



## Adapting to Change

Sometimes you need to fire and re-hire yourself.

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Every industry undergoes periodic changes in response to which companies in that industry must adapt—“tweaking” existing strategies in order to thrive. Occasionally, one of these changes is dramatic—one that might be likened to “a disturbance in the force.” Such “disturbances” compel companies who want to survive to make major changes in their business models. Anyone unable to make the necessary changes often goes out of business or is acquired by a competitor. When it becomes clear that this type of major change is necessary, emotion enters the picture, delaying the decision-making process. If someone has invested a great deal of time or money—usually both—in building a company, it is especially difficult to “let go” of the existing business model and processes that have made any past success possible.

In the healthcare industry, it appears that one constant is “continuous change.” Of the many changes that healthcare has undergone, we have experienced more than our share of dramatic changes along with the emotional upheaval that is associated with facing the accompanying challenges of such change. While emotion is inherent in the practice of clinical medicine, there is no place for emotion when making strategic business decisions aimed at

impacting the future of a practice.

CEOs of companies faced with the critical need to make major changes in their business models are often paralyzed, unable to go through chaos, disruption, and employee resistance—even when they realize that they have the opportunity to create a radically different model that will ultimately be better for addressing the future. Due to the enormity of this challenge,

cal practices often do poorly because the doctors running them are so wedded to the past that they are unable to make radical changes in business models that are no longer working effectively in a new environment. These doctors have no board that is going to fire them. When faced with a healthcare environment that may necessitate major changes in business models, those practitioners who want to thrive

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CEOs often hire consultants to take on this task for them. While there are times when the analysis and advice of consultants is essential, it is important to realize that these consultants will not be the ones actually leading the change process. CEOs are the ones who will have to take on this role. In many cases, when it becomes obvious that a CEO is not effectively addressing imminent change, a company’s board ends up bringing in someone to replace him/her along with a new management team that is not wedded to the past way of doing things—people who are capable of unemotionally making the changes necessary to compete. Likewise, private medi-

going forward can learn an important lesson from the experience of Intel.

In his 1996 book, *Only the Paranoid Survive*, Andy Grove, former CEO of Intel, put forth the interesting strategy of “firing yourself.” He sets his strategy forth as a way to remove the emotional component when making a major change. Grove tells the story of a time when Intel was losing market share of its memory chip business to Asian competitors. At the time, memory chips were the foundation of Intel’s business, and the company was setting out to “beat the competition at their own game”—they were going to make a better chip and sell it for less. It soon

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became clear that this strategy was not working and probably never would. Grove realized that he and his management team were carrying too much

did, and Intel soon began focusing on a new strategy—the production of microprocessors. This decision re-ignited the company’s growth and led to even greater success. Since the publication of Grove’s book, many CEOs have ad-

through with. Similarly, consultants hired by medical practices most often tell doctors what they already know needs to be done—something that just seems too daunting a task to undertake. A wise sage once said, “It is hard to see the writing on the wall when your back is up against it.” “Firing yourself” frees you from past baggage and forces you to turn around and read that writing on the wall. Once you recognize and accept what needs to be done and are willing to put in the time and effort to succeed, appropriate strategies will soon follow. **PM**

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past baggage to think this situation through logically and unemotionally. He asked his colleague, Gordon Moore, “If we got kicked out and the board brought in a new CEO, what do you think he would do?” Moore’s answer: “He would get us out of the memory chip business.” Grove responded by asking, “Why shouldn’t you and I walk out the door, come back and do that ourselves?” This is precisely what they

opted this approach.

While “firing and re-hiring yourself” may sound simple, it is not, but this strategy offers a powerful approach to strategic planning. In most companies, when new CEOs and management teams are recruited, they make the changes that the previous CEO and management team already knew needed to be made and, yet, couldn’t bring themselves to follow



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