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Anticipation, Expectation, Truth Telling By James L. Holly, MD Your Life Your Health *The Examiner* November 29, 2012

One of the two modern books which has influenced SETMA is Tom Morris' *If Aristotle Ran General Motors*. Before becoming a business consultant, Morris was a professor of philosophy at the University of Notre Dame. In this book, Morris applies the four cardinal virtues identified by Aristotle to American business in the 21st Century. One of those virtues is "truth." The following quotes are about "truth" from Morris' book:

- "Truth is the foundation for trust, and nothing is more important for any business endeavor than trust." (p. 30)
- "There is probably no greater source of wasted time and energy in modern corporate life than the distraction that arises when truth is not readily available in the workplace and speculation, gossip, and rumor rush in to fill the void." (p. 30)
- "...the Spanish-born Roman poet Martial wrote in the first century, 'Conceal a flaw and the world will imagine the worst.' Whenever you confront a problem, you confront the need for truth. The people who work with you can't be their best if they are busy imagining the worst:
 - concerning the state of the company
 - what you think of their performance, or
 - What the future might hold. (31)
- "Robert Townsend...CEO of Avis Rent a Car, tells about a former associate who seems to have mastered the knack of speaking the truth in love. Townsend reports that every time he was pressing a new idea that this colleague didn't think would work, he would get a memo that began with the phrase 'Dear *Jefe de Oro*,' which he says is an Inca-like form of address, to be translated, 'Dear Chief of Gold.' The memo would continue like this, 'If you say so, it will be my hourly concern to make it so. But before I sally forth in service of this your latest cause, I must tell you with deep affection and respect that you're full of it again...'" (p. 35)
- "...Tomas Hobbes (1588-1679) said, 'Knowledge is power...Too few executives seem to see that the sharing of knowledge yield more than shared power. It typically results in greatly expanded power.'" (p. 36)
- "As knowledge is shared, it expands. And as knowledge expands, power expands. Why should you run a forty-watt company when you could all be blazing with light? Share your knowledge and multiply your power." (p 37)
- "This is the philosophical basis for the success of what is now coming to be known as an "open-book management,' an approach to business life that centers on the concept of sharing knowledge with all associates about the financial shape, overall market,

and strategic plans of the company. (p. 37)

Applying Openness in SETMA

Yesterday (November 20, 2012), SETMA's partners had their regular meeting. Several of the partners and our COO indicated that a number of people had asked if they were receiving a bonus this year. This raised the concern that SETMA's success could create a potential for a failure. How?

First, I need to tell you how SETMA has managed its finances for the past 18 years, which is the same way I have managed my medical practice for the past 37 years. Everyday, since August 1, 1995, SETMA's partners have received a cash-flow report. It tells what our debts and obligations are and what our collections have been and what the productivity of each healthcare provider is. There was a time when the list of SETMA's long-term debts and obligations ran into the millions. Due to hard work, good cash management, contract negotiations and the blessings of God, today, SETMA is debt free. The only things we owe are rent, supplies, salaries and other recurring, routine business costs. We owe no-long term debt and we have built up cash reserves for a "rainy day."

Second, I want to explain to you the decision tree which guides SETMA's allocation of resources. The following, in descending order, is the order in which SETMA's obligations are paid.

1. Employee salaries and benefits
2. Vendor bills – those who supply us "things"
3. Partner Salaries
4. Support of the SETMA Foundation
5. Employee bonuses
6. Partner bonuses

Employee salaries and benefits – insurance, matching 401 K contributions, etc -- will always be paid first. Vendor bills are paid before SETMA's partners receive any compensation. There are reality and teeth in this decision tree. During and after Hurricane Rita, the partners of SETMA did not receive a salary for three and a half months, but employees and vendors were paid.

During that time, even though the company lost over one million dollars, SETMA did not have to borrow any money in order to meet its obligations. This past summer (2012), there was eight weeks that the partners did not get paid. We were not in a crisis but only in a temporary cash flow shortage, which we were confident would pass; but, employees were paid and vendors were paid, while the partners were not. At that time, we did not access the established reserves for employee benefits – healthcare insurance and 401 K matching funds, or the cash reserves we have set aside for emergencies or for strategic opportunities. As anticipated, by the end of September, everything was fine.

The line after the first three groups indicates that nothing else is "guaranteed." And this is where the potential problem comes. SETMA's contributions to the Foundation would not take

money away from employees but it does and would take money away from partners. It is listed before employee and partner bonuses to indicate how deeply we are committed to this part of our benevolence.

