

Steve Bonner

President & CEO | CANCER TREATMENT CENTERS OF AMERICA

“It is always and only about the patient.”

This simple mantra has led Cancer Treatment Centers of America, in a little over a decade, to become one of the world’s most successful healthcare providers in terms of patient outcome and financial success. In an industry beset by changing regulations, intense competition, rapidly rising costs and increasingly complex technology, CTCA has consistently defied the odds, and altered many of the traditional rules of cancer treatment and healthcare in general, in a quest to shift the focus from the providers and payers to the patient. With a unique strategy developed using DPI’s Strategic Thinking Process, CTCA has kept a sharp focus on this concept as it has grown in both size and its influence on the direction of cancer care.

“The business, for us, is patient empowered medicine,” says CTCA founder Dick Stephenson. “It’s all about the patient. It is not about the providers to the patient of any goods or services. It is only about the patient.”

CTCA believes in treating the *whole patient* through a much more holistic approach than most other providers of cancer treatment. In addition to the latest, technologically sophisticated methods in traditional oncology care, CTCA also integrates principles of Chinese and Ayurvedic medicine as well as psychological care, physical therapy, pain management, dietary supplements and an emphasis on healing nutrition. A comfortable, nurturing experience emphasizes soothing sur-



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roundings, organic food, and a philosophy of removing as much stress and discomfort as possible for the patient.

Says CTCA CEO Steve Bonner, “We are committed to holistic and integrative oncology care, which starts with the view that a tumor is a *symptom* of the disease and is not the disease. We believe that the disease is a deficiency in the patient’s immune system. A healthy immune system normally will kill strange cells.

“So we start with the very best traditional therapy, such as chemotherapy, radiation and surgery, to treat the tumor. We surround that with a robust array of complementary therapies that support the immune system and manage side effects. When we started at this, there were a lot of people looking down their noses at us and pooh-poohing that kind of thing, saying ‘There’s no proof, no scientific

The true test of a business strategy is how it performs over time. In this interview with Steve Bonner, CEO of Cancer Treatment Centers of America, we explore the strategy of a company that has thrived in an industry where many are struggling, based on a strategy developed more than a decade ago. Using DPI’s Strategic Thinking Process the CTCA management team created a unique, differentiating strategy that has yielded increasingly excellent results for patients and the company, without any major changes of direction.

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evidence.’ We’ve done many studies, and published over sixty peer-reviewed abstracts now on the effectiveness of our approach. And this has led others to move in this direction of treating the whole patient. If you look and see what others are doing, every significant cancer treatment center is now offering some component of these additional therapies.”

Indeed, measured against data produced by the National Cancer Institute, CTCA’s outcomes in terms of survival, quality of life, patient experience and speed of care are often significantly ahead of the norm. Unlike most other hospitals, CTCA publishes these findings both internally for performance measurement, and on its website to allow patients to make more informed decisions about their treatment options. CTCA also advocates for transparency throughout the treatment process, allowing the patient to make the most informed decisions.

“We want an efficient and effective delivery to the consumer,” says Bonner, “but the healthcare industry has pushed away the consumer from deciding what to buy, who to buy it from, what to pay for it and where to get it. They’ve left insurance companies, the government and employers to figure that out. There’s no way that will work. Well-intending claims administrators cannot make high quality, reasonable cost decisions that match with each patient’s values and needs.

“So CTCA committed to supporting a much more empowered consumer. That translates, first, into giving consumers information that allows them to shop competitively and comparatively.”

This approach has been so successful that CTCA has grown ten-fold since 1998, doubling its number of hospitals. It has also achieved exceptional financial performance which allows it to continually research and implement innovative and effective cancer care.

How It All Began

Yet the company’s success did not come easily or immediately. CTCA began in the early 1980s when entrepreneur Dick Stephenson’s mother succumbed after a long battle with cancer. So dissatisfied was he with her care, which he considered to be harsh, impersonal and often ineffective, that he became determined to find a new approach to more humanely treat complex and advanced stage cancer, dramatically improving the patient experience and outcomes. For six years he researched cancer treatment methods with a focus on what patients themselves said—what they valued, the most effective treatments, and what they were prepared to pay for.

