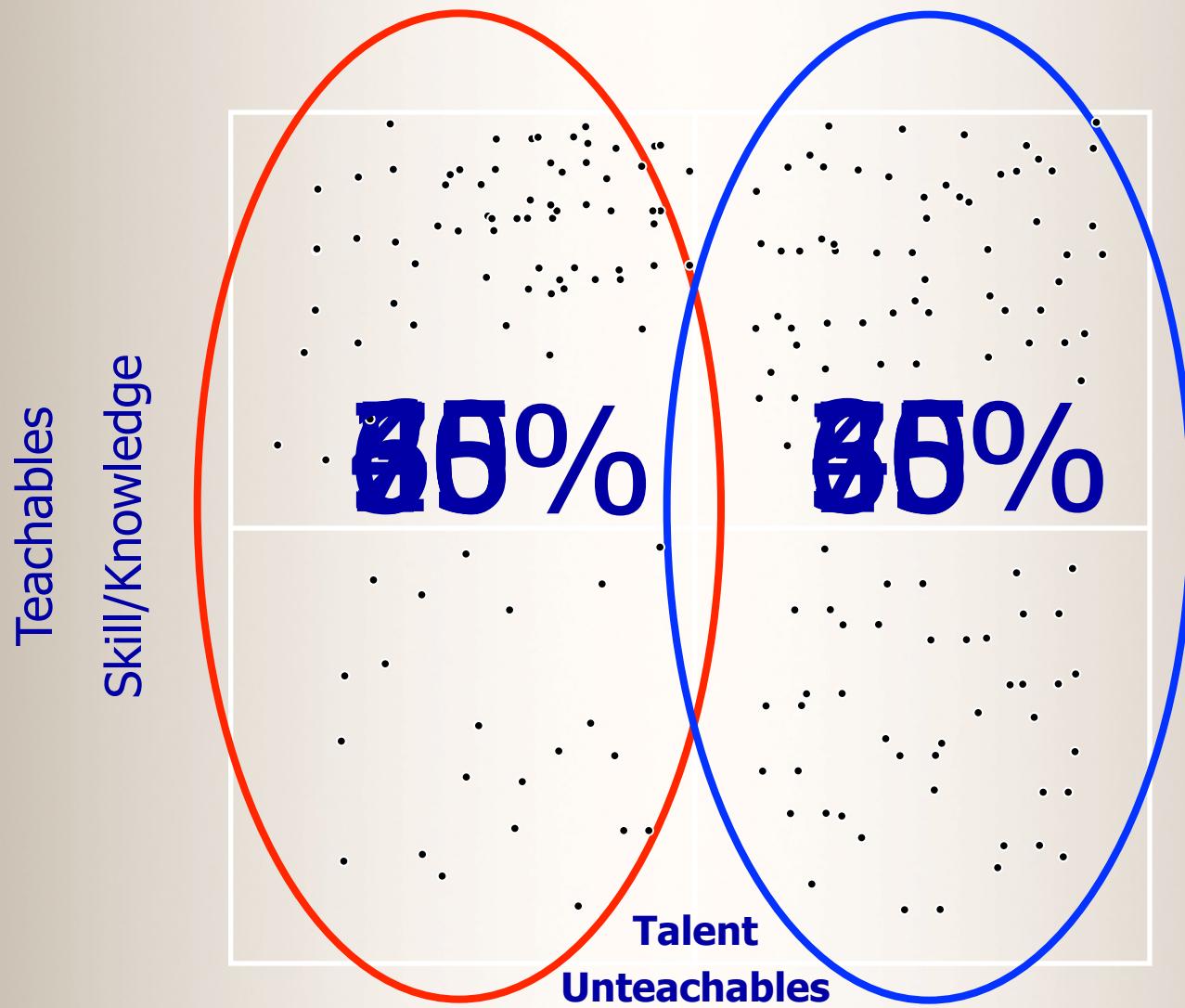
Best Practice Human Capital Strategies are Shifting to the Top...

CEO's are moving human capital management to the top of the agenda, recognizing that it is an indispensable element of organization success...

For healthcare to survive and prosper in the wake of the worst workplace shortage in years, focused attention needs to be placed on the attraction, development, and retention of employees.

—The Road to Recovery, AON Healthcare Study

Imagine.



BY DEFAULT — TYPICAL ORGANIZATION



BY DESIGN — WORLD CLASS/BEST PRACTICE ORGANIZATION



“It’s First Who, Then What”

“Greatness is not a function of circumstance. Greatness, it turns out is largely a matter of conscious choice, and discipline....

