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6 thoughts from David Shade, CEO of Prism Healthcare Partners

By Molly Gamble

David Shade was retired for about six months before he found himself on an airplane, headed home to start something new and exciting.

That something was Prism Healthcare Partners, the Chicago-based national healthcare consulting firm Mr. Shade now leads as president and CEO after co-founding it with a group of partners less than three years ago.

Armed with years of experience helping hospitals clarify their strategies, establish quality improvement programs and improve their bottom lines, Mr. Shade now leads teams of experts to do the same. His extensive background — a previous tenure as COO of Huron Consulting, CEO of Wellspring Partners, which he co-founded, and 21 years as partner in the healthcare practice of Ernst & Young — make him a seasoned and relatable expert among hospital leaders and boards.

Here, Mr. Shade took some time to answer six questions from Becker's Hospital Review.

Question: How did you found Prism?

David Shade: I've been in the business over 40 years. My five partners and I basically grew up in the Big Four world of consulting. In 2000, we had a chance to do something very interesting and different. We formed Wellspring Partners and had seven wonderful years there. We started from zero and built it to a very large organization, and then in 2007 we sold the firm to Huron Consulting. We had a great relationship with Huron, we contributed heavily to the build-out of their healthcare practice, and they honored every aspect of our purchase agreement. It was a win-win all the way through.

At the end of our five-year contract to Huron, we basically de-

clared free agency. I declared retirement and retired for about six months. We have a beautiful place in Ocean Reef, Fla. My wife, Charlotte and I were having brunch one day when Charlotte looked at me and said, "David, you need to get a one-way plane ticket back to Chicago and get that firm going that you've been dreaming about." So I did. I called a number of the former colleagues, and off we went.

We wanted to get back to the Wellspring culture and to what we did the best. In comparison to the large firm culture, it was the Wellspring culture that won the day for us, and that's what we wanted to recreate with Prism. We're about 2.5 years old now, and it's worked out incredibly well.

Q: Do you have a core theory on how your team works with hospitals and health systems?

DS: When you think of Prism, think of anti-leverage. We have an unleveraged model that is very focused on senior talent because our clients love working with seasoned experts. When we're working with a client, the client has a Prism team with maybe eight, 10 or more members. They are heavily experienced and most have been on the provider delivery side as well as on the consulting side. It gives them insight and empathy. We have a peer-level relationship with our clients: That's the way they look at us, that's the way we look at them, and that dynamic is incredible.

As far as the way Prism operates, it goes back to the culture again. There are two key priorities. One is client satisfaction, and the other is staff and employee satisfaction. That drives us. About client satisfaction, you'll have to ask our clients, who I think are very satisfied. And for staff and employees, the way we measure satisfaction is in terms of turnover. In our seven years at Wellspring, turnover among our professional staff was virtually zero. In 2.5 years at Prism, the experience is the same. To me, that's a big indicator of how staff feels about things.

Q: What is the most challenging issue or issues facing health systems today?

DS: There's a lot to choose from. My view is that the really big challenge is getting the most out of consolidation. Consolidation is one of the bywords of the day. Every time I pick up Becker's, somebody is merging with somebody. The consolidation trend is going to continue for years to come. We'll have larger and larger business units. We'll have more and more complex business units. It's a huge, sophisticated amalgam that's evolving. We can't see quite what the ultimate evolution is yet, but we know for sure that the cottage industry concept of hospitals — that's going quickly.

Consolidations are rationalized by market and economic strategies. Achieving the resulting goals is critical, but in many cases, it's not happening. Success or failure is determined based on the effective execution of the implementation plan, and this is where more attention is needed.

Q: Do you see a good deal of independent hospitals remaining five to 10 years from now?

DS: Five to 10 years is probably too long a timeframe. Three to four years from now, independent, freestanding community hospitals will still be out there, but there will be fewer of them. The consolidation drumbeat continues. The trend is

toward larger, consolidated business entities — away from freestanding hospitals, away from freestanding medical practices, away from freestanding anything. Consolidation is a trend, and I don't think that will stop.

Q: What's the best piece of advice you'd share with health system or hospital leader?

DS: CEOs obviously have many challenges. I've seen a lot of successful leaders in my time, and I've seen many not-so-successful ones. The bottom line for me is thinking through and understanding priorities, then maintaining absolute focus on achieving those priorities, avoiding distractions and making sure he or she has the experts available to deal with specialty issues or those he or she is not as confident handling. It's the focus on the priorities and the ability to delegate and have access to talent so you can delegate with confidence.

Q: What's the most important thing a leader can focus on today?

DS: Focus. There are dozens of distractions — board members, physicians, and staff all have issues; phone and email. Establish your priorities and delegate with confidence so you can maintain your focus. ■