



# Presidential Address of the American Orthopaedic Society for Sports Medicine

## Some Thoughts on Perspective and the Business of Medicine\*

Douglas W. Brown,† MD, *President, AOSSM*

I think everyone recognizes that sports will always be a place where whining and excuse-making get you nowhere. But I wonder how many of us have caught ourselves whining—or at least doing things that approach whining—about all the changes in medicine. While these changes are legitimately frustrating, I am not going to waste time reviewing all the things that you and I already know are troubling; *that* would be whining.

As physicians, we have lost power, along with our previous position of autonomy and control, and politics has entered our world in ways we never before imagined. When the Clinton plan collapsed a few years ago, “managed care” moved into the void with enthusiastic support from academia and the business community. Never mind that the virtues of managed care were all theoretical and there was no track record in the real world. Such is the modern world of politics.

Our market has changed quite radically, but without a doubt we are not alone. Professionals in other fields have endured problems and changes of similar magnitude.

Most businesses face enormous competitive pressures, and their markets can suddenly become just as harsh and just as unfair as we perceive ours to be. There is no question that, as surgeons, we do work hard, but most professionals who are compensated as well as we are work equally hard. In the end, if we are really honest, perhaps we should admit that for a long time maybe we had it better than most everybody else. Most of us had modest competition and lots of autonomy.

### POSITIVE THINKING

In the context of all these changes, how can we fashion—and maintain—a positive attitude? How can we maintain our perspective in the face of all the changes in our environment that cause legitimate frustration and anger? One thing, I think, we should all do is quit hanging around the doctor’s lounge, which, in my experience, functions mainly as a “whiners’ support group.” I understand that there is some benefit in realizing that you are not alone in your frustration, but call it what you will, it still seems mostly like whining to me.

Instead, we need to hang around with winners, people who have won before or who are actively engaged in winning right now, and it does not matter whether they are in the field of medicine or not. That is not to say there are not

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† Address correspondence and reprint requests to Douglas W. Brown, MD, Orthopaedic Associates of Portland, P.A., 33 Sewall Street, Portland, ME 04104-1260.

plenty of winners in this room. In fact, the opportunity to network with winners is one of the most valuable, and least appreciated, benefits of belonging to this Society. That notwithstanding, what I want to focus on today is what we might learn from winners in environments other than medicine, and how we might apply what we learn to the world of medicine that we know.

It is not a coincidence that our Presidential Guest Speaker this year comes from the world of business. Regina Herzlinger is a professor at the Harvard Business School. She also sits on the boards of several successful companies. If there is anything she knows, it is the world of business. In recent years, however, she has focused her attention on medicine, and her book, *Market-Driven Health Care*, explores the world of medicine with incredible depth and insight. Obviously, I am not going to attempt to tell you what she thinks—we can look forward to hearing her do that tomorrow—but I can assure you that much of what she has to say is precisely about applying winning business concepts to medicine.

## BUSINESS LEADERS

I would like to discuss two other business leaders, both of whom are teachers, like Regina Herzlinger. They are Tom Peters and W. Edwards Deming. I encountered both of them by chance, but the more I have read, and the more I have learned, the more interested I have become, and the more I believe their ideas apply directly to what we do in medicine.

### Tom Peters

Thirteen years ago, I was channel-surfing one evening when I happened across Tom Peters discussing his book, *A Passion for Excellence*, on Public Television. I was fascinated; mostly, I think, because what he was saying resonated so much with my own experiences. I got his book and read it; I even got a copy of the videotape I had seen on television.

I think the most effective way to explore Tom Peters' ideas is to let you hear him in his own words, from that 1986 videotape.<sup>2</sup> So, if you will bear with me for the next few minutes, I would like to play you six short excerpts of him explaining some key concepts. (*Editor's Note: These segments from the videotape were broadcast to the audience. Readers are directed to the reference section at the end of this article for information on the videotape segments that were shown to the audience if interested in obtaining copies yourselves.*) Peters first talked about Jan Carlzon, who headed—and turned around—an airline company named SAS. Carlzon worked with what he had: he taught his employees the proper way to handle customers, provided them with designer uniforms, and did other revitalizing things. He made an airline company that was losing \$10 million a year in the middle of a European recession in 1982 and 1983 into one making \$70 million a year on \$2 billion in sales. Carlzon explained his secret: "We do not seek to be 1000 percent better at anything; we seek to be 1% better at 1000 things." Peters used Carlzon

as a vivid example of being able to increase performance by using the small things already at one's disposal.

Peters goes on to talk about Frank Perdue, the successful chicken producer, who chose major markets (such as Norfolk, Richmond, Philadelphia, Washington, Baltimore, Boston, and the New York metropolitan area) at which to aim his competitive thrust. Perdue managed to gain 55.75% of these markets in his first year's campaign, and that was his lowest share. His secret was his belief that the quality of anything could be improved. That belief, along with total integrity in all business dealings, causes everything else ("share, growth, profitability") to fall into place.

