**Is It Time to Integrate Greater Healthcare Experience into Your Board?**

COVID has highlighted a new imperative for Boards – the need for greater healthcare acumen. One of the best solutions is to add a healthcare CEO to your Board. Healthcare CEOs bring deep experience to corporate Boards, both in leading complex, multi-billion-dollar health organizations of their own as well as offering unparalleled insight into structuring and operating through the healthcare economic demands of a COVID-centric world. They can competently help you navigate one of the largest expenditures your company faces.

Healthcare CEOs have been an overlooked pool of prospective Board members, yet they bring unmatched depth and breadth of experience to Boards, particularly to companies in lifestyle, hospitality and retail industries. They have become expert at pivoting quickly in response to COVID in order to keep their systems operating financially, operationally and strategically smart. They continuously focus on organizational transformation in order to better compete, expand and grow. And because they lead their own Boards and often serve on Boards for local businesses and charitable organizations, they understand how Boards work.

**Innovative Boards Already Benefit from Healthcare CEOs as Directors**

Savvy publicly traded company boards are already gaining advantages from CEOs and presidents of major teaching hospitals, children’s hospitals and cancer centers as well as for-profit healthcare organizations. Best Buy, Disney, Marriott, McDonalds Corporation and Weight Watchers have benefited from healthcare executives on their Boards.

Diverse experience is at the core of what healthcare CEOs offer Boards. In 2019, when Margaret M. McCarthy, Executive Vice President of CVS Health Corporate was elected to Marriott International’s Board, Larry Kellner, Marriott’s lead director explained: “We were drawn to Meg’s experience with consumer-facing companies undergoing transformational change as well as her knowledge of privacy and cybersecurity.” Similarly, when Steven Altschuler joined the Board at Weight Watchers, Raymond Debbane, the Chairman of the Board, stated: “Weight Watchers is unique in its ability to deliver medically significant weight loss outcomes at low cost and at scale.  To create a new channel of opportunity in healthcare, the Company will need to develop new skills and aptitudes.  With Steve's outstanding depth of knowledge and experience, he is ideally suited to help guide and advise the Board and the Company's management team."

**The 5 Intelligences Healthcare CEOs Bring to Corporate Boards**

In a 2020 Harvard Business Review article titled “*Are You Ready to Serve on a Board?*”, authors Anthony Hesketh, Jo Sellwood-Taylor and Sharon Mullen describe *board readiness* to include directors who have the ability to “understand more complex business, demonstrate technical know-how, deliver effective governance, and generate sustainable long-term performance.” To build boardroom capital, they identify five types of intelligences needed for successful Board performance: financial, strategic, relational, role and cultural. Let’s examine what healthcare executives bring to the table for these five intelligences.

**Financial**

As a regulated industry with complex financial systems, healthcare compensation systems begin with government reimbursements and third-party, private insurance payment models, but also span a wide range of other financial models commonly encountered by commercial enterprises. For example, most health systems finance medical innovations through their for-profit business affiliates, sizable R&D operations and private equity arrangements. By managing significant capital investments, healthcare CEOs are also knowledgeable about other financial channels, ranging from bond-rating agencies to investment management firms. Their experience operating with laser-thin margins in particular gives them valuable wisdom for retail, lifestyle and hospitality corporations. Healthcare CEOs are also highly competent at keeping financials aligned with mission-critical operations – an important capability for any corporate Board.

**Strategic**

The healthcare industry’s highly competitive landscape necessarily translates into leaders who possess practical strategic insights that keep their health systems and brands ahead of the competition. Every day, healthcare CEOs orchestrate a balance between immediate challenges, short-term needs and long-term goals and objectives. Their unparalleled experience with COVID challenges over the past two years has deepened their capacity to make major changes in strategic direction quickly and decisively. This unique combination of experience means that healthcare CEOs offer timely and creative capabilities that can strengthen a corporation’s competitive edge, expand your customer insights and innovate operational strategies for sustainable performance improvements.