We are confident that the day will come when there will not be money for bonuses. We think that will not be this year but it could very likely be next year. As pressure mounts to decrease healthcare costs, we anticipate that reimbursements will decrease, and it is possible that we will not have money for “extra” things. The good news is SETMA’s business plan anticipates such. The SETMA partners know that if “bad times” come, their salaries will be decreased significantly before anyone else will feel the pain. Could things become so bad that everyone will feel the stress? Maybe; we don’t think so, but it could come to that. Hopefully, it is an encouragement to you that SETMA was built with elasticity and resiliency so that we can both enjoy the good times and survive the bad.

Anticipation and Expectation

The potential problems we hope to avoid are created when “anticipation” – the excitement and hope of a bonus – turns into “expectation” – the demand for something you believe you deserve and that if you don’t get, you will resent it. Expectations will bring you sadness, heartache and eventually bitterness, as you feel cheated or neglected. Anticipation is a wonderful part of life. The joy of special events and occasions comes from anticipation, but too often we allow anticipation to become a sense of entitlement where we demand that which we once joyfully only anticipated. Anticipation adds spice and flavor to life. Expectations are always a destructive force.

How can we know if anticipations are becoming expectations in our life? Most often it is when we start asking about whether we are going to receive something we hope for and anticipate.

Anticipations are best enjoyed in our own heart, where we hope for something which we know is “extra;” it is lagniappe. Because it is an anticipation, we keep it to our self. When we start pressing for something, or pressuring others for it, then our anticipation is becoming an expectation. There are things which we can hope for, maybe even pray for, but we cannot ask for. There is one honor which I treasured above all and that was to be a Distinguished Alumnus of my School of Medicine. I hoped that I might receive that honor and I anticipated the possibility of obtaining it. But, I knew I could not ask for it, or expect it. It had to be “given.”

Bonuses are like that. Because no one’s salary is computed with the expectation of a bonus but are computed as a fair market value of the work you do, bonuses are “really” gifts. Anticipate it, but don’t let that become an expectation because if you do, all of the joy will be taken out of it, even if you get it. The joy will be taken out of it for those who give it and for those who receive it.

The Joy of Giving

I have always been proud of the partners of SETMA. They share in the joy of giving to many, but most of all they take joy in giving to you, our colleagues, who make SETMA successful. Remember, it is part of human nature that that which you voluntarily give with joy; you will only relinquish with bitterness if it is demanded. The problem with expectations is that they steal the joy of the giver and of the receiver.

It is my hope that we will always be able to express our appreciation to you with a monetary gift. I hope we can this year and we will know shortly whether or not we can, but I also hope that when the day comes when we can't, that the memories of the thanksgiving we shared when we did receive those gifts, will enable us to be as joyful when we don't get what we anticipate, as we were when we did.

Please read SETMA's Your Life Your Health article for November 22, 2012, Thanksgiving Day. And remember, the ability to give does not come from how much you have but from how much you care. You will be more blessed by finding a family or a child to whom you can give a "bonus", a lagniappe, than you will by the bonus you may receive from us. It is our joy to give to you; you will find joy by giving to others.

The following illustrates this. There was a very successful shoe manufacturer in this country. Annually, he gave away millions of dollars. When times changed, he lost his company. Virtually penniless, a friend asked him, "Don't you wish you had all that money you gave away?" He responded, "No, the only thing I did not lose is what I gave away." The wisdom of that lesson is matched by the famous quote from Sir Winston Churchill, "We make a living by what we get; we make a life by what we give."

Thank you for what you do for us every day. Thank you for being part of this great healthcare team. Your work does not go unrecognized. The good that you do builds every day. Thank you and may God bless you and your family today and every day as you make a living and as you make a life.

A Last and Lasting Thought: Random Acts of Kindness

Yesterday (November 21, 2012), Dr. Caesar Deiparine and I decided that as our Thanksgiving Gift to our associates, we would see all of the patients at Baptist this morning. We were not scheduled to do that and we were not required to do it. But like all "random acts of kindness," this gesture had great power for good to those who were responsible for our inpatient care on Thanksgiving Day.

A note to our colleagues on Thanksgiving Day said, "**All of Baptist has been seen. Please make sure that no one came in through the ER after we leave. As of now, there is no one to see. Full reports to follow.**"

“I hope that you learn from this that ‘random acts of kindness are the most valuable gifts to others. **The only debt you incur in receiving this gift is that you are now obligated to do the same, not necessarily for us, but for others.** On this Thanksgiving day, we hope that this gives you an additional reason to thank God for your life and for your living.”