

2019 ACR-RBMA Practice Leaders Forum

Radiology Succession Planning – Consideration for the Generations

A photograph showing several hands reaching towards each other from different sides, holding white puzzle pieces. The background is blurred with green circular bokeh, suggesting a professional or collaborative environment.

Chuck Falci is a CPA with more than 25 years of financial leadership in the healthcare industry. For the last 15 years he has worked in Physician Practice Management, predominantly in Radiology, Anesthesiology and Emergency Medicine. He credits his success in financial leadership positions to his ability to develop strong relationships with the physicians he serves. Mr. Falci is presently a Senior Practice Manager with Zotec Partners. He lives in Frisco, Texas and counts cooking, travel and outdoor pursuits among his hobbies.

Disclosures

- Nothing to disclose

Learning Objectives

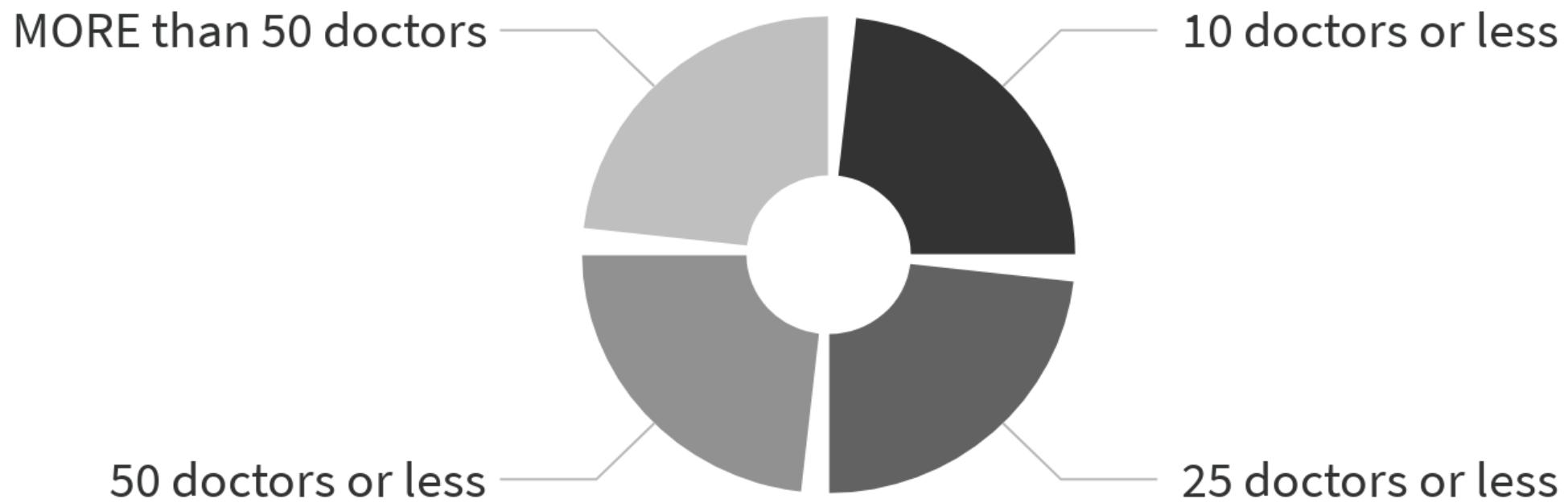
- Recognize that a smooth transition of leadership requires a well thought out succession plan – it doesn’t just “happen”
- Examine the essential elements needed for your plan to be successful
- Acknowledge that the different generations in your group will have different ideas for running the group
- Identify those differences – Where “Baby Boomers” and “Gen X’ers” will disagree
- Develop a process for understanding those key generational differences and working through the friction

Please select your generation according to the year you were born.