Peters advocates taking exceptional care of customers, whatever your business may be, as the way to gain the largest portion of any market. The other important element is good management and teamwork. If your team is energized, the results will be phenomenal. To achieve these results requires enlightened leadership, which is different from management (a word that Peters despises). Peters says that "Management is about arranging and telling. Leadership is about growing and enhancing." He says we need to shift our focus of attention. We need leaders who are enthusiastic, who cheer teams on, nurture champions, and act as coach and facilitator. Peters' favorite definition of leadership is from a fellow by the name of Bob Swigget who was on the board of Kollmorgen, a successful high-technology company in Waltham, Massachusetts. Swigget, by the way, did not learn this definition at his alma mater, MIT: "The leader's role is to create a vision, not to kick somebody in the backside. The role of the leader is the servant's role. It's supporting his people, running interference for them, coming out with an atmosphere of understanding, and trust, and love."

Peters concluded his video lecture by mentioning two words: enthusiasm and pride. Neither word exists in the textbooks or management books being used in any of America's leading schools of administration. Enthusiasm (accompanied by fun and zest) is what you will find in the turned-on little six-person department in a department store, in the top cookie seller Girl Scout troop, or the top-performing IBM sales branch. Peters quoted John Gardner, the former HEW Secretary: "The older I get, the more I respect enthusiasm." The late Sam Walton, who headed the WalMart Corporation, told his employees in that company's early days that if they would give him an 8% pre-tax return, a huge number in the discount retailing business, he would do the hula on Wall Street in February. They did and he did.

If you ask enough people about Tom Peters, you will undoubtedly hear some criticism, but I have learned not to pay much attention to what people say about him. For me, the most important thing, and I think his most remarkable achievement, is the power of the ideas that he has chosen to highlight, and the remarkable ability he has to be able to communicate those ideas to a very wide audience. He will also freely admit that the ideas he highlights are not his own. He learned them by observing and listening to others. In other words, from winners.

## W. Edwards Deming

One of the people that Peters obviously draws heavily from is W. Edwards Deming. Dr. Deming, who died in 1993 at the age of 93, has come to be recognized as the father of continuous quality improvement. As you will see in a moment, Dr. Deming does not have Tom Peters' flair for communication, but he was a powerful intellect and innovator, and his concepts, which he calls his "14 Points for Management," are as valid today as they were in the 1950s when he first began to teach them.<sup>1</sup>

Listen to Dr. Deming in his own words. "Folklore has it that you cannot have both quality and productivity. If you put too much attention on quality, your production will suffer; boost production and quality will suffer. It's time to get rid of that idea. It does not work. It is not true."

Although Dr. Deming was an American and a statistician by training with a PhD in mathematical physics from Yale, his greatest impact was on the Japanese. He went to Japan shortly after World War II to advise some Japanese companies on statistical quality control methods in manufacturing. His influence grew in Japan to the point where he is generally credited with teaching the Japanese many of the methods that transformed that economy from one with a reputation for cheap and shoddy products in the 1950s to one with a reputation as the home of some of the highest quality products in the world 20 years later, products like Toyota automobiles, Sony electronic equipment, and Nikon cameras. His most powerful introduction in the U.S. came from a June 1980 NBC documentary entitled, "If Japan Can, Why Can't We?" The last quarter-hour of the documentary profiled the work of Deming. The NBC documentary was the catalyst for more U.S. organizations to turn their attention back to quality and to embrace Deming's way.

Deming's core concept is the "Deming Chain Reaction," which says, in essence, that if you continuously strive to improve the quality of the product or service that you are seeking to deliver, you will inevitably lower your costs. You accomplish that because you reduce waste, you reduce re-work and unnecessary steps, and you streamline processes and procedures. But how many times in recent years have you heard people say just the opposite when discussing quality in medicine? That is, because as we are being pushed to reduce costs, quality will *have* to suffer. Again, I quote Deming, "It's time to get rid of that idea. It does not work. It is not true."

Of course, there are circumstances where mindless cost-cutting does indeed reduce quality. We have all seen examples. But allowing cost-cutting to reduce quality requires seriously bad management and poor leadership. The way to stay in business, and to prosper, in this environment—and in most others—is to get the Deming chain reaction equation right. That's the fundamental challenge we face in medicine today, and there's lots of pressure, both economic and political, to do it. What is new in medicine is the increased pressure and the penalties for doing it wrong. That is all the more reason, I think, to pay close attention to the wisdom of someone like Deming, who laid it all out 35 years ago.

## EVERYONE WANTS HIGHER QUALITY AT LOWER COST

I do not think there is any debate that what patients want, and what employers want, is higher quality medical care at lower cost. They have a perfect right to want it and to expect it. And there are enormous incentives for us to be the ones to deliver it to them. Our focus needs to be on how to be the ones to do it!

