

agree to develop a relationship to achieve their common goals, the next stage of negotiation involves addressing specific issues:

- General consensus on the advantages of a new organization or relationship. Parties may have several different levels of goals for the new relationship. At the most basic level, they may want simply to improve the cost-effectiveness or quality of what they currently are doing. The second level of goals involves developing a relationship that may enable the group to do new or different things. Finally, a third level of goals may focus most directly on the external environment—advocacy, for example. Some structures will further the goals better than others.

- Denial of the need for radical change. At this point, the group needs to recheck its understanding of the need to change to ensure future success.

- What constitutes a market or a region. Following from the discussion of goals and structures comes a need to more clearly define the market the new organization would serve. If agreeing on the

organizing principle proves difficult, the parties need to address this before moving further.

- Current relationships and contracts. Often this issue may be raised in the very beginning, but trying to reach agreement on this too soon may bias the discussion toward inaction. The parties need to remember that current relationships and contracts can be changed. All it takes is time and money. Until the participants know what they might achieve together, how can they judge if the cost is too high or the transition time too great?

- Lack of agreement on the best way to respond to current trends. By this time in the process, the parties should be prepared to work on an agreement concerning the structure and relationship that will best help them achieve the goals they have identified.

Achieving Success The fourth stage is the longest. Agreeing on goals and structures is the first step. Moving into the new relationship and using it effectively must follow. □

Essential Factors for Success



Sr. Laura Wolf, OSF
President, Franciscan Sisters of Christian Charity, HealthCare Ministry, Manitowoc, WI

Collaboration is a fact of everyday life for Catholic health providers in the 1990s. Whether the collaboration is between Catholic providers or between Catholic and non-Catholic providers, market forces and common sense require us to look beyond traditional relationships to forge new linkages for the future. Dr. Karst's efforts to identify potential perceptions and situations that make collaboration difficult are most appropriate. My experience, however, would lead me to reorder and reemphasize some of his points.

As an executive of a rural Midwestern system, I have worked out collaborative arrangements that were not large but shared common challenges and called for common strategies in achieving success. Further, although I have had significant experience in collaborative activities ranging from joint ventures to mergers, my experiences have all been flavored by an atmosphere of strong local autonomy. Programs and solutions imposed by the sponsoring system have been neither accepted nor successful. Thus my comments reflect what I view as the essential elements of successful rural collaborative experiences.

THREE ESSENTIAL FACTORS

In my experience, three factors (two of which are mentioned by Dr. Karst) are absolutely essential for successful collaborative activities. Those factors are need, common mission and vision, and personal respect. Without these factors, any obstacle that arises can defeat the venture.

Need There must be an overwhelming need—financial or otherwise—for a collaborative venture to succeed. Sometimes people approach collaborative ventures because it is “the thing to do.” The trade journals or newspapers tout such ventures as the mark of a progressive institution. Such motivation is never strong enough to carry the negotiations through the difficult periods. Once a clear need for the collaboration emerges, a new discipline enters the discussion, enabling people to get past the barriers to achieve true collaborative results.

Common Mission and Vision The parties to any negotiation need to understand and be committed to what they are about (mission) and why they are about it (vision). Early in the process they should devise mutual mission and vision statements for the

transaction. These statements will provide a common end point for the negotiation. Further, the common mission and vision must become the agenda of the individual players, as well as the agenda of the team. Without a total commitment to the common mission and vision, the players risk being lost in competing agendas and strategies.

Respect and Trust Once the parties establish respect and trust, they can overcome significant barriers to the transaction and achieve seemingly impossible results. Those ventures which are marked by suspicion and recriminations between the parties are not successful. In one of my recent experiences we spent nearly 18 months developing a sense of teamwork among the collaborators. After that we were able to move forward quickly and complete difficult negotiations that had previously been deemed impossible.

OTHER CONSIDERATIONS

With these three factors at work, I believe collaborative activities can be successful. Several other points are worth considering in the pursuit of collaborative ventures.

Change Does Not Have to Mean Increased Size Proposed collaborative ventures may entail collapsing a system or making it more efficient. They do not have to involve expanding the organization either physically or financially. In this age of decreasing resources within healthcare systems, some of the more successful ventures will require downsizing the system rather than increasing its size.

Deal with the Human Resources Issues Early and Often It is impossible to overemphasize the importance of dealing

with the human resources component of proposed collaborative ventures early in the process. The literature is replete with examples of ventures that made perfect sense financially and had a well-developed vision but failed because the parties neglected to prepare the organization for the changes demanded by the proposed collaboration. Even while leaders are developing the broad concepts of a collaborative venture, the human resources team needs to formulate strategies to address cultural changes resulting from the transaction, appropriate severance packages for employees involved, and overall communication techniques.

Protecting the Ministry Is Not Enough In working on collaborative activities between Catholic and non-Catholic organizations, leaders must develop structures to move the ministry forward. Although we must protect the ministry, structures designed to protect can become a wall around the ministry rather than a vehicle to make it stronger and more effective. If we are to survive into the new century, our Catholic identity needs to be up front, flexible, and integrated with the operations of the organization. Thus mission integration, cultural transformation, and ethics must be vital considerations in developing a collaborative structure.

Local Solutions I have found that the key to our success in collaborative ventures lies in solutions hammered out in local markets by committed, passionate negotiators who are rooted in the mission and vision of the venture. The obstacles they face are the same as those faced by others, but their success rate is high because they approach the future with clarity and discipline. □

Wary Travelers: A Reluctance to Collaborate

In the healthcare field, Catholic providers have gained a reputation for shunning mergers with their own kind. Seminar speakers often joke that Catholic hospitals find it easier to marry outside the faith, and many of us have suffered competitors' gloating with false sympathy that the Catholics would be formidable if only they could get together.

Progress over the past two years, and deals in the works now, indicate that the hold-out period may be ending. The formation of Catholic Health Initiative, the merger of Daughters of Charity National Health System—West with Catholic Healthcare West (CHW), and a host of other affiliations signal the col-

lapse of some of the old barriers.

Despite all the recent progress, there is little doubt that Catholic healthcare organizations struggle with mergers, and for good reasons. Few decisions carry greater consequences or pose greater risks. If done right, mergers create a new, stronger entity. Unfortunately, the journey to strength strips away a piece of identity, imposes unfamiliar mechanisms for control, threatens devoted employees, and obliges confidence in an untested partner.

Such changes also require fortitude to lead anxious stakeholders into the unknown. Even though affiliations undergo enormous scrutiny and are crafted in



David Berg
Vice President, Strategy
and Marketing, Catholic
Healthcare West, San
Francisco