Born 1945 and prior (Traditionalist)	Born between 1946 - 1964 (Baby Boomer)	Born between 1965 - 1980 (Generation X)	Born 1981 - 2001 (Millennial)
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Please indicate the size of your Radiology practice by the number of doctors it employs (include full time and part-time):

10 doctors or less A 25 doctors or less B 50 doctors or less C MORE than 50 doctors D



Radiology Succession Planning – Consideration for the Generations

Succession Planning, Option 1 – Hope for Magic



“What if we don’t change at all ...
and something magical just happens?”

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Succession Planning = Planning for Success

How do you measure “success” in your radiology practice?

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Three Things That Matter Most to Radiologists...



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Three Things That Matter Most to Radiologists...



COMPENSATION

Because everyone wants their “*slice of the pie*”

- Radiologists are the 5th highest compensated medical specialty
- 65% of Radiologists believe that they are fairly compensated *

* *Medscape Radiologist Compensation Report 2018*

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Three Things That Matter Most to Radiologists...

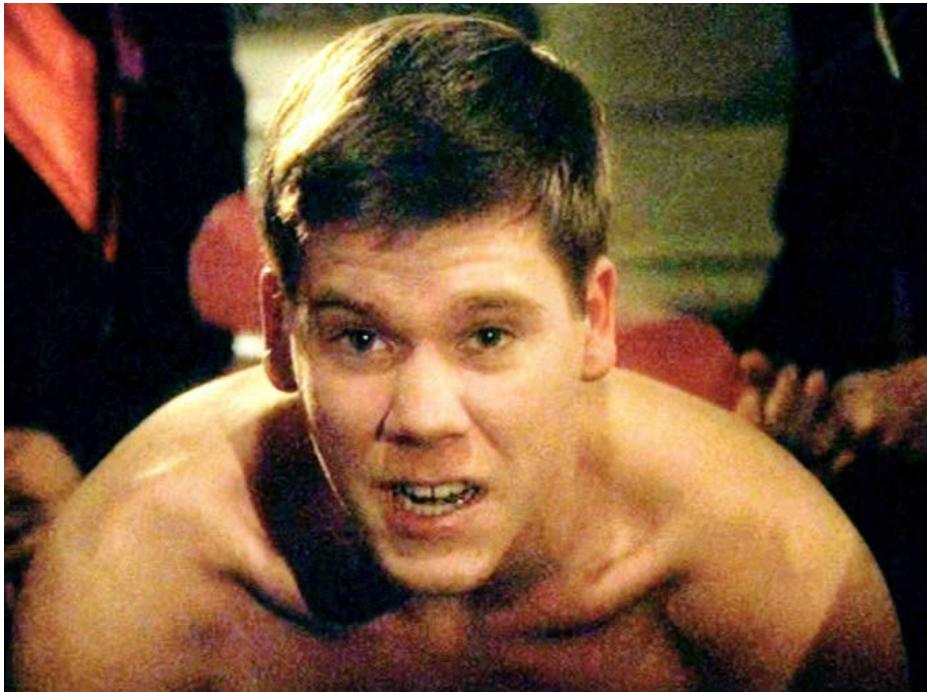


TIME OFF

Because everyone deserves their “*day in the sun*”

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Three Things That Matter Most to Radiologists...



CALL

Because everyone knows call can be a beating...

When Radiologists were asked:

- Q: *What is the most challenging part of your job?*
- A: *Having to work long hours* 24% (#1 answer) *

"Thank you sir, may I have another?"

* Medscape Radiologist Compensation Report 2018

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Basic stuff. The “trick” is keeping all 3 things in balance



- Equitable Compensation,
- Balanced with Time Off, and
- Shared Call Responsibilities.

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Here's a story:

Once
upon
a
time...

I am managing a group of
11 Radiologists and they
were all feeling successful.



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Here's the numbers:

2012

No. of Physician FTE's	11
Average W2 Compensation	\$508K
Number of Weeks Vacation	12
Call Week Rotation	1 in 11

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CHANGE

“We fear the unknown because we can’t anticipate the outcome.”