How do you accomplish the goal of being the high-quality and low-cost provider? You don't get there by superficial and cosmetic changes, by mergers and acquisitions (in and of themselves), for example, or by trying to control a given market through political means. The only strategy that really gets at the heart of the issue is to do what Deming and Peters advocate. A strategy that focuses only on trying to lock in market share through strategic alliances (and the like) is simply a manipulation, analogous to a car manufacturer trying to lock in car sales by scooping up all the dealerships in the area. If the dealerships still give shoddy service and the cars are poorly made, what is the point?

You achieve meaningful and lasting success in a market by focusing on the most fundamental concepts. In medical care, you get there by the leadership and the efforts of individual physicians, working alone or in groups. You get there by recognizing that every single person in your organization who is involved in patient care, from receptionists to billing clerks, everyone who touches the patient directly and indirectly, must work together as a team to systematically increase quality and efficiency, to eliminate wasted time and materials, and to improve processes, and thereby to lower costs. No one else can do it. Consultants cannot do it. Insurance companies cannot do it. Government regulators cannot do it. Gatekeepers cannot do it. Only those of us who are actually involved in the delivery process can do the job.

## Some Examples

Let me give you some specific examples from my own practice. We created a flow diagram of the steps that it takes for a new patient to make an appointment in our practice. It is five pages long! We created this flow diagram to try to streamline the process and make it better for patients and cheaper for us. How did it get this way? Well, ultimately because people made it this way, or at least they let it evolve this way. In the absence of leadership and direction, these systems evolve in their own fashion, and unexamined, and without any motivation to change, it will stay this way, or get even worse! But what do you think it costs us to operate this way? And what do you think it is like to be a patient in a system like this? In the final analysis, what do you think we could save in overhead—and increase patient satisfaction by—if we cut out just 20% of these steps?

Another example from our office is a patient handout for a pain management protocol. The fundamental principle is to use three oral medications in a strategic and syner-

gistic way. About 2 years ago, our whole group, and there were 12 of us, decided that we would all use this same protocol on as many patients as we possibly could. What has happened as a result? Well, phone calls from patients with problems involving pain and pain medications have dropped dramatically. For the last 5 years, I have routinely given my postoperative patients my home phone number with instructions to call if they have any problems or questions. In over 500 cases of outpatient ACL reconstructions, I have averaged about one phone call per year. And when calls do come in, they are much easier to handle. We do not have to ask what pain medication the patient is taking, or worse yet, we do not have to try to remember each physician's pet pain remedy. Of course, we still have some problems with noncompliance and with patients who make errors even with what we think are clear instructions, but, overall, our strong impression is that we have far fewer pain problems to deal with than we did before. Along with that, we are convinced that we are helping these patients effectively treat what pain they do have. Now, if both of those things are happening, there can be no doubt that we are saving money. It is just difficult to quantify.

So, in a simple and straightforward way, we have conducted a classic quality improvement intervention with this practice-wide pain protocol, and it has raised quality and lowered cost. Admittedly, there are many more complex problems to tackle in the average practice environment, but this example is as powerful as it is simple, and that is the point.

If you want other examples of meaningful continuous quality improvement projects, try calling your office and posing as a patient. You know enough to fabricate a good story, preferably something like anterior knee pain, not a torn ACL that is begging for surgery. See what it is like to be a patient in your own practice. It would be even better if you could follow the process all the way through the first appointment, but your staff would recognize you in the waiting room! I will not guarantee it, because I am sure there are some very efficient and user-friendly practices out there, but I will bet that if you pose as a patient in your own practice, you will discover something to improve.

## CONSTANCY OF PURPOSE

Some problems are very tough to get a handle on, but what is required overall, as Deming has said, is "constancy of purpose for the improvement of product and service." That requires good leadership, which keeps the focus on all the appropriate ways to accomplish that goal and engenders enthusiasm for a process that can be rewarding and enjoyable. And who has to take the lead in accomplishing these changes? Top management, which in all medical practice situations that I am familiar with means us, the physicians, the owners. Frankly, I think it is never very effective when physician-owners, either directly or indirectly, declare that they are too busy practicing medicine and leave all the practice management to someone else.

Peters would say to get on with it, try it, test it. He would also tell you that, above all, ". . . is the absolute, total, and unassailable necessity for a determined, turned-on, persistent, and somewhat whacky . . . champion." Peters quoted Peter Drucker on this point. Drucker said, "Whenever anything is being accomplished, it is being done, I have learned, by a monomaniac with a mission."