*one of the most fundamental disciplines is
“getting the right people on the bus and in
the right seat---first who, then what”*

Jim Collins—Good to Great

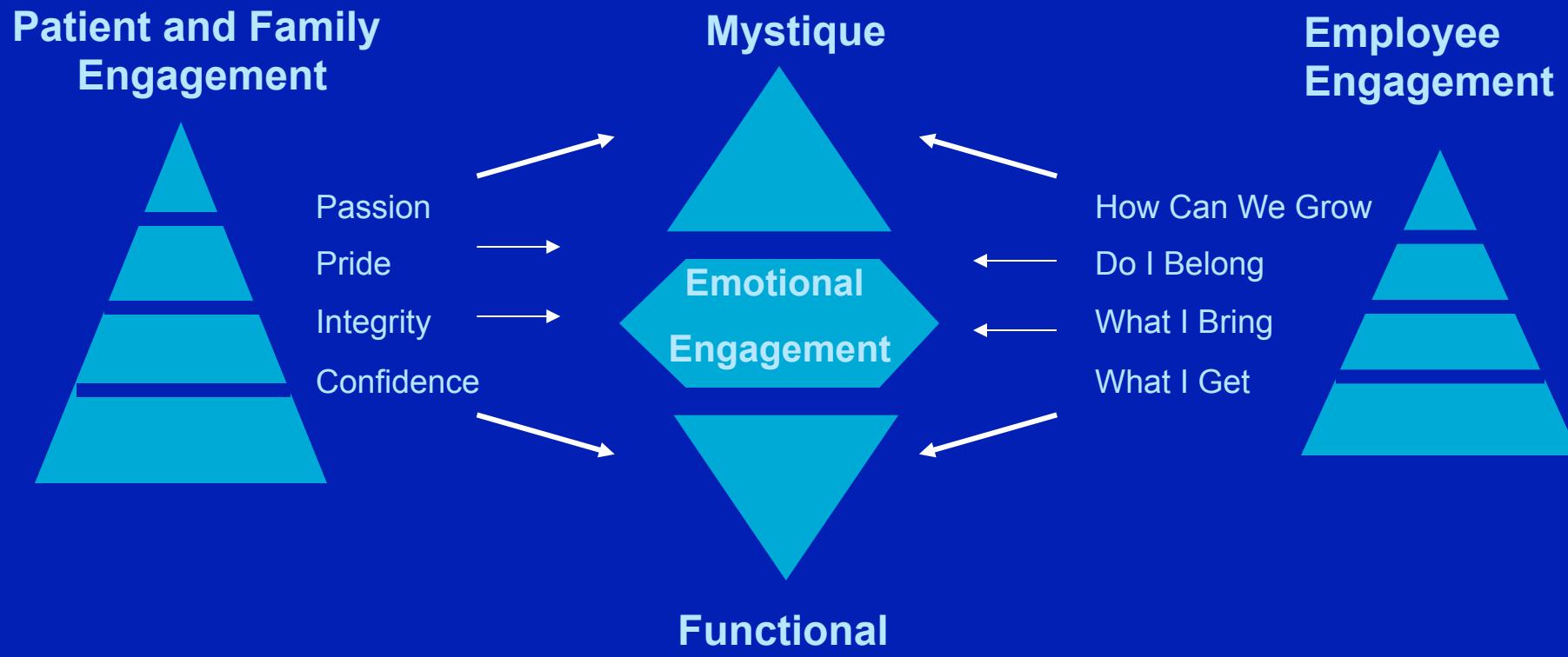
Building a Foundation with Impact Concepts, Tools, and Processes