“This Is the Reason Why People Resist Change”

By Gustavo Razzetti

“People will choose unhappiness over uncertainty”

- Timothy Ferriss The 4-Hour Workweek



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*Here's the next
chapter of the story:*

	<u>2012</u>	<u>2013</u>	<u>What CHANGED in 2013?</u>
No. of Physician FTE's	11	11	<ul style="list-style-type: none">Main hospital closed down
Average W2 Compensation	\$508K	\$275K	<ul style="list-style-type: none">Revenues dropped by 40%
Number of Weeks Vacation	12	22	<ul style="list-style-type: none">Group elected not to reduce head count
Call Week Rotation	1 in 11	1 in 18	

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“It is up to the leadership to drive the change...” *Brent Gleeson, Navy SEAL, speaker and bestselling author*



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*Here's what
happened next:*

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>What CHANGES occurred in 2014?</u>
No. of Physician FTE's	11	11	8	<ul style="list-style-type: none">I relocated one doctor to another practice I managed
Average W2 Compensation	\$508K	\$275K	\$352K	
Number of Weeks Vacation	12	22	20	<ul style="list-style-type: none">Group president resigned
Call Week Rotation	1 in 11	1 in 11	1 in 8	<ul style="list-style-type: none">Group vice-president resigned



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Make a Plan

If you develop a plan on a collaborative basis your group will see the possibilities and be willing to take a calculated leap.

The focus will no longer be on the risk of the unknown but on the rewards of executing the plan together.



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*Here's the point
of the story:*

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>What changes occurred in 2015?</u>
No. of Physician FTE's	11	11	8	7.44	<ul style="list-style-type: none">Volume at the other campus improved
Average W2 Compensation	\$508K	\$275K	\$352K	\$557K	<ul style="list-style-type: none">Group developed a Part-Time Shareholder Policy
Number of Weeks Vacation	12	20	20	10	<ul style="list-style-type: none">2 “tenured” Shareholders went to Part-Time
Call Week Rotation	1 in 11	1 in 11	1 in 8	1 in 7.5	

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A Part-time Shareholder Plan Provides a Bridge...

The effect on Compensation, Vacation and the Call Schedule can be moderated.

The Plan gives the group a stable yet flexible workforce while they recruit, and

It provides benefits...

- to new group members,
- to older members who wish to slow down, and
- to the group as a whole.



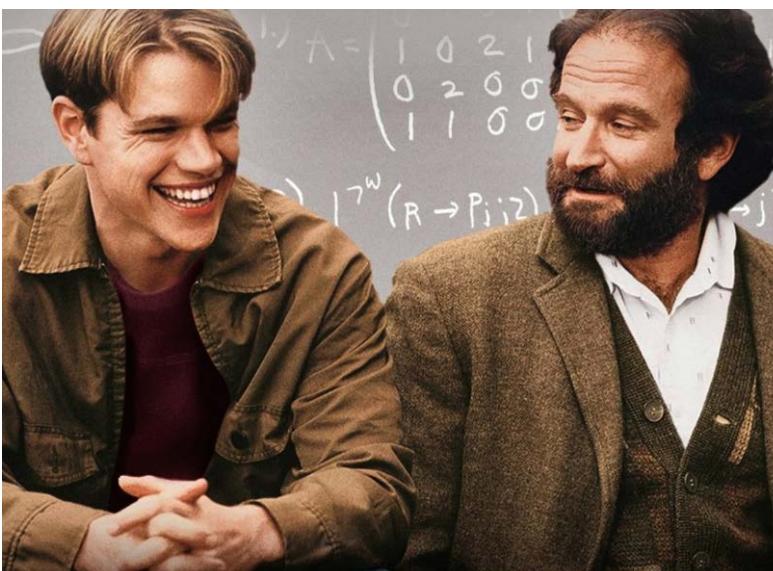
High Bridge – Amsterdam, Netherlands

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Benefits to New Group Members

“Other benefits to a practice in which more seasoned radiologists select a gradual transition to retirement is that those radiologists can act as mentors to less experienced radiologists...”

