



## Managed Transitions Case Study:

### Client Description:

Our client is an award-winning 500+ bed academic medical center that serves a 35-county area. A regional referral center for cardiac care, cancer care, trauma, pediatrics, high-risk obstetrics, and neonatology, the hospital includes the region's only Level 1 trauma center, the region's only children's hospital, and a state-of-the-art medical research laboratory. The medical center provides residency training in diagnostic radiology, family medicine, internal medicine, obstetrics and gynecology, pediatrics, and surgery. In 2007 113 physician residents were trained, provided clinical education to 80 - 90 medical students, and provided roughly \$70.6 million in charity care. The Medical Center has been named a **Distinguished Hospital** by J.D. Power and Associates four years in a row for providing an outstanding patient experience.

The hospital is a major employer within the community. The community reflects an economically diverse population.

### Precipitating Event:

The organization had experienced significant losses under the leadership of a former CFO. The financial and operations infrastructure required attention to reverse the significant and ongoing loss from operations (two year loss exceeded \$35 million). After the termination of the CFO, an interim CFO was sought to stabilize the finance organization and marshal a recovery effort while a national search for a permanent CFO was initiated.

Managed Transitions performed the following transition management services:

### ***Executive Management***

1. Placement of a highly experienced interim CFO.
2. Development of an organizational turnaround plan, and implementation initiation as a member of the executive team.
3. Transition to permanent CFO.



***Financial:***

1. Managed Transitions placed an Interim CFO to manage daily financial operations and develop an operations improvement initiative.
2. Established and initiated implementation of revenue cost savings action plan totaling \$35 million.

**Impact:**

- Stabilized the finance team to enable the next level transition.
- Initiated implementation of an operations improvement plan.
- Efficiently transitioned financial operational responsibilities to the permanent incumbent CFO.
- Knowledge transfer and mentoring of finance staff was a key component of the engagement.