

# From vision to value: embedding strategy execution for organizational excellence

**A focused strategy and repeatable execution model deliver financial strength and enterprise-wide alignment**

## Summary

A regional nonprofit hospital that is part of a leading academic health system in the Northeastern United States engaged Kaufman Hall, a Vizient company, to implement a disciplined management system. This work aligned strategy with operations and embedded enterprise-wide accountability. Within two years, the hospital achieved a strong financial turnaround, surpassed margin targets and significantly elevated enterprise performance through a focused, repeatable execution process.

## Highlights

- Reversed operating margin from 35% below target to **18% above target** within 2 years
- Achieved **92%** of FY25 goals, up from 46% in FY23
- Embedded strategy execution through a **repeatable annual planning and review process**
- **Improved performance** across quality, experience, access and workforce
- Gained board to frontline alignment through **transparent scorecards and real-time reviews**

## From complexity to clarity in strategic execution

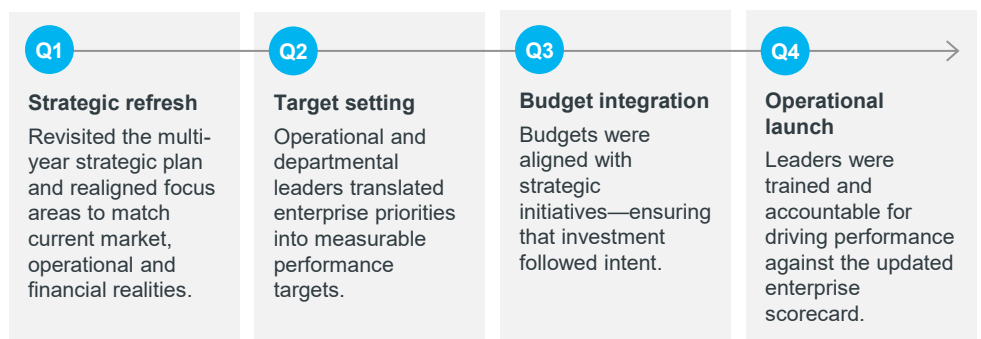
### Challenge

Healthcare leaders across the country are facing increasing margin pressure from declining reimbursements, rising costs, and mounting complexity. A 300-bed nonprofit hospital in the Northeast U.S. faced significant pressure from these and other operational challenges. Despite having strength and clarity in strategic initiatives, execution consistently fell short. In FY2023, the operating margin was 35% below target. Leadership described the organization as “running at full speed but struggling to make meaningful progress on what truly mattered.” Siloed efforts and incremental changes were no longer sufficient—they required a transformational approach.

### Solution

A customized management system was implemented to connect enterprise strategy with daily operations through structured planning, clear accountability and real-time course correction.

At the core of this approach was a tightly managed strategic operating rhythm. The team adopted an annual planning calendar to synchronize budgeting, target setting and operational planning with strategic refresh cycles. Departmental goals were linked to enterprise scorecards, and resources were directed toward the most critical priorities—referred to as the “vital few.”



To ensure accountability, the hospital introduced a cadence of monthly review meetings, weekly huddles, and quarterly executive and board-level check-ins. These forums allowed leaders to track progress, analyze root causes and quickly adjust plans. Staff at all levels gained line of sight into how their work supported broader objectives.

The hospital redefined the relationship between strategy, finance, and operations by embedding new tools into a cohesive, enterprise-wide approach.

## Results

The disciplined structure had immediate impact. Within a year, the hospital reversed its financial trajectory. In FY2024, the hospital exceeded its gross operating margin target by 8%. By Q3 of FY2025, it was tracking 18% above target.

Just as importantly, strategic follow-through improved dramatically. After years of inconsistent performance, it achieved 92% of its enterprise goals in FY2025, up from just 46% prior to the management system rollout. Momentum has carried across other domains, including quality, experience, workforce and access.

By embedding strategy into the rhythm of daily operations, the hospital transitioned from reactive problem-solving to proactive performance management.

**“I attribute these results and our team’s increased effectiveness to the management system we implemented.”**

*Chief Executive Officer*

## Impact

The results demonstrate how a disciplined management approach, led from the top and reinforced throughout the organization, translated strategic intent into measurable performance gains.

- **Faster course correction:** Lagging performance was identified early, enabling real-time interventions and proactive adjustments.
- **Stronger organizational alignment:** Staff at every level gained visibility into how their daily work supported enterprise-wide goals.
- **Sustained strategic focus:** By linking strategy, operations and budgeting in a continuous cycle, the hospital reduced initiative fatigue and stayed focused on its highest priorities.

## Key success factors

Several foundational elements enabled the organization to sustain progress, embed accountability and drive enterprise-wide results.



### Leadership discipline

Senior leaders consistently used the Management System to guide decisions, set priorities and reinforce accountability across the enterprise.



### Operational integration

Strategic initiatives were embedded into daily workflows, with clear ownership and alignment to enterprise goals at the department and team levels.



### Transparency and agility

Real-time dashboards and structured feedback loops enabled leaders to monitor performance, respond quickly to emerging issues and maintain momentum.

## Conclusion

The organization’s adoption of a structured management system marked a pivotal shift in its pursuit of sustainable high performance. By narrowing its focus to the most critical priorities, empowering frontline teams, and reinforcing leadership accountability, it established a disciplined model for strategic execution. What began as a response to financial instability evolved into a systemwide transformation—anchored in strategic alignment, data-driven decision-making, and a culture of continuous improvement. Today, the organization is not only achieving its goals but doing so with greater clarity, consistency, speed and long-term momentum.

For nearly 40 years, Kaufman Hall, a Vizient company, has been a trusted advisor to our clients. Our mission is to influence the transformation of the healthcare industry. We are committed to helping our clients identify and achieve their strategic, operational, and financial goals in a challenging environment. We provide independent, objective insights grounded in sound data and analysis to help clients fulfill their missions, achieve their goals, and tackle their toughest problems.

Contact us to schedule a strategy session or learn more.

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