Dr. David Vickar, Radiologist with Medical Imaging Consultants and Assistant Clinical Professor at the University of Alberta



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Benefits to Older Members

"The concept of partial or phase-in retirement allows a group of radiologists [to adapt to change]," said Vickar, who works on a 70% schedule at his group radiology practice.

"Bridge or part-time retirement will be most palatable for both the individual radiologist and the radiology practice."

Dr. David Vickar, Radiologist



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Benefits to The Group



"If you have older radiologists who are semiretired and stay on with the group [radiology practice], you will have the corporate memory of what you had in the past..."

Dr. David Vickar, Radiologist

"Somebody in this refinery has to know where all the pipes are buried. In an emergency, we need somebody with that kind of knowledge, or this town could blow up."

Hayden Shaw

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Building a Part-time Shareholder Policy... is FUN!

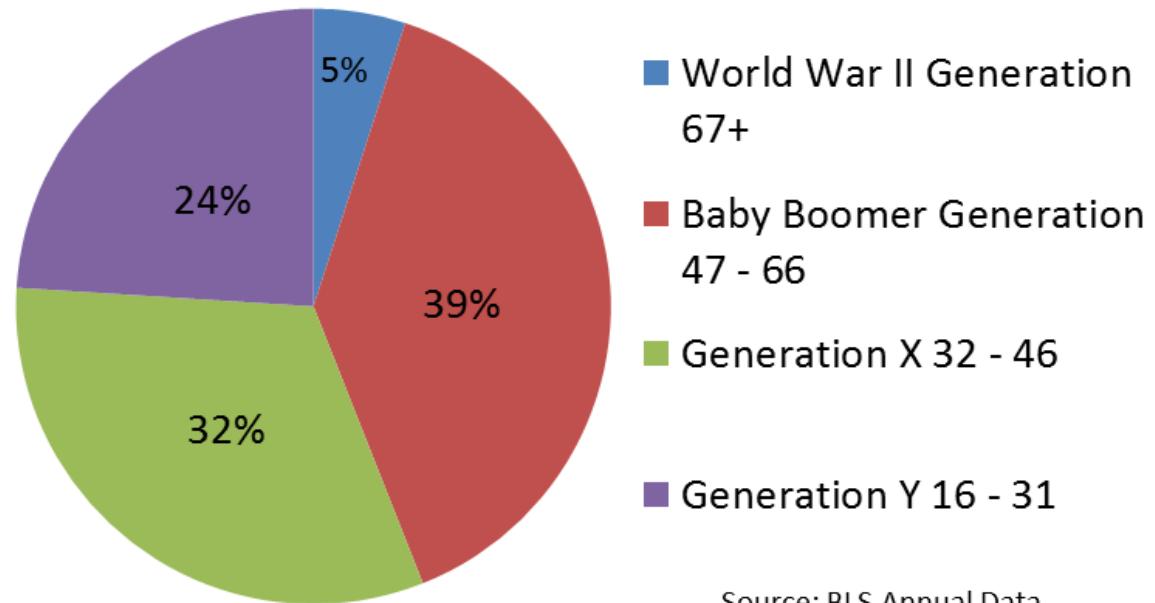
If you cannot see the value of using this policy as a tool for your practice, I don't know what else to tell you (my 16 minutes goes by fast) and I am (almost) out of pictures...

During the upcoming breakout session I will walk through the basic tenets you will need to include when you build your group's part-time shareholder policy. It will be engaging and interactive.