His dream became a reality with the opening of the Cancer Treatment Centers of America’s two hospitals, or “Centers of Excellence,” in Zion, Illinois and Tulsa, Oklahoma. CTCA went on to continually break new ground in providing new hope, a unique array of healing options, and greatly improved results for many cancer patients whose providers have said that nothing else could be done for them.

The CTCA approach became so successful as the company grew that they felt the need to deliver their unique brand of cancer treatment closer to patients’ homes than the original facilities in Illinois and Oklahoma were practically capable of reaching. One way to extend that care and to gain referrals from physicians, they thought, would be to acquire oncology

practices in various locations around the country. The approach ultimately proved to be flawed however, as they were unable to adequately convert these traditional providers to their unique methodologies. Expected referrals never materialized, and the company’s financial situation was eroding as a result.

The Turning Point

When Steve Bonner joined CTCA as CEO in 1999, the company was struggling.

“When I came in, it was clear that we were strategically out of focus and I thought DPI’s Strategic Thinking Process would be the best way to get us back on track,” Steve Bonner said. “I had used the process at two other companies and what I like about it is that it’s simple. It forces you back to the soul of your business, to the things that truly set you apart from your competition.

“As I think back on my first exposure to Strategic Thinking,” he says, “the financial services company where I worked had hired an army of consultants from one of the Big Five firms who sweep through an organization and come back and tell you what your strategy should be. It was very provocative, but not relevant. It never converted to action.

“When I first saw Michel Robert’s book, *Strategy Pure and Simple*, I thought it was an oxymoron. I thought the words that went together were *strategy, complex, and expensive!* DPI’s concept really resonated with me, that all the knowledge you need to create a strategy resides in the heads of your own people, and that you need a *process* to extract that and look at it differently, and then translate that into an actionable set of tools. It just seemed so logical and simple that it was clearly worth a try.

“I think that it is so aligning, it has the capacity to get all the heads nodding about who you are and what you’re trying to do. And especially today, where information comes at

people from innumerable directions and at a speed that nobody can really keep up with, to have everybody grounded in clarity about, ‘Why are we here? What are we doing? What’s good to do? What are the things that are suspect?’, I think that it’s indispensable to having an organization with the ability to move nimbly forward. I also think it is critical to have skilled facilitators, such as in our case, Mike Robert and Craig Bowers to lead the process, surrounded with your very best people, because the real data and the answers reside in their heads, not in the heads of the consultants. It’s hard work and I remember it took us three days in the fall of 1999 to get clarity about each of these elements. We had a really rigorous debate under a lot of stress with the struggle the company was having. But we held our collective feet to the fire, got it right and we’re one testament to the fact that it works.

“I think it’s a *powerful* concept and the *right* concept for every organization. I’ve used it in three different organizations, including CTCA, and in each case the results have been spectacular!”

Taking a cross-section of key managers through the DPI Strategic Thinking Process enabled the group to totally reassess CTCA’s direction, and pointed them back to the enterprise’s original concept—focus on the patient—in a hospital-based setting, and sourcing patients directly.

The most important revelation to emerge as CTCA’s management team progressed through the process was that the company, particularly as a result of acquisitions, had wandered away from its founding principle—the complete focus of all the company’s resources on providing their unique type of care to its patients.

Says Bonner, “We realized that we have to live by a *Customer Class Driving Force*, with that Customer Class being cancer patients with advanced stage and complex cancers. As Dick Stephenson says, ‘It is always and only about the patient.’ During the

DPI process there was some healthy discussion about that. Some thought we could be *Technology-Driven*. After all, don't we really need to be on top of the latest technology? But we already are. We're famous for that. We have the most modern of everything that's needed. But the process helped us to see that we don't want to be in the business of *developing* the latest medical technology. That's somebody else's business. For us, technology is a subset of our Driving Force, which is *the patient*. We also looked at a couple of other Driving Forces, but none of them fit like our Customer Class."