**Relational**

Most healthcare CEOs have been compelled to build relationships with a wide range of stakeholders since their health systems are typically the largest employers in any given geographic area. They commonly engage with everyone from government officials, policymakers and regulating agencies to other national, regional and local employers, community agencies and charitable organizations. Healthcare CEOs have relevant Board experience – both on their own institutions’ Boards and often for other local and regional for-profit and non-for-profit organizations. Their significant and practical experience working in partnership with people from diverse backgrounds and perspectives, translates into Board members who understand their role, know the importance of making meaningful contributions to Board activity and are exceptional at working collaboratively.

**Role**

Today’s corporate Boards can benefit from healthcare CEOs’ unparalleled depth of knowledge related to managing healthcare costs, population health and workforce health and wellness. They possess a nuanced understanding of healthcare trends and innovations, which can help your Board better navigate upcoming healthcare issues. They regularly adapt to (and finance) new and emerging technologies, ranging from imaging technologies and interventional surgical devices to new medical breakthroughs. And, having participated on many Boards, healthcare CEOs understand that their contributions to Boards need to be meaningful and continuous. Combined with their financial and operational prowess, this high level of experience and insight makes healthcare CEOs valued contributors to today’s corporate Boards.

**Cultural**

Cultural intelligence refers to a Board’s ability to work together, allowing for differences of opinion but moving together to resolve issues and steer the organization toward greater success. Every day, healthcare CEOs maneuver among a wide spectrum of professionals and influencers who reflect varying perspectives and needs. Their role demands that they be inherently collaborative and emotionally intelligent. They are strong motivators of people both individually and in teams. By exemplifying important leadership abilities, such as knowing when to step in and when to step back, when to listen and when to lead, healthcare CEOs offer the cultural characteristics that make them ideal candidates for corporate Boards.

**Healthcare CEOs Deliver Other Beneficial Capabilities**

Healthcare CEOs offer other timely skills that can help corporations navigate through the unique challenges faced by all businesses in the world today, including:

**Deep pandemic experience**. Operating on the front lines throughout the COVID pandemic has meant that healthcare CEOs have faced everything from staffing shortages and health and safety challenges to supply chain/logistical constraints and extreme financial burdens. They have redirected their institutions quickly and adapted to the constantly changing demands of a high-impact, unpredictable disease. They can deliver significant experience and insight regarding how to manage the pandemic’s forces to any corporate Board.

**Digital sophistication**. Many organizations have had to upend their business models to change from a face-to-face consumer dynamic to a digital delivery system since the COVID pandemic began. COVID-19 accelerated the pace of digital transformation for health systems, too. Healthcare systems have pivoted from a predominantly hands-on consumer delivery system to a telehealth delivery model. And telehealth isn’t the only technology healthcare systems have incorporated in recent times. Innovations adopted encompass everything from 5G and AII to sensors, remote patient monitoring and machine learning. Additionally, competitive pressures have forced healthcare enterprises to implement more effective consumer-facing social media channels for better market engagement and relationship building. In just a couple of years, healthcare CEOs have become expert at product identification, finance, operationalizing and integration of significant new technologies, useful experience for corporations, especially in the hospitality, lifestyle and retail industries.

**Agility**. Because health systems are 365/24/7 operations with enterprise-wide challenges arising on a daily basis, healthcare executives deal with issues spanning everything from regulatory constraints and clinical practice limitations to significant physical facility and staffing complexities. To be successful in their own enterprises, healthcare CEOs have become inherently discriminating and agile, desirable skills for any business.

**Broaden Your Pool of Prospective Board Directors with Healthcare CEOs**

Complex strategic and financial management techniques. Multi-channel, multi-layered consumer relationships. Cutting-edge technology integration. Advanced logistic/supply chain operations. Incomparable pandemic leadership and knowledge. Today’s healthcare CEOs offer experiential diversity that can benefit any corporate Board, enabling you to improve your healthcare/wellness operations and expenditures, increase employee satisfaction and tackle other Board-level challenges to drive positive outcomes.

*Jena Abernathy is a Senior Client Partner and Sector Leader for healthcare Board Services for Korn Ferry International, a global organizational consulting firm. She is a partner in the Korn Ferry Global CEO & Board practice and specializes in C-suite and board-level searches.*

1  Kowalczyk, Liz, ”*Boston’s hospital chiefs moonlight on corporate boards at rates far beyond the national level*,” Boston Globe Spotlight. April 3, 2021.