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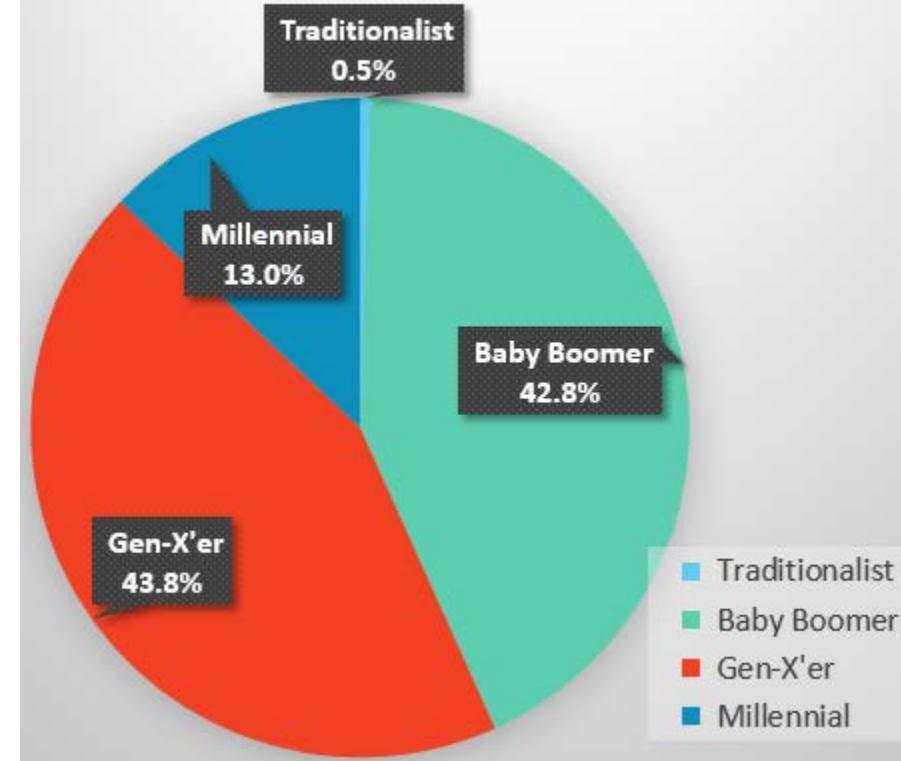
Another Kind of Pie