Talent vs. Competency

- Understand **the foundation of top performance**

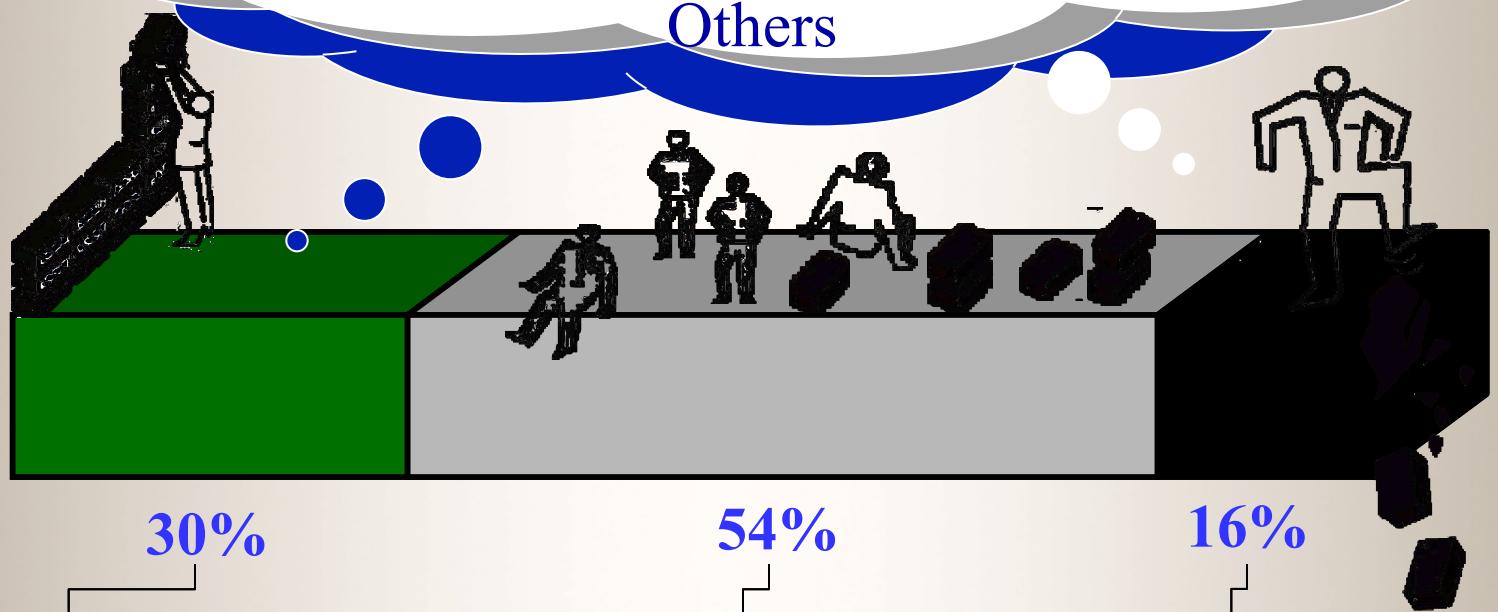


Integrated Model



Three Employees (US)

Physically Present but Psychologically Disruptive, Unhappy and Insist on Sharing Their Unhappiness with Others



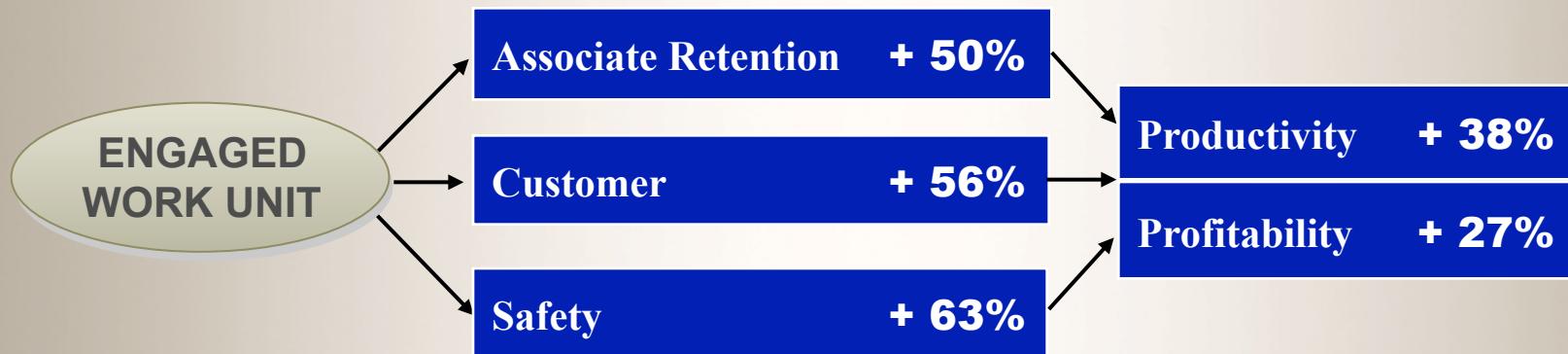
Engaged

Not
Engaged

Actively
Disengaged

Meta-Analysis 2003 — Conclusions

Engaged work units have higher success rates
(improvement in probability of success: above-average performance)



+94%

Composite Performance
(composite of direct outcomes)

+78%

Overall Performance
(composite of all five outcomes)

THE COST OF DISENGAGEMENT

GMJ's 2006 Q2 survey found that, of all U.S. workers 18 or older, about 20.6 million — or roughly 15% — are actively disengaged. Gallup estimates that the lower productivity of actively disengaged workers costs the U.S. economy about \$328 billion.



