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Book Launch Episode Podcast – Episode 108

Ken Segel
Hello, listeners! I'm Ken Segel from Value Capture and the proud host of the Habitual Excellence Podcast. I am always excited, and I'm sort of triply excited and gratified to be bringing you this episode, which is the official Habitual Excellence book launch edition of Habitual Excellence. And, to do it, I am joined by the CEO of Value Capture, Shana Padgett, who's gonna talk to us a little bit about what we were hoping for in writing the book, and then the author himself, my partner, one of my partners from the founding of Value Capture, Geoff Webster, the incomparable coach and leader of these ideas in healthcare and beyond. Jeff, Shana, welcome to the pod, as they say.

Geoff Webster
Thank you very much, Ken.

Ken Segel
So, I'm gonna… before we get to talking about the book too much, I've, sort of bragged on you both by illusion. But for listeners who may not be familiar with you and your careers and what you do these days, you know, could you share just the outlines of your leadership journey and introduce yourselves? Shana, let me start with you as CEO.

Shana Padgett
Thank you, Ken. Glad to be here. What do they say? Long-time listener, first-time guest, or something like that. Anyway, that was just on my mind. So, a little bit about me. I come from the clinical reference laboratory, so that was my degree, clinical laboratory science, and that's where I started. Interesting times. When I graduated, they had just changed the requirements for leaders in my field, and so I graduated a green, new medical technologist right into a leadership role, and that has informed many things that I have, learned and done and come to believe that are important throughout my entire career. But I started in the lab, I spent some time teaching paraprofessionals, and so I really have appreciation for what it takes to prepare new people to work in healthcare. I've sat in all levels of leadership In my operational days, in all

different kinds of spaces, not just the laboratory. I've been in IT, I've been in patient experience, I've been in quality. and performance improvement. But I… I… Tripped into this space, volunteering to be on a lean team way back in the day. Didn't know what I was getting into, and it was a profound pivot in my career, so I got exposed to this kind of thinking, and these principles, and really, making those changes amongst my peers and with my colleagues and in my own backyard was, again, a very formative experience, and I'm thankful for it. And, also got introduced to the idea of people that you invite into your organization to help you think about this and make those hard changes, so the consulting aspect of it, the advising aspect. And really enjoyed. those people that came to my house and taught us how to do this, and so at one point in my career, I decided to give that a go as well. And that led me… you know, a little bit circuitously, but to you guys, I still remember that dinner in, 2015 or 2016, where we got to meet, and you were telling me about the way you guys approach… at that time, it was you guys, the way Value Capture approaches improvement, and I found it very intriguing, and you welcomed me on the team, and… Here we are 10 years later, sort of… I feel like we're sitting down to dinner again, only it's, you know, a podcast this time, so I'm looking forward to the conversation.

Ken Segel
And you are now the first non-founding CEO of Value Capture, and doing a great job. Shana, last bit about you is I want to tell people where you're coming from, where, you know, who may have noticed you're slightly grainy. Where are you coming to us from today?

Shana Padgett
Thank you for that, Ken. So, apologies for any, technical or, you know, vision things, but I'm coming to you from Guam, so I am coming from you… to you from tomorrow. So, this is where the U.S. wakes up. And we have a client here, and we just started working with them a few months ago, and I'm so fortunate to be able to come and support the team and the leaders here. I'm working with Jeff here, so, Anyway, we're a very close-knit team, but I'm physically in Guam, and Jeff joins us on the… on the calls while we're working with the team, why they do really amazing work for the community and people of Guam.

Ken Segel

So, Jeff, you and I have been doing related work together, thank you, Shana, for about 30 years, maybe a little bit more. But tell us about your journey, and we'll then dive into the book.

Geoff Webster
Absolutely. So, you know, I was interested in public policy and government administration, things like that, when I was growing up, and my father was a doctor, so I got to see the healthcare system through that lens, and then both my parents had very serious lifelong illnesses, so I got to see the system through that lens also. And, being able to see it through those two lenses, I think, led me into, health and public health and that end of the world. And then I was fortunate enough to work for a couple hospital associations and public health organizations in Philly and in New Jersey. And then come join you at the Jewish Healthcare Foundation all those years ago. And, that's where we spun off the Pittsburgh Regional Healthcare Initiative, and then later Value Capture, learning, these ideas of Habitual Excellence. That we're all so proud of and so excited by, and also see the remaining opportunity that has yet to be captured, and that's some of the reason for the book that we'll get into.