Implementing The Strategy

A set of essential actions, or Critical Issues, were agreed upon by CTCA's strategy team, with ownership for each assigned to an executive to shepherd to completion. The first major action was the divestiture of the oncology practices CTCA had acquired.

"The process really allowed us to re-examine this issue of a hospital-based delivery system as opposed to an oncology practice-based system. It became clear how important it is to do this in a *hospital* setting. We have inpatients and outpatients, but we need a critical mass and a nucleus of patients to be able to have all these integrative therapies and practices available on a highly convenient basis to the patient. That became very clear. That made these oncology practices non-strategic assets.

"We immediately did a number of things," Bonner says. "We started either selling or shutting down these practices. We also completely resized the corporate office because it had been sized to handle this big network of physician practices. And that then allowed us to take a deeper look at what we really meant by *patient empowerment*. We pulled back to the top of the list the importance of being close to the patient, of really gathering market research, to find out what *they* value.

"We also were able to clearly see how to redirect the resources that

had been going into these other facilities and focus them on constantly improving our understanding of the needs of our patients and the treatments that will benefit them the most. The result of that realization was that we became much more tightly focused, and the financial and therapeutic impact was amazing."

Since that time CTCA has kept a consistent strategic focus on its Driving Force, the patient with complex or advanced-stage cancer, and developing the Areas of Excellence that support it—market research, patient loyalty, talent management, and service and information delivery—all geared to understanding the patient's needs and delivering on them better than anyone else. This combination has enabled CTCA to grow rapidly as its groundbreaking approach has become better known through direct-to-patient marketing and word-of-mouth.

Says Bonner, "The company is, in round numbers, ten times the size that it was the day we did that first DPI strategy session in 1999. We're 3,300 stakeholders now. We're about to see our 35,000th patient. We're now seeing about 4,000 new patients a year and growing at roughly 15% a year. We've more than doubled the number of centers. That means we can provide this high level of care to that many more people in different parts of the country."

Maintaining Strategic Focus During Rapid Growth

Rapid growth for a company in any industry can be a double-edged sword. Growth in size and profitability are welcomed of course. However, maintaining strategic focus with the addition of hundreds of new employees coming from traditional medical backgrounds, and geographic spread has depended on continuously communicating the strategy and reinforcing its essential place in the enterprise.

"Keeping our strategy alive and vital has been a major focus for us as we have grown, and it has several dimensions to

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it. Coming out of the strategy sessions we did a very rigorous and deep process for creating a 'mission, vision, values and brand promise,'" says Bonner.

"When we decided to go to a third center, we confronted that very issue—which is that this is such an intimate, unique style of care, that if we go to a new area and hire a large group of people from that area to open our center, it's not going to look like what we do. So we said, we won't open a center unless at least 30% of the people who are there on Day One have come from our existing centers.

"Still, I was concerned that with our growth, and number of people at the table, that the ability to understand our strategy and deploy it effectively would wane. So we created the Office of Strategy Management to help us to keep from wandering off our direction. One of the things they have done is to convert the strategy concept into what we have called a strategy primer, a booklet, which we could then use to educate every stakeholder or any group of stakeholders we thought would benefit from understanding the fundamentals.

"CTCA also created a process we call 'Hope, Pride, and Joy' which enables the selection of all the 150 people it takes to open a center. Weeks in advance a process is begun to integrate them into the culture, to role-playing the style of care, to working in simulated environments. Many are sent to existing centers for anywhere from a week, to six months for some of the more sophisticated physicians. The goal is to imbue them with the CTCA strategy and style

of care, to allow that to be in place on Day One. We have a very rigorous selection and on-boarding process, that involves a selection filter that we have used for many years. We're seeing so many applicants now, especially with our reputation and the economy, that we're able to be very selective. We have also created our own internal university with a commonly held organization, the CTCA Center for Learning.

"We are also very rigorous in tracking the patient experience and feeding that back to our people. We, for example, have a patient experience survey that is fielded every day in every hospital. And we report patient loyalty scores down to the individual physician so that they have qualitative and quantitative data in terms of how they are creating the patient experience."