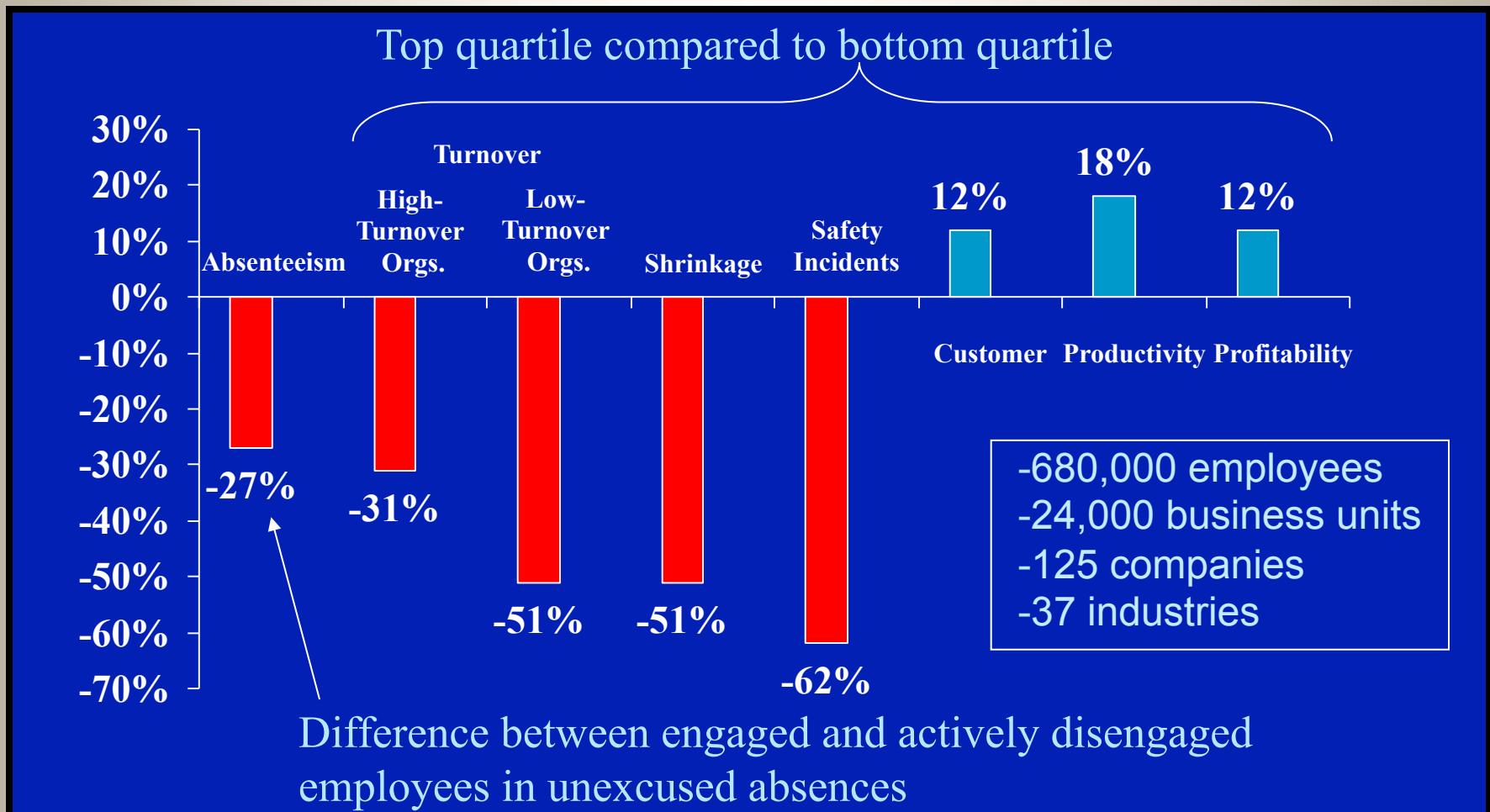
Note: Data reported quarterly through Q3 2002, then every other quarter thereafter.