There is an enormous benefit for all of us who recognize that this is what our mission is. For one thing, we are forced to shift our focus away from the victim stance. We cannot get anything done if we are whining about what awful people politicians and insurance companies are, and how annoyed we feel. Instead, we have to shift our perspective 180° to what we can do, and to what only we can control: to get the job done more efficiently and more effectively. This is what Steven Covey calls working within our *sphere of influence*. The people who do that well will be the ultimate winners in whatever markets they are in. If you can provide the highest quality at the lowest price, customers cannot ignore you. Besides, lowering your operating costs will just make it more likely that you will be there to contend with. No one is saying it is easy, but can you think of a better overall competitive business strategy?

## MEDICINE IS UNIQUE

I want to shift gears at this point, because I would not want to leave you thinking that the only people who have something to say to inspire and motivate us are from outside the field of medicine. There is one person I would like to mention specifically; his message, once you think about it, really is not different from what we have been talking about. The person's name is John Stone, Dean of Admissions at Emory University Medical School, and a practicing cardiologist and a poet. His book, *In the Country of Hearts*, is an inspiring celebration of patients who are teachers for their doctors. John Stone is also the co-editor of another book, *On Doctoring*, which is given, through the generosity of the Robert Wood Johnson Foundation, to every incoming medical student in the United States.

In the end, you might say John Stone is the ultimate consumer advocate because he speaks eloquently about recognizing the uniqueness of every patient, and the unique position that physicians occupy in the eyes of the patient. And this is the other transforming perspective that I want to discuss today. You see, as much as I can argue that medicine is not unique, that it is and should be a business—in the best sense of the word—and that we can all benefit by understanding the core business principles that will lead us toward providing higher quality medicine at lower cost, as much as I can argue in that direction, at the same time I would also argue that the practice of medicine is truly unique. To illustrate this point, I would like for you to read a poem that John Stone wrote and delivered as a graduation address at Emory University Medical School in 1982.<sup>3</sup>

### A Story About How Medicine Is Unique

If you will indulge me, I want to share a *personal* story with you that illustrates how the practice of medicine *is* unique. My father somehow contracted polio as an infant, at age 6 months to be exact, in 1911. He was living in the small paper mill town of Waterville, Maine. Shortly after he became ill with a high fever, he seemed to lose the function of his left arm and his right leg. There were no local options for his treatment in Waterville, Maine, but Boston's Children's Hospital was 150 miles to the south so my grandparents took my father to Boston by train, carrying him on a pillow. After examining him and confirming their worst fears, Dr. Robert Lovett, a renowned Boston orthopaedic surgeon, arranged for my father to be immediately hospitalized and for my grandparents to take up residence in an apartment he owned adjacent to the hospital, an arrangement that lasted many weeks and without any cost to my grandparents.

That was my father's first trip to Boston, but there were dozens and dozens of other trips over the next 20 years. During that time, those Boston Children's Hospital doctors, nurses, bracing makers, and many others were like saints to my father and my grandparents. Through years of repeat visits for check-ups, new exercises and braces, and multiple surgeries, often accompanied by month-long stays in the hospital, they gave my father encouragement, his mobility, and helped nurture his determination.

There came a time when—as an awkward 15-year-old boy with a full-leg brace on one leg, a weak and withered opposite arm, and a heavy plaster-of-paris body brace to control his scoliosis—my father paid a visit to Boston to his then-orthopaedic surgeon, Dr. Frank Ober. According to my father, Dr. Ober was a stern man, but kind in his own way. “Young man,” Dr. Ober began after he had finished examining my father, “I want you to pay close attention to what I'm about to say to you. We both know that you've got problems with that leg and that arm of yours that are never going to go away. But the day you make up your mind that you're no different than anyone else, is the day you'll realize that you can do anything you set your mind to.”

It has now been 73 years since Dr. Ober said that and, although my father passed away 16 years ago at the age of 73, everyone in my family still proudly quotes Dr. Ober, just as my father did all his life. I am very proud of how my father dealt with his handicaps and how he lived his life, exactly, as I see it, as Dr. Ober recommended. The year I was born, in 1945, my father started one of the first radio stations in Maine, and for the next 30 years he was a successful radio and television broadcaster. When he decided to use a motorized wheelchair when he was in his 70s, it was simply a way to increase his mobility and his independence! Throughout his life, there was no place my father would not try to go and nothing he would not try to do, much to the terror of his parents when he was young, and to my mother when he was older.

### SUMMARY—PERSPECTIVE

My parting message today is not meant to be so much about my father as it is about Dr. Ober, and all the other people like Dr. Ober who cared for him over the years, who gave him their best efforts, who saw him as a unique individual, and who saw their job as much more than just a job. That is what is unique about medicine, and what we can always go back to when we need perspective, no matter how frustrated we may be or how fed up we are with what we see around us.

Oh yes, one final thing: Remember to be very careful about what you say in your examination room because someone might be quoting you to their grandchildren 73 years from now! A sobering thought, for sure, but also an opportunity.

### REFERENCES

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