CTCA has also implemented a Lean Six Sigma program, with many Green Belts, Black Belts and Master Black Belts, and constantly re-engineers the culture to keep their eye on delivering what the patient values most.

The Strategic Filter: The Essential Management Tool

As part of the Strategic Thinking Process, CTCA management created what is known as a Strategic Filter for decision-making. Literally a checklist, it provides standards by which to judge whether an opportunity or decision supports the Driving Force and Areas of Excellence. A lot of yeses mean the opportunity is worth serious consideration. More red flags, however, signal caution in further pursuit or scuttling the idea outright.

Says Bonner, "Without a filter for decisions, it is easy to wander off in any business. It would be easy to get distracted and confused and the patient experience would suffer. I think that's been part of the learning. I remember some people, in the early conversations when we were really struggling, would come up with an idea, and say, 'I think we can make some money out of this.' We weren't making much money at the time, so that sounded resonant. But

then we would say, 'You can make money drilling oil, but that's not what we do. So let's go back to the Filters, and let's go back to the Driving Force and run it through there,' and a lot of distracting ideas fell by the wayside. Day after day, week after week, staying true to these things and letting them contribute to your thinking and execution drives the growth. It doesn't inhibit it in any way.

"We've really tried hard to teach the Strategic Filter technique. It's had applications in many places. We've built a very rigorous set of Strategic Filters that guide us when we're moving towards building a new hospital. We look at location and availability of talent. We look at travel patterns. An average patient travels 500 miles. How do people travel around a region? We look at the regulatory environment. We look at the competitive environment. And that's helped us pinpoint the places where we put hospitals. That led us to Philadelphia, suburban Phoenix, just outside Atlanta—places where, for a variety of reasons, we can deliver the best experience for the patient.

"We've also used our filters on the negative side—what *not* to do—such as when we've looked at potential contracts with insurance companies to understand that their point of view isn't necessarily harmonious with, or aligned with, our strategic direction. In one case I am thinking of it caused us to say, 'No, we're just not going to get the strategic benefit out of this.'"

The Mother Standard

But the ultimate filter is what CTCA calls "The Mother Standard," which enables those delivering care to stay true to the CTCA purpose.

"It's really a very simple concept," Bonner explains. "It asks every one of our caregivers, every time they are interacting with a patient in what we call a moment of truth, that they ask themselves, 'If this were my mother or my father or another loved one standing in front of me, what would I want them to experience in that moment?'"

and deliver that to them. Then you've done your job. It doesn't require you to run off to a committee for approval, you don't have to call your boss, you don't have to look at a manual. We surround this with a lot of training, but we all know what we would want, from our expertise, for that person to experience.

"It's very empowering, and if you go around to other hospitals generally, and you watch people interact, they don't move with that type of empowerment. They're worried about malpractice—'Do I really have the authority to do this? Who do I have to talk to and who are the committees that are going to oversight this? Will this get paid for?'"

"So that Mother Standard is the core and it's right there in the middle of our Strategic Driving Force. That's a way to make it human. The organization loves it. The patients love it, and it makes the business *human*. It's another part of the perpetuation of the culture that's important."

CTCA's strategic clarity and focus on that Driving Force promise to help the company take its brand of cancer care to many more patients with increasingly effective treatment.

Says Bonner, "I believe that, because we have such a clear concept of our strategy and its implications, this enables us to see the future with greater clarity and see the path to allow us to sustain, regardless of what the government does, or what payers do. It's very powerful in that regard because it helps us be really clear about the fact that healthcare, oncology and CTCA are about delivering the highest quality care, what our consumers value. That's where we've always been. Now, because we're successful, and we can demonstrate this, it gives us a beacon on where to go in the future. Because of our focus on that segment, we have talent, technology, knowledge and expertise that allow us to open up other options for these people. As Dick would say, 'We're there for them when they need us,' and we need to make sure we never weaken our ability to deliver to those patients." 