US Labor Force by Age



The Breakdown in 2012

Working Radiologists By Generation



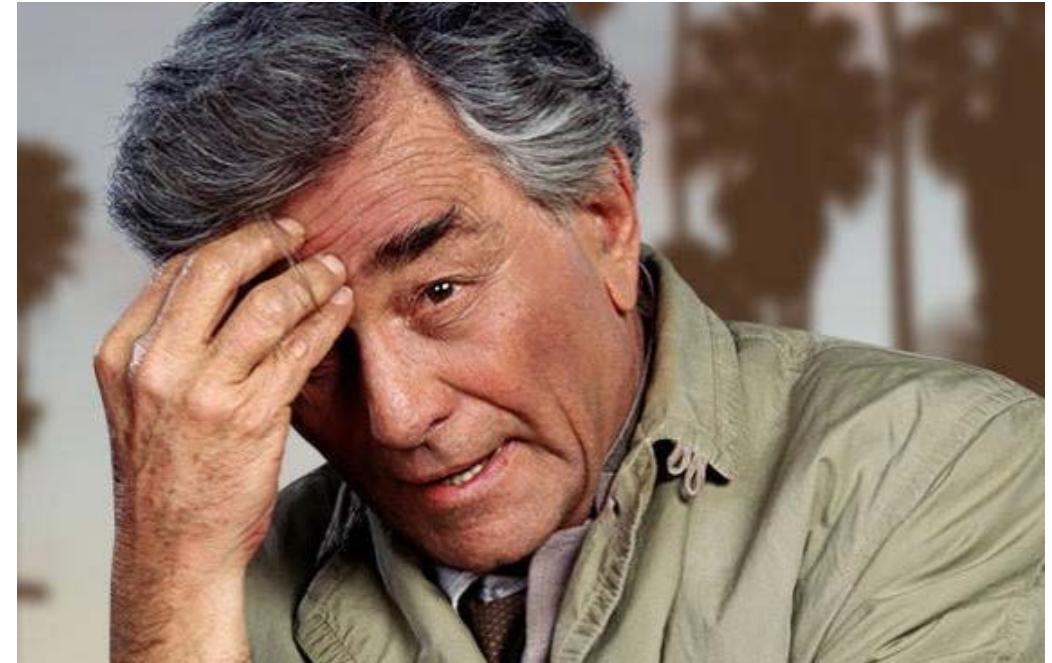
The Breakdown in 2018

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The Next Big Change

Let's see if I have this right:

- The demand for radiology services is increasing (*because the Baby Boomers want to be active longer*)
- The Baby Boomers are 43% of your work force (*and your leaders*) and they're retiring (*10K per day*)
- The Gen-X'ers are moving into your leadership positions (*if they stay with your group*)
- Over the next 5 years you are going to have to hire Millennials to replace the Baby-Boomers



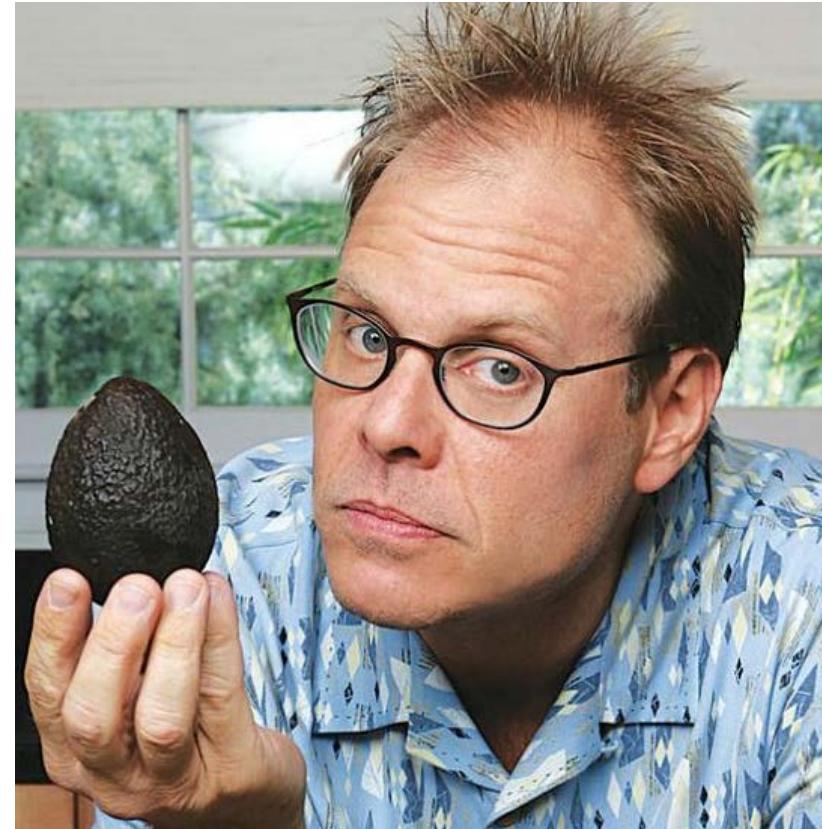
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The Next Big Change, continued

And, let's see if I have this right:

All 3 Generations have *different*:

- Value Characteristics,
- Work Values,
- Interaction Styles, and
- Communication Preferences*



What's the Answer?

* Motivaction "Change is in the Air" by Tim Richard, 09/13/2013

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The Answer is Leadership

“Leaders love their people.

If we love people we won’t try to change them.

We can only lead people if we quit trying to change them,

And we can’t quit trying to change them until we appreciate them.

We can’t appreciate them until we understand them.

Leadership starts with understanding.”

