

Guttman Insights

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Jeff Bak is CEO & President, of Imagine360, headquartered in Wayne, PA. The company was founded on the idea that health plans can do better for employers and employees alike.

Driven by a mission to bring fairness back to American healthcare, Imagine360 partners with mid-sized companies to reduce healthcare costs by eliminating the middleman: providing insurance directly to their employees rather than through an external insurance company.

Founded in 2007, Imagine360 combines the financial savings from reference-based pricing and direct contracting with seamless benefits administration and concierge-level member support. Imagine360 has 1,300 employees.



Happy and prosperous 2024! In this issue, Jeff Bak, CEO of Imagine360, provides a look into building a high-performing organization while moving smartly ahead of stiff competition in the healthcare segment. Howard Guttman's advice for the new year? Do an alignment check. He provides the how-to. Another 2024 priority? Check the power of your leadership behavior, which Howard's video helps you to do.

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Leader's Corner: Imagine360: High Performance Reimagined

What are the pinch points in the healthcare industry in the near-term future?

We don't have a strategy in the US to control medical costs. As inflation continues to raise the cost of healthcare, the financial burden falls on employers who provide health insurance for their employees. Medicare, Medicaid, and the ACA markets have figured out a way to restrict what they pay providers. There's too much variety in healthcare costs in a given community and no real understanding of why this is so and how to forge a path forward. We've become blind users of healthcare, and both employers and employees need to be educated on why healthcare is as expensive as it is and what steps they can take to reverse cost escalation.

Can you give me an example of that?

The cost of an MRI can vary significantly in the same market, depending on which facility you use. For the same service and level of quality, the cost can range from \$1,000 to \$5,000. We educate employers about these variances and what it is costing them to foot the bill between what the hospital is charging and what the provider is receiving. At the same time, employees don't have the information they need to make the most cost-effective choice. The light bulb goes on with employers when they understand this tremendous difference and that they are paying three to four times what Medicare is paying for the same service, from the same doctor and the same facility.

What about your organization keeps you up at night?

Our founders were mission driven. As we grow and make more acquisitions, I don't want us to lose sight of why we exist, which is to bring fairness to healthcare. We are still a small percentage of the US healthcare market. We can't allow ourselves to get discouraged in the early stages of innovation. Brokers are comfortable working with the dominant companies such as United, Cigna, and Aetna. When you're a challenger and innovator as we are, it's a hard battle—until it's not. We have to keep encouraging everyone to keep their spirits up, stay true to our mission, and keep moving ahead.

How do you free up the creative juices of everyone in an organization, from the top team to those below?

If we are not creative and advocating for our clients and their families every day, we will fail them. We empower team members to solve problems in real time; we can't be slow and indecisive. We engage with providers daily as part of our model, and education is key to our success. We ask our associates to live by our core values, and sometimes that requires us to break a little glass in the process.

How do you build permission to fail into an organization's DNA?

Show me the issues and point out where the "dirty carpet" is, then pull up the rug and let me know what needs to be cleaned up. We will never ever give anyone a hard time for identifying issues. Step one is to identify problems. We can then make resolving them a priority, put resources in motion to fix them, and try to make us better. We can never change US health care and become a dominant player in the healthcare space if we can't scale. People have permission to show me all the bad stuff, and, believe me, they do! I also try to show vulnerability. I'm far from perfect. You make mistakes, and so do I. Let's correct them.

What's Imagine360's competitive advantage now and going forward?

Simplicity in our message. We promise an immediate, tangible, guaranteed ROI. That's our leg up on competitors. We can deliver 20- or 30-percent reduction in healthcare costs in year one. And we'll pay the client the difference if we fail to deliver that amount of savings. But it's not enough to just save money. We also have to give clients and employees a world-class member experience. They must be advocated for from end-to-end, which requires us to show up and provide service at all points. We have to become an ever-present guide, enabling our clients and their employees to navigate all aspects of the healthcare journey.

What was the spark that ignited your interest in undertaking the horizontal, high-performance journey?

