

INTERIM MANAGEMENT: ALLOW YOUR ORGANIZATION TIME TO FIND EXPERT LEADERSHIP

By Jeff T. Gorke, Senior Vice President | Coker Group

Healthcare is an industry fraught with frequent management turnover, particularly at the senior level. The result is a dearth of skilled and experienced healthcare executives at the top level or “C-Suite.” Reasons for the shortfall in the leadership pool include an industry-wide talent drain, lack of emphasis on mentoring, and little to no succession planning in medical practices and health systems. When senior management (CEO, COO, VP, Executive Director, and Administrator) positions turn over, the departure, whether planned or not, leaves a gap in both institutional knowledge and strategic and operational deployment. Given that scenario, hospital-employed physician networks (EPNs) and medical practices sometimes scramble to fill lead non-physician management roles often with candidates who are not quite ready to lead and implement. This bi-product arises more from expediency than plan. In some instances, these “promotions” are people within the practice who possibly, while known to the practice, lack preparation for the role. In other situations, physicians may just hire the first person who they “feel” might fit the role of the senior manager, whether it’s a non-physician CEO, an Executive Director, or an Administrator. These positions should be viewed with the gravity of the role they play within the organization. Rather than making a quick or easy hire, an organization should conduct a careful, well-planned search to recruit qualified candidates who will fit the organization culturally and with a history of success in medical management.

Interim management provides stop-gap and seasoned executive leadership to both EPNs and private medical practices by offering short-term or longer-term management assistance to ensure that practices do not falter when there is a change in senior leadership. Realistically, the recruitment and hiring of replacements for departing healthcare leaders can often take considerable time to accomplish, even with the engagement of a search firm. Delays and disappointments arise that leave crucial positions open for extended periods. In the interim, communications suffer, initiatives lose pace, and disruptions occur. Some organizations cannot afford to leave senior leadership positions vacant, even when they anticipate a brief transition period. Therefore, an increasing number of healthcare organizations are considering interim management solutions as a transitional step to permanent replacement of vacant positions, often in conjunction with the use of a search firm to fill the position. The interim role allows the organization the time needed to conduct a proper search for the executive leader their organization needs instead of taking the first available person out of desperation.

Experience shows that several guidelines are recommended for interim executive placements to work successfully and to provide an organization with a value-added service beyond merely supplying a temporary service:

- The use of a reputable executive search firm will help to identify candidates and vet them before placement.
- Ensure your organization and the placement firm are transparent and focused

on alignment to assure that the interim executive succeeds.

- Identify any potential conflicts of interest between your organization and the placement firm, and make all efforts to resolve these without involving the interim executive to allow him or her to remain focused on the interim role and responsibilities.
- Compensation can be handled more easily with a placement firm due to premiums that may be requested for travel, dislocation from family, or relocation of family. The fees for the interim manager should be valued fairly, not exceeding the boundaries of fair-market-value or commercial reasonableness.

Coker offers client partners the human capital to deploy interim managers who are senior executives with, on average, 25 years of practice management experience in a multitude of settings including EPNs and private medical practices, from single specialty to multi-specialty. Access to this level of executive affords systems the opportunity to nurture a thorough search to obtain the best possible candidate for the position. Additionally, with the experience that Coker offers, the senior level management vacancy can be filled temporarily by an executive who can continue to aid the organization. The interim placement mitigates the tension that arises from the departure of the incumbent and allows time for a concerted approach to a permanent placement.

Please share your thoughts about Tenured Interim Management by contacting Jeff T. Gorke, Senior Vice President at jgorke@cokergroup.com, or by calling 678-832-2021.