Haydn Shaw “Sticking Points”
Tyndale Press, 2013

“Seek first to understand, then to be understood.”

Stephen Covey, author of “The Seven Habits of Highly Effective People”
Franklin Covey, 1989

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Understanding the Generations in Your Practice

World War II Generation	Born Before 1945
Baby Boom Generation	Born 1946-1964
Generation X	Born 1965-1980
Millennial Generation	Born 1980-2000

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Understanding the Generations in Your Practice: Baby Boomer

Value Characteristics: Optimistic, Involved, Youthful outlook undaunted by age

Work Values: Workaholics, they often see career as tied to their self worth

Interaction Style: Team Players

Communication Preference: Face to face meetings. They prefer open, direct and honest interactions and work best with detailed comprehensive plans

Motivators: Material acquisitions, titles and personal success.



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Understanding the Generations in Your Practice: Gen-X

Value Characteristics: Skeptical, fun & informal

Work Values: Self reliant and efficient, adaptable and results focused.

Interaction Style: Entrepreneur, prefer to work alone

Communication Preference: Direct. Email or text
- don't have time for face to face conversations.
Feedback only when they ask. When talk is necessary they prefer short, informal conversations.

Motivators: Security



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Understanding the Generations in Your Practice: Millennial

Value Characteristics: Realistic, confident, social

Work Values: Entrepreneurial, Collaborative, Impatient to make contributions.

Interaction Style: Participative, like to work in teams

Communication Preference: Indirect, text, but clear and open communication, want constant real time feedback

Motivators Want to do work that improves society, need work/life balance, and crave frequent learning and more opportunities for advancement.



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Communication

*“Communication is one of the easier sticking points to get out on the table because people already speak openly about new technology and about the differences in the way the generations communicate...” **

BOOMER – Face to Face **GEN-X** – Text (don’t call!) **MILLENNIAL** – Text (clear & open communication)

*“...figure out the language of the other generations and try to speak it.” **

“I said do you speak-a my language?”



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Communication

“Organizations need to ask the generations to help them shape their messages to better speak each generations language.”

Haydn Shaw

ADAPT

Leadership needs to adapt their message and their method to communicate with all generations effectively.



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Communication - Millennials

Millennials represent the largest generation in U.S. history, and when it comes to communication they are ACES



“Millennials may use technology more than past generations, but they still prefer face-to-face engagement”

“Millennials are able to adjust their communication approach to their audience.”

“...the most effective way to communicate with Millennials is to follow the same best practices for communicating with every generation.”

Caitlin Hendee – Associate Editor, Denver Business Journal, Aug 20, 2015

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Work Ethic

“Work ethic is the most common *sticking point* you will encounter in the workplace.”

Haydn Shaw

Baby Boomers

Workaholics, they often see career as tied to their self worth.

Why?

They pursued self actualization at work. If it took staying late to get ahead, then they stayed late.

“Boomers expected work to provide excitement and achievement, so they kept work at the center of their lives and worked long hours.”

Haydn Shaw



“... [Baby boomers] see work as the steak and everything else in life as the vegetables, salad and dessert.”

Haydn Shaw

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Work Ethic, continued

Both Gen-X'ers and Millennials "... see life as a waffle. Work is one quadrant of the waffle, and everything else... make up the other three squares. So please, boss, keep your work syrup off the other 3 squares of my waffle." *

Haydn Shaw

Generation X

Self reliant and efficient, adaptable and results focused

Why?

Survived multiple recessions and have lower expectations for their jobs. Value work-life balance and their roles as parents.

"If it's a legitimate crisis, I'll work Thursday night. But if it's been sitting in your inbox for the last week and you are tossing it to me at 4:00, then I've got plans. If it's your mistake then it's your late night."

Haydn Shaw



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Work Ethic, continued

Millennials

Entrepreneurial, collaborative, impatient to make contributions.