Source: Gallup Organization

Graphic by Tommy McCall

Employee Engagement Outcomes

Companies in the most engaged quartile have significantly better performance than those in the least engaged quartile



Understanding Customer Engagement

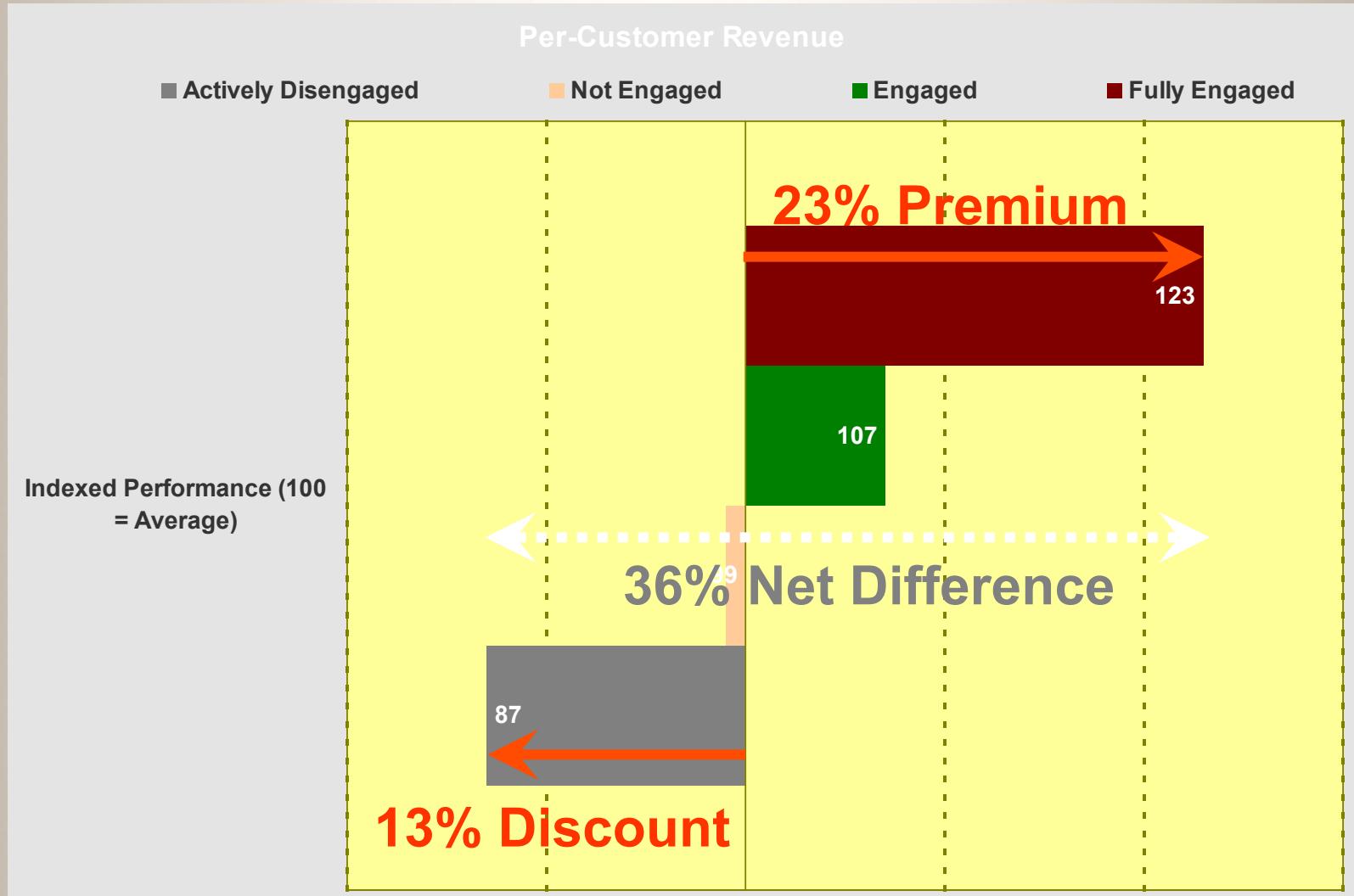
Customers are not strictly rational – healthy, engaged customer relationships have a significant emotional dimension which must be measured and managed.

*“When it comes to customers,
feelings are facts.”*

*-Simon Cooper
President & COO,
Ritz-Carlton Hotel Company LLC.*

Simply satisfying customers on a rational basis is not enough to drive financial performance.

Customer Engagement Drives Financial Performance





Questions & Answers