Ken Segel
Right. You know, Jeff, that is a… that is a great lead-in, and so, you know, we want to celebrate. We, by the time everybody is watching this, we, you know, you will have the chance to access the book, which is called Habitual Excellence, A Healthcare Leader's Path to Transformational Results. And Shana, let me start with you. For our audience of healthcare leaders, some who are in the C-suite today, or clinical leadership, or… Or those that are rising through the ranks and sort of may want to do it in a way that allows the best ideal outcomes that are possible for patients, but also for the people that they serve, you know, what was our goal? Why did you, as one of your first access CEOs, say, I really want this written down in a way that will speak to leaders?

Shana Padgett
Thank you for that question, and I'll tell you, it's two-part. So the first one is, I… I didn't know about this kind of practice in healthcare. So, my whole career in healthcare, but I didn't know about this. Until it came to my… to my department, to my hospital, right? That's when I found out about it. And being the, you know, lifelong learner and scientist that I'm sure all of the people listening are, I did my research once I got exposed to it. And there are all kinds of books and stories from Toyota, from, you know, people who studied it from MIT and other places. There's great research out there. And that helped me

inform my understanding and my knowledge, and I moved forward. I was… How… how long was it? It was… We met in 2015, so I had been studying for over 13 years. Never… once. had I come across any sort of information, any published, any, you know, referenced information about Habitual Excellence? And one of the reasons I joined Value Capture is when we… when we met, you guys shared with me your you know, your theory of the case. What is our hypothesis? How do we tackle this? What makes us unique? And there were things that we talked about that were… they were almost antithetical to how I was trained and taught and introduced to using these principles, period, and then applying them in healthcare. And it was so intriguing to me. Theoretical limit thinking. an unarguable goal for the whole organization. There is harm. We… we turn people loose to try to solve that to root immediately. Real-time problem solving. These things are actually not what I was taught, right? Not theoretical limits. We use SMART goals. Not, you know, turn people up to start solving problems immediately. You've got to create stability before you can solve a problem. These were just antithetical, and… I believe that that information should be out there, and people should be able to study it, and read it, and have their own opinions about it, but if it's not available, then how can you expand your knowledge and have your own opinion about it? And so, really, I was so grateful that Jeff agreed to sort of take this gap that I witnessed as a person new to this kind of thinking, and new to this kind of practice. I want to make sure that the habitual excellence that Mr. O'Neill's voice, that the learning from you guys long before I joined. Is available to those lifelong learners that we engage with.

Ken Segel
So, Shana, that's really exciting, you know, sort of, right, our theory of the case of what makes the difference for the level of excellence that's possible and the sustainability of it, the habitual nature of it, and what's missing, maybe, from some of those more typical formulations, even the ones that are, you know, very cousin-like. To the… to this thinking, and the examples that, our team is supporting across, North American healthcare now. Alright, so the new boss, Shana, says this needs to get written down, and Jeff, she turned to you to do it, and you said, okay. I don't know if you hesitated, but you said okay, and you did it. Why did you say okay? What was the passion for you to put these ideas and stories and narratives on paper. What is it about this material that, you know, spoke so much to you, and what were you hoping to do by taking on this task?

Geoff Webster

Yeah, well, we've been at this for 30 years. And the remarkable thing is, every time that you're working with a leader who is genuinely humble, and genuinely wants to drive excellence in their organization. And is courageous enough to look the truth in the face and make improvements to themselves and their systems. When they see opportunity, it's actually remarkably easy to create habitual excellence. It's a… it's not a hard thing to do, because the principles are extremely simple. And what it takes is leadership dedicated to freeing their people to solve problems and make improvements to their work. That's what it takes. There are a whole bunch of skill sets, but those are the fundamentals. And so, when we always start about with things, solving problems, thinking about the need. And when I think about the need, and when Shen asked me the question, the need is leaders who understand that that's possible. Who look at the need of patients first, who think about how to free up their staff and create the conditions where people can learn and innovate every single day, who realize what's possible when that's true. and then who have a way to get there. And, you know, we often talk about having agreement on goals and agreement on way. as being sort of the essential, properties of an organization that can be habitually excellent. We learned that from Toyota and from Alcoa, so we have great people who've taught us that. And yet, our… most leaders don't know how to achieve that in their organizations. And so, they are running in a 1950s command and control, silo-based set of structures. That are completely inadequate to complete… to creating Habitual excellence for patients and for the workforce. And so, it was a very easy decision. to decide to write the book, even though I had no idea if I could write a book, or had never done it before, I knew that the knowledge was there within our group and within all of our partners who we've worked with, to share these lessons and to tell a story that's really important for leaders to hear. And I believe it is the most important work in the world, literally. Because if we could get leaders able to do that through all of our various organizations, we could free up so much opportunity, and we'll get into that a lot later. For our system, and for our world, and even for our… for our nation and our world. Because we are wasting tremendous resources, and meanwhile not meeting people's fundamental needs, and those are things that we can solve. So that's why I agreed to do it.