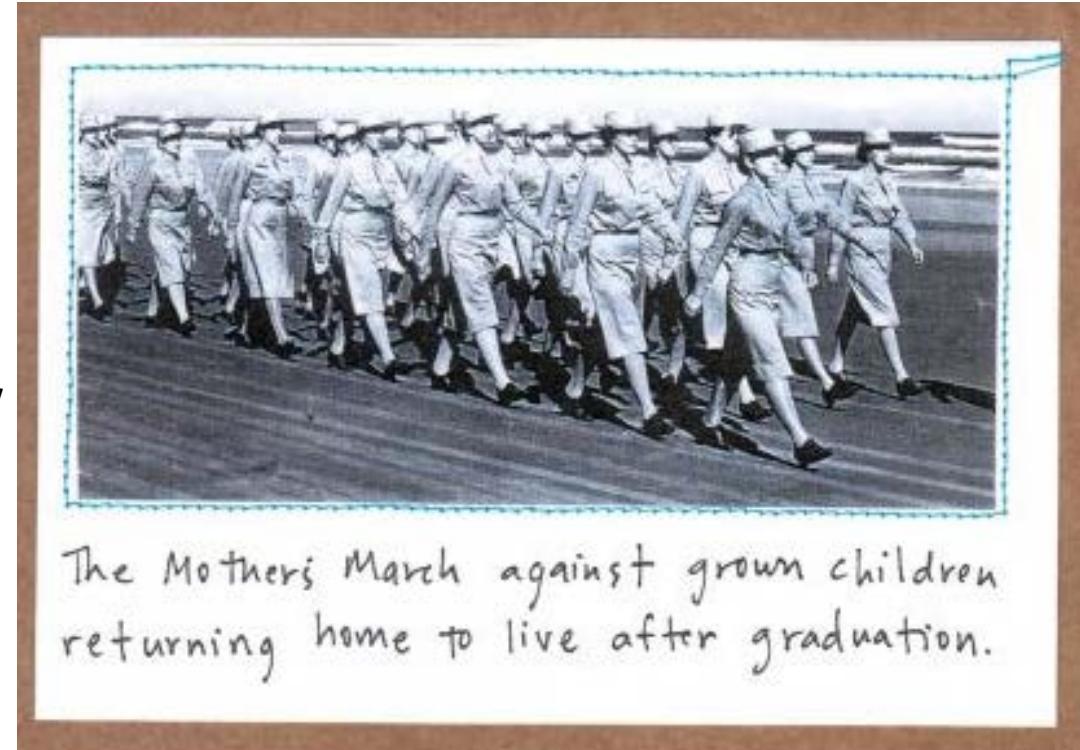
Why?

Because they are not work-centric like their Boomer parents were. They have stayed in school longer, marry later and don't have the same financial pressures as their Gen-Xer colleagues who are now raising kids.

Millennials want it all (Eighty-four percent want to succeed!)
But, they put friends and family as their highest priorities.

“Flexibility in scheduling is important to Millennials and over 80% prefer it, but the vast majority want the structure and mentoring opportunities of a workplace.”

Haydn Shaw



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Work Ethic, concluded



To sum it all up: when determining how **flexible** the group can be in accommodating generational differences, you need to ask this question:

Are we dealing with a:

BUSINESS NECESSITY

OR

GENERATIONAL PREFERENCE?



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Harness the Power

Where each generation presents a unique strength to your practice:

Baby Boomers know that good processes save time and prevent errors



Gen-X'ers can show us how to cut to the chase



Millennials can figure out where the shortcuts are



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Mind the Gap!

"To effectively bridge the gap between these multigenerational employees, companies are beginning to look at culture as the roadmap to success.



Now it's about providing more than just a decent salary and benefits.

While pay and benefits may continue to appease the remaining baby boomers, the workforce of Gen X and Gen Y are looking for incentives, gratification and a healthy work-life balance."

Jason Richmond