I remember reading an article in a management journal stating that, despite impressive financial performance and great products, many companies remain vulnerable. Long-term success also requires a unified senior team and an organizational culture based on trust and collaboration. You have to be strong both financially and in your business relationships. It was an aha moment for me. As I reflected on my situation, I felt there was too much time wasted on triangulation, endless meetings, and people taking feedback too personally. We had to do something about these issues. I was looking for support that was direct, tangible, and focused on "What's that about?" kind of thinking. I wanted people to look at themselves in the mirror and be comfortable hitting "replay." It's not always pretty, but it's very important.

What have you done to date in integrating the high-performance (HPT) model?

We've been at HPT for several years. We're on a journey and nowhere near done. We began by introducing the executive team to the HPT principles and framework. They had to understand what an HPT looked like and then bridge it to what we had to do to get there. We conducted an audit, which was a real eye-opener. We've made a lot of progress, but we have to keep scrubbing the barnacles off the boat. After the executive team had been working with GDS for a year, we began introducing HPT to the next levels—our D2s and D3s—who had seen the changes our executive team was making and wanted in. We are taking HPT skill sets, such as dealing with conflict, listening, and managing meetings, and transferring them to the next levels, getting our managers to understand the why and how of these skills, showing them what the new behaviors should look like, and doing role-plays in real time. We have given our managers the tools, the vocabulary, and the permission to have tough conversations.

Holding peers accountable is a key challenge in implementing HPT. How have you met the challenge?

I am not by nature confrontational and have had to work on being more direct. I have learned to depersonalize and to get everyone to understand that feedback is not personal, but professional. It's for the betterment of the executive team. I'm still more comfortable getting feedback from my team than giving it, but I'm working on it. It's part of the growth process for everyone on the team. I ask my team, "How are we doing?" "What can I be doing differently or better?" And I tell them to give it to me for real. On an HPT, people can't remain in their own swim lane, focused on their own function and job and their own performance metrics. We want people to admit they are struggling, to not be afraid to say, "I need help. I want you in my swim lane, at least for a bit." That's where we have to improve.

What difference has HPT made to you and your team and to the organization?

People no longer take feedback personally. There's less acting out. We have more time to deal with real problems and focus on facts, versus having to manage anguish and emotion. There's higher engagement, less shutting down. You'll see people freely calling things out, saying, "I'm throwing the flag," which signals "I'm not getting personal; I'll call it like I see it." More people are more willing to raise their hands to do things because they feel people have their backs and realize that it's all about performance. You'll see more effectiveness and things getting done faster than a year or two ago. There are also fewer meetings after the meeting.

What about specific business results?

We have the courage to "parking lot" more things. It's enabled us to focus on doing the right things faster, on plan, and on budget. We have gotten much better at not just generating ideas, but specifying what we are going to do, who owns it, who is going to do it, and by when. That has increased efficiency. We've grown by 25 percent in two years and increased EBITDA by 50 percent.

What's has been the biggest change in behavior that you have observed as a result of your HPT journey?

There's a greater sense of purpose to the way we approach a day, a week, a month, and a quarter. A lot of little moves are needed to win, and the process is important. We shouldn't overlook or avoid it. Part of that process is how we interact and support one another, in addition to how we get things done. I like it when the team is honest, real, and fast moving. We're getting 25- to 30-percent more done in a given quarter than we once did.

Would you recommend the HPT journey to other CEOs?

I would highly recommend it! I would enthusiastically rehire Howard Guttman and his team. There's always some level of a team's emotional maturity that can be improved on. GDS will find a way to get the best out of you. The HPT approach is real. It gets to the quick of the matter. It is not learning from a textbook or in a classroom. It happens in real time. 🌱

If I Were You:

Your 2024 Alignment Agenda Redux

by Howard M. Guttman



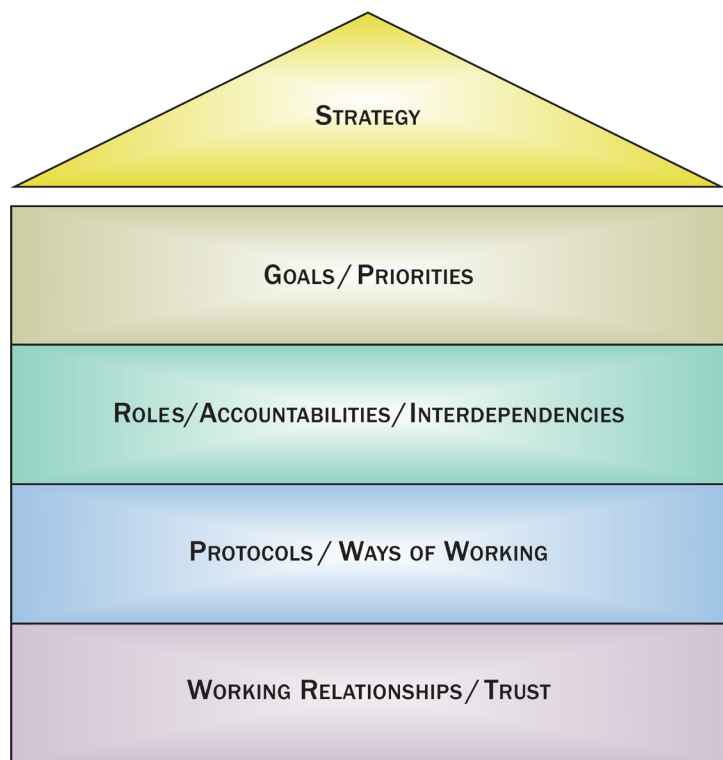
Last January, I wrote a column asking readers to begin the new year by taking stock of the health and effectiveness of the key strategic and operational areas of their organizations. After all, what better time to reflect than after the hubbub and distractions of the holidays have passed, and we are heading back to the action?

2023 was a year when hybrid work became standard; generative AI became an important tool; competitive pressures increased; and issues from supply chain and inflation to labor shortages, wars, and conflict combined to add to the usual challenges of business survival and growth.

Given all the challenges, alignment remains a front-and-center concern. The push-pull forces in an organization have a way of creating dysfunction and misalignment at all levels. Rather than reinvent last year's column on alignment, here it is again, in abbreviated form. As you prepare to do battle in the year ahead, I encourage you to take a fresh look at your organization by examining how well aligned it is from top to bottom.

If I were you, I'd focus on these five alignment areas, which are illustrated in the graphic below:

Take a fresh look at your organization.



- **Strategy:** The directions in which the organization is headed, including issues related to competitive advantage, products and markets, capabilities, and expected financial returns.
- **Goals/Priorities:** Those critical few deliverables that reflect the strategic direction you want to take and drive resource-allocation and performance-management decisions at every level.
- **Roles/Accountabilities/Interdependencies:** These include clarity on the “Who, What, Where, When, and How Much” of getting things done individually and at functional and departmental levels.
- **Protocols/Ways of Working:** Think of these as agreements, or contracts, for the way we do business with one another. For example: how teams make decisions, resolve conflict, and gain closure on issues.
- **Working Relationships/Trust:** This is the ground zero of performance. How effectively we manage the interdependencies, behaviors, and “stories” about ourselves and our colleagues can either move mountains of resistance or create them.

I'd gather my team together as early as possible in the new year for an informal, let-your-hair-down discussion of alignment. Focus on three questions in each of the five alignment areas:

- What is our level of clarity in this area?
- Where are there any concerns?
- What are the next steps to address the issues that surface?

If I were you, I'd act now to engage my senior team in a frank discussion about how well they are aligned, how well direct reports and other key teams are aligned individually and with one another, and what actions must be taken to make sure that the entire organization moves as one to meet the tough, competitive challenges that lie ahead in 2024. Then, take the discussion to at least the next two tiers below. Do this and you will increase the odds that in the coming year you and your organization will prosper. 🍀

Power Up Your Leadership Performance

by Howard M. Guttman

While you're assessing your organization's alignment, the start of a new year is also a good time to look inward at your leadership behavior. Do you need to show up both more powerfully and emphatically? Tune into Howard Guttman's short course on powering up your leadership performance. 🎧