Ken Segel
So if that is not a barn-burning, powerful argument for picking up the book. I don't know what is. The most important Work in the world. And, Jeff, you highlighted some aspects about it that actually It requires thinking in a way from more fundamental principles and simpler, and that if we can clear our

minds and sort of adapt our structures to the task at hand and get out of the 1950s in terms of how we think about some of these cascades, it's not that hard for leaders, so that's exciting. you know, let… let… will you… you know, turning back to you, Geoff, will you… Talk, then, a little bit about… the story the book tells, the structure, you know, some of those core ideas for leaders, you know, the story of this in healthcare so far that the book tries to lay out. You know, if leaders pick up this book, what are they gonna find?

Geoff Webster
Yeah, absolutely. So, first of all, there's actually a fairly simple pattern that you can follow to create this kind of habitual excellence. And, you know, just boiling it all down, there are a set of things that you need to do. The first is create physical and psychological safety for your workforce. Because without physical safety, people will not, essentially work for you, right? If you hurt people, they're not working, and if they feel unrespected because they know you don't care about them, they can't bring their whole selves to work. So physical safety matters, psychological safety matters just as much. And I can boil down this down to, you will not, as a leader, know the truth. If people don't feel safe to tell you the truth, you won't know it. Whether you think you know it or not, you won't. And so, if you want your system to be able to deal in reality and solve the problems that really matter to your patients and to your workforce, you need to create the conditions where you have that kind of safety. And many, many leaders are not even thinking about that. So that's the first step. A second step is you need people to own their work. And there's this idea of standard work, which exists throughout Toyota and Alcoa and many other great organizations like that, and the problem is that the way most people, even a lot of people in the lean world, think about standard work. It really is about leaders creating standards and asking people to follow them. That's not what standard work is. Standard work is the best known way that the people who do the work do it to meet customer needs. And if you don't engage the people who do the work, you actually don't have a standard. You have a tailoristic command and control structure. So what we teach leaders to do is how do you facilitate people through creating their standards based on the best-known way, based on evidence, based on learning, but based on what it actually takes to do the work in real life in their organization. And I'll never forget working at the University of Pennsylvania with over 200 nurses to create the standard for central line associated bloodstream infections. There were already bundles. There were already all these things which were useful. Checklists and bundles, those things existed. But you could not physically do the work in the way that was intended without the nurses actually creating a

standard for blood draws and dressing changes, and then working with supply areas and so on to make it so that they had what they needed to do that work. So, having safety is one thing, having control over your work to create it and recreate it, and agree on what we're gonna do, and then change it the next day and the next day based on what you learn. That's the second layer. The third layer is really this issue of having reliable pathways of delivery, so that people have everything that they need all of the time. And this is another skill set that most organizations don't have, because they silo themselves. So, there is a way to work across customers and suppliers to make it so that everybody always has what they need. And, and it's there right away, and you never run out, and it's actually lower waste. It costs less to do it this way. So we help people learn to do that. And to not just organize their supply pathways that way, but also to organize the value streams of work for people. So I'll never remember being in another healthcare system Where we, and this was the first time the leaders had observed this way, and they watched a patient come in for their cardiac surgery. And what they learned in that flow was, first of all, the person didn't know that they were coming in for a pre-op appointment. They thought they were coming in for the surgery itself. So they were terrified, and they didn't even know what they were coming for. They went to two different registration places, one to register for their tests. And one to register for their surgery. And this is a person who is very compromised in terms of their ability to move around. They walked a mile. Over the course of this experience. And then to talk just one more layer about what the siloing did to them, they needed a test that wasn't available on one side of the house. So they had to go to the cancer center to get this test, because that was the only place where the test was. And as you're walking towards the cancer center to get this test, they said, oh no, now I have cancer? They… they thought they had cancer because they're being sent to a different place. And… because we have… just haven't organized ourselves fundamentally to do these things. So it did not take that much work. Once leaders and all these siloed people knew What we were putting people through to change that whole flow, so that they could register in one place, so that they could get the tests they needed, so that they knew in the first place what they were there for. And, and then to get a safe and effective surgery. But we don't organize ourselves based on the need, and we don't organize ourselves based on what we learn, and so we build these systems that are awful for people. And we need to change that, and that's what we need, you know, what we're working on. And then the final capability that people need, no matter how good a system you build. there will be problems. New things will come up. Things will happen all the time. You don't have system stability until you have a real-time capability to escalate and solve problems across your

organization. So we help people build those systems so that anything that they do can actually stick. And not only can they get better every single day. And learn from little things, but they can actually make any system that they build work… continue to work, and continue to improve. So that you don't plateau, you actually continually get better and better. And just on that front, we haven't really defined Habitual Excellence. That's what Habitual Excellence is. It's organizations that can get better and better at everything they do every day. Usually at rates of at least 30-50% towards perfect every single year, forever. So it becomes a curve where you're getting more and more perfect every single day, every single year. That's what Habitual Excellence is. And, you know, one of the most feared phrases that I hear is when people talk about, implementing a model with fidelity. They come at it from the idea of, we've got this way to do it, and we're gonna tell you how to do it, and if we implement it right, everything will be great. And in the real complex world, that will never happen. So, what we help people do is build Habitually excellent systems that are complex and adaptive, and can solve these kinds of problems because the leaders are focused on solving that kind of systems problem.

Ken Segel
Geoff, you know, thank you for that. And, you know. listeners may have watched me writing notes, looking to the side and writing notes, because even after 30 years of working with you, you know, pulling it together as you've done in the book, so it speaks so powerfully to pieces I think we know we're missing, and especially how they're missing the integration of them and our framework for leading these organizations. Around the need, around the people, around the reality of dealing with complex needs and complex processes and outcomes and changing clinical world all the time. So thank you for laying that out, and I think people probably heard the connections that will resonate with them. Let me, turn to you, Shana. you know, you highlighted one of your reasons for commissioning the book was there was this way, our theory of the case that was missing in a lot of these other models, you know, that people were trying with Fidelity to put in place, as Jeff points out. Are there parts of the book or stories told in the book, as Jeff has started to indicate a few, that speak most dramatically to you, that were… when you read them, you were like, yes, this is getting down on paper some of what I want to…

Shana Padgett

the book is the reflection of my learning, like, a lot of it is reflected in the book, my learning from the teams and from Value Capture, and most importantly, from the leaders that Leaned into the challenge of… I am doing my best, my team is doing their best. And I'm… I am stuck, right? So I… I have deep empathy for the leaders in healthcare. since the day I graduated into the leadership role to now, like, I… the empathy I have for the people that Choose this calling and… and step into what in a humble way, I'm gonna say, is messy. Healthcare Keeping people well, recovering from illness, those sorts of things, that's complex. And on top of the complexity that is endemic in understanding humans and how we work and how to help correct those things that go wrong and keep us from getting ill, complex. Plus, it's complicated, and many of those complications are self-induced. And I wasn't there when they got put in place. So back to that empathy, like, it is where we are, and it doesn't have to stay that way. And the reason it's a problem, it's a reason to lean in to the leaders that are experimenting and trying new things, because what we're doing isn't working. And how do I know it isn't working? healthcare in one of the wealthiest countries in the world. It spends more money than anybody, is not accessible to everybody, is not always high quality, it's not always on time, and it's not actually for everybody. So that's how I know that there's still work to be done, and there's still Huh. Things to learn, and the people that lean into that, I have the deepest respect for, and the empathy for the fact But the complication that it is to unravel some of the things that have Found themselves embedded in how we do healthcare. Not just in the U.S, I have had the privilege of practicing all over the globe. And it's… it's in all different kinds of structures. So I just… I just want to start there, as I think about.

Ken Segel
Yeah.

Shana Padgett
respect and psychological safety that Geoff was talking about, that's how I feel about the folks that have stepped into the role and are willing to step into the arena. And, you know, get dusty, and let's figure this out. So, some of that, when you asked me that question, the, The stories of the people that tried. and failed. That is incredibly… powerful learning. Like, I thought this would work, and I, you know, I went all in on this, and it didn't work. And so, fine, but what did you learn? Because those are the leaders that then try the next thing, and try the next thing, and that's how we get… I mean, healthcare people are all scientists. That's how we get to the better answer, whether we're providing care, or we are changing processes. It's this next trial, and the next trial, and

the next trial. So you asked me what I love about the book, and what I wanted to see reflected in the book was some of my education from the leaders that you guys have been working with. You know, all the way back before it was value capture, people were… making profound advancements in their understanding, and doing their best to make sure that not only did their organization thrive, but that they shared it with others. So… so that is one of the things that is… endemic in the book, and I wanted to become endemic in the healthcare society. You know, the people are practicing, the leaders that are putting their heads together at conferences, or on phone calls, or in boardrooms, or out on the floor where things are not going perfectly. Not just the stories of what we tried and succeeded on, but what we tried and failed on. And then what did we do next? And I'm not saying that isn't very much in the lean ethos. But the layers that Geoff laid out, it's that lean ethos lived a different way. So I'm not challenging that there are great Tools and practices and all sorts of things out there, but how you decide to practice it How you decide to live it in healthcare? And that's the only, the only field I know, how you tackle it makes a tremendous difference in where you're gonna go next. And so, that's psychological safety. Physical safety, but psychological safety is tough. It's tough in healthcare. Right? Because we have hierarchy built in to just how we even learn how to do our practices. So there's hierarchy built in from school. And then there's hierarchy built in from government regulations, and then there's hierarchy built in from, I've been here, and, you know, there's just… it's… it's there, and it's okay. And you as a leader can decide to think about that differently, so that you're unleashing the brilliance within the organization. So there's stories of that again and again and again. Not that you did lean better, but you opened up the pathway for people to do amazing things. more clearly. I didn't answer your question, but that's what I really wanted to talk about as I was listening to Jeff, like, those are the.

Ken Segel
No, it's great, and I, you know, I think you've sort of started, and in a way, ended with your empathy for leaders, and what's possible, and… alluded to your hope of sort of what happens, and I love the thought of leaders practicing this endemmically, wherever things are not perfect yet, you know, and beginning to practice this in a disciplined way, in a… The learning going forward, the learning part of… the learning continuous improvement part of every day, and what's possible with the gains every year, if you… if you really do it. you know, when I look at the book, Jeff, you do a, you know, a great job in thinking about Our audience of leaders picking it up, you know, where these ideas came from, their promise, their power, and then you walk with examples

in each chapter through this sort of core architecture that a leader can have in their mind, and then begin to practice and layer into the organization to make everything you've said possible. And you've given a lot of hints about it. And where… so, of course, I found that gratifying, since I've been part of the work with you all, and especially with the people we serve. And where I got really excited, thinking about the future, was late in the book. Where you start to highlight what's possible with these ideas when we get them really rolling, and with leaders, and even across organizations, and especially upstream of healthcare. Preventing the problems, preventing some of the morbidity before people roll into our current system. So, can you talk a little bit about where you began to take the book from the, really, framework teaching and practical examples from peers that leaders can get in the beginning and the middle of the book to the end. What were you doing there? What can people see as they stick with the book, you know, into its final chapters here?

Geoff Webster
Absolutely. So, the exciting thing, again, about this is that any leader of any organization can Transform the things that are under the span of their control, and they can influence a whole bunch of things that go way beyond that. So, you know, at Toyota, they famously have transformed their entire supplier networks, to operate off of the same principles, because they know they can't produce great cars at lowest cost if their suppliers can't. The same is true in healthcare. Healthcare is not a hothouse flower. It's not something that sort of sits in its own little bubble, and doesn't exist in the context of all the other things going on in the world. Nutrition, and violence, and housing insecurity, and all these other issues. There, of course, are a lot of organizations that already know that, and have started investing, Kaiser very famously, but many others around the country have invested in a variety of different ways, because they understand that People's health is a consequence of a whole bunch of other systems that roll downstream. Including the education system. So if you don't, if you are a person who leads a integrated health system that is not just the provider side, that captures dollars from people to keep them healthy. And that ends up paying that money back, because… when someone gets sick. You are in a unique position in the world to be part of a journey that solves some of these problems, and I just want to give you a story of how that's possible. So, I was not working with a health system, I was actually working with a mayor. and with a head of a water authority, and other people here in the Pittsburgh region. And we said, well, we want to make Pittsburgh safe and a place where everyone can thrive. What should we be working on? So one of the obvious things was… was violence. They're, you know, there in the Pittsburgh area.

There have been years where there are as many as 71 murders. It's a very, very safe region, but by comparison. But that's still 71 people who got killed. And hundreds and hundreds more who got shot. And so we said to ourselves, well, why does that have to be the case? Well, we know how to solve this problem. Start by setting the goal at zero. So we had a leader who was actually courageous enough to do that. So we set the goal at zero. Then we said, well, how do you solve this problem? Well, you actually go out into the community, and you find the people who are doing the work to solve the problem. So we went out into the community, and we found people who were working on violence prevention. And what did we learn? We learned that they weren't working on violence prevention. Just like in healthcare, they were working on violence response. They were responding earlier, they… it wasn't all police. But they were still responding. They weren't finding people before they committed violence, and they were finding people after, and then preventing, you know, corollary events. So, when we kept going down that path, what we found is we actually could find people before they ever committed violence, we could know who they were, we could find out why they were about to commit violence, whether that was They needed money for housing or food, or whether they were addicted and they needed other, Supports to manage those problems, or whether there were mental health issues, or whatever. And we could build a mass customized system to meet those needs. And in a community of 25,000 people, we were able to take the, the homicides and non-fatal gunshots From 31 to 6 in a year. So that is that many fewer people being harmed, and if you're a healthcare system, that's that many fewer people showing up at your emergency rooms, and so on. That's not the only example I have, but…

Ken Segel
No equipment.

Geoff Webster
But if you took those same ideas to scale, I truly believe it's possible to have a region with virtually no harm. worker injuries, violence incidents, medical incidents that happen because the medical industry itself causes harm to people. You know, these are the leading causes. Traffic injuries. There are actually regions where there are no traffic injuries right now. And so, if you take these ideas far enough, it actually is possible to create integrated health systems that are part of the solution to the problem. In a way that we actually create communities that are better for everybody, and that do, like, substantially financially better, because they don't have to pay all those back-

end costs. And we would love to be part of partnerships with those kinds of organizations to show what we've learned and to also, you know, create the new way ahead, because that is where we really all should be.

Ken Segel
Geoff, beautiful.

Shana Padgett
I, I guess.

Ken Segel
Yeah, please.

Shana Padgett
I was gonna say, that's why I came. That thinking, set the… set it at zero. Well, zero what? zero negative… Put it in there. theoretical limit thinking, I certainly learned about. I understood what that meant. I had never… Understood that you could use that kind of thinking In a way to really change how you… tackle the problems in front of you. But that was one of the reasons. That's one of those keys to habitual excellence, is theoretical limit thinking. how many people can we prevent from becoming ill? And I'm not saying people don't think about it, but even in our integrated delivery systems, it's fragmented. Like, it's somebody job to teach this, and it's somebody else's job to do that, and somebody else's job to do this other thing, and then we have complicated it. We make choices that complicate it. Doesn't have to be complicated, just because it's complex, and that is one of those ways that that ye… we have learned. Like, again, we didn't invent this, right? We were part of a team that learned their way forward to where this is. You know, we are… I always think I'm standing on the shoulders of the people that came before me, so how can we share what we have learned so that I can.

Ken Segel
Right.

Shana Padgett
somebody on my shoulders and know that they can go so much farther with it than I will be capable.

Geoff Webster

Yeah, and if I… Add on to that, just one little bit.

Ken Segel
Yeah, of course.

Geoff Webster
There are a set of system design principles called the Rules in Use. They were decoded out of Toyota by Kent Bone and Steve Spear, who were some of our earliest teachers, and our teacher, Vicki Paisowitz, helped us apply these many, many times over.

Ken Segel
Absolutely.

Geoff Webster
These, principles are so simple. They are not complicated, but they are very counterintuitive. People are taught to batch things, they're taught to do all kinds of things that… that don't make systems better. And once people learn those principles. They're capable of building systems for themselves. that meet needs in a mass-customized way, what I was talking about before, in a way that you can meet one by one, on demand, the needs of people, no matter what those needs are. And we… we know how to help people do that. But most organizations, function in a fundamentally different way from that. So our part of this book is a desire to expose people to the fact that these exist. The examples of how them existing creates incredibly different results. so that we can get to work with more and more people. And not just value capture. The world has to be focused this way. And so, this is about so much more than just value capture. This is really about, a… a set of learnings that every leader needs to be able to make the most of their leadership of an organization. And meet the legacy goals that they have for themselves. And and really, put to bed once and for all the command and control, blame-oriented world that we live in that is achieving exactly the results that we're getting. which are… which are, I think we all know, not good when you look around us. Not just in healthcare, but in all of our systems. So, my hope is that this book will be the beginning of a dialogue, which, you know, Shana can share more about, to, to work with more and more leaders to create that kind of a world.

Ken Segel

I cannot add a word of eloquence to where you guys are going with this. I just will pay tribute, Geoff, to the work you have pushed, and Shana you've been a part of, and through our sister organization, Geoff, that you and our partner, Paul O'Neill Jr. Founded together with the great Christina Dixon, based on ideas, thanks for the shout-out for Vicki and Steve and Kent, etc, to bring these, you know. through the organization, Pittsburgh Futures out and demonstrate them, but you've made this sweeping argument for what you hope is possible, and you know, through our… we're really excited to be working with Permanente Medical Group and others, but hope to work with others. As part of this inspiring conversation, right? That's another part of, what people miss about the Habitual Excellence formulation that's so critical, is this aspirational aspect, right? And how it unlocks so much, the clarity of the thinking. So thank you all. But you brought us to the point of this conversation that we hope evolves from the book, right? And my guess is you've got some people coming out of their chairs to say, I'm gonna read this thing, and I'm excited, and I want to be part of the conversation. So, Shana, let's start with you. How can people be part of this conversation about… I think you said it to me. the next 20 years, you know, we need to do better than the last 20 years, despite the good things and the sympathy that we have for leaders. We've got to do better, so how can people join us in being part of this conversation? And shaping it.

Shana Padgett
For me, in order to expand the conversation, the people at the table, it was to put more facts out. So the book is out, the book will not be expensive, it will not like… It is intended to get people into the same conversation and not necessarily agreeing. There's nothing better than a vigorous discussion. So… so… Bringing those facts together so that we have a shared understanding of what we're talking about, and then we can tackle it. And I also… so, obviously, we are a company, we make our money advising leaders that want that additional help, but the intent was not to get more business for value capture. The intent is to live our mission, which is healthcare. Harm, wait, or waste. for everybody. So… I didn't want a book written that leads you to, oh, I should hire Value Capture. I wanted a book written that gets us into the right conversation and brings people's ideas and skepticism and desires together. Because that's how we will fix healthcare. Sure, this system maybe is competing with that system, but healthcare is a community good. It is not a commodity, it is community good, so how do we do this together? And so there… there will be several ways to get into conversation, and I will be taking my… my cues from the leaders that, well, do you want to… do you want us to come and sit down

with you? Do you want us to bring a group together? Do you want us to… host a webinar. Like, I don't really care about the modality. What I care about is the desire to get into conversation, and it starts with knowledge. So that's where I'm at right now. And I'm really excited about it, because the book I didn't know how it would come together, Jeff. But I couldn't be happier. Like, I just am so excited to get it out there and get people in conversation with each other and with us.

Ken Segel
And Jeff, as Shana's turned to you, I'll turn to you too. You are a man who knows how to organize a powerful conversation, so you've said you hope the conversation moves forward in a robust way. What are your inspirational thoughts about the architecture of that conversation?

Geoff Webster
Yeah, well, I think two things. One is, I think that we need to find the leaders who want to be excellent, and who are, who are humble enough to know that they're on the right path, but that there's always more to learn. And there's mostly always more to learn from their own people and their own systems and the challenges that they face. So, I believe that this book will find some of those people as people read it, and that that will spur some conversations. I also think that there's this incredible opportunity to, again, think bigger. And start thinking about how do we educate our leaders of the future? Because part of why we are where we are is because all of our current leaders have been, educated, you know, many in business schools, many in in other organizations, which are not bad organizations, I'm not dinging those organizations, and they don't include much of this information. And so, if we want a different outcome, we need a different set of inputs. And so, we are very much looking for partnerships with With business schools, with health administration schools, with, with, political pathways, where people who are going on to be our future leaders need to know that we don't need trade-offs between, tax and spend and meet people's needs. That's… that's a false trade-off that's been fed to us by two political parties for a long time, and we don't need that trade-off. So we need channels that help develop the future leaders of the world to understand what Mr. O'Neil did leading Alcoa, and the folks at Toyota did leading Toyota, and many of the healthcare leaders, like Dr. Shannon and others who we've worked with over the years, have understood That, that you don't need those trade-offs, and you can build systems that create this, and that will… that will create dialogues that are whole… that are new, because the new leaders will have a different set of ideas, and will… will

challenge. And those are… those are healthy challenges that we need in this world right now.

Ken Segel
Yeah, fantastic. Love the idea… love the summing up on the challenge, but also the, sort of, regard for the leaders that have sought to learn in this humble way and lead in a, you know, with the ideas so that they could support their people. You've alluded again to Paul O'Neill Sr, our founding non-executive chairman, and you name-checked Dr. Shannon, who is Rick Shannon. the Duke Chief Medical Officer and, Chief Quality Officer who, has led this work since way back in earlier roles, and we've had the privilege to support. to the audience, you know, it's all about you, now and in the future. I think you know why on Habitual Excellence we get leaders who can think at the highest level and have the proofs To show what's possible, because I think we all sense, as Jeff has challenged us through the writing, and Shana and her commissioning of it, and her teaching around it, that more is better, and we are not being served well by our systems. You know, I think… I've given talks recently to people young in their careers in healthcare, and who come out of their clinical training generally, or administrative training, very excited about how exciting the world is. of discovery, of serving others, etc. And then they walk into organizations that are not led by those same ideas of scientific method. values, etc. And it's a… it's a rude awakening, and it's a very difficult one, and it doesn't need to be, right? We can tap deeper into the very foundation of the, what makes possible, the progress that we have made, and go much further and much faster, and all it takes is leaders. You know, it takes us as leaders who… are willing to, as you said, Jeff, humbly, continue to learn and push forward, and Shana, you invited into a conversation where not everybody should agree. So, I love it. You know, come join the conversation, whether you want to join a, executive circle that we're a part of, look us up. Shana and Jeff are both on the website, and welcome emails, and, as you can tell, are thought leaders and do leaders. Or of course, myself as well. Please… listen to other issues of… episodes of Habitual Excellence. These are leaders who do it, sign up. Subscribe wherever you listen to your podcast, and look for our propaganda, but especially Habitual Excellence, this guide for leaders, to transformative performance. Read it, let us know what you think, audience. We're counting on it. It will make us better, and the work you are doing and we can do together will lead us all into a better future. Better as possible, as we celebrate. all of the people attempting to do this work. Shana, Jeff, I am fired up, and I'm gonna re-read the book now, based on this episode. So thank you both for being with us. I'll turn to each of you for a closing word. Shana?

Shana Padgett
I want to say thank you. So I asked for help. to make more broadly available what… what I learned from value Capture and from these things that you learned from others. So I want to say thank you for taking the challenge, Jeff. Thank you for taking the time and the risk. I mean, there is risk writing a book when you don't know how to write a book, and I just… I have deep gratitude. To my team for taking out the challenge, and as I read through the book, the… the… Opportunity to revisit all of those that have done tremendous work. To change how they lead, to change how they… you know, tackle the endemic structures within their organization, and do something profoundly different. And so I just have profound gratitude, and I'm thankful that this is going to get out there, and that the conversation will broaden. So I say thank you.

Geoff Webster
I also want…

Ken Segel
for fun.

Geoff Webster
they…

Ken Segel
I don't worry.

Geoff Webster
Also want to say thank you, to both Ken and Shana for all the work we've done together that's… the work that's in the book, right? And all of the value Capture team and all of our partners through the years who are represented there, and there are dozens of them. But also, particularly to Shana for having the vision to write this down. There are… there have been a lot of people who, I think had hoped that Paul O'Neill Sr. would write this book. And, he didn't before he passed away, but I've had a lot of conversations with you two and with Paul Jr, and I think we have, we've really captured the essence of what he would have wanted to say in healthcare, and, hoping there may be future iterations that go deeper even than healthcare, so… Looking forward to, to that challenge as well.

Ken Segel

Right, absolutely. And Geoff, you've… you've certainly laid the groundwork for that future of going beyond healthcare, even with the book itself, so thank you, thank you for the work. And, closing with final thanks to our audience. We appreciate you all, we look forward to your feedback, we hope we've excited you to go up and… go out and pick up a copy, electronically or, physically, and, join the conversation, share your learnings with us, and let's pick up the pace of dramatic improvement for the next 20 years. Things, seem primed for some big changes, and let's make sure that they tend in a Habitual Excellence direction in a very strong way. So, thank you all for being here. Thank you, audience. Let's go do it. Habitual Excellence.

Geoff Webster